

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11
)
) Case No. 13-10367 (MFW)
CONEXANT SYSTEMS, INC., et al.,1 )
)
) Reorganized Debtors. ) Relates to Docket Nos. 383, 414 & 416
)

STIPULATION PARTIALLY ALLOWING
AND COMPROMISING CLAIMS OF XIN FAN

This Stipulation (the "Stipulation") is entered into by and between the Conexant Liquidating Trust ("Trust") and Xin Fan ("Fan" and together with the Trust, the "Parties"). This Stipulation is made with reference to the following facts.2

RECITALS

A. On February 28, 2013, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court"), and their Chapter 11 Cases are being jointly administered as In re Conexant Systems, Inc., et. al., Case No. 13-10367 (MFW).

B. On April 11, 2013, the Court entered the Order (A) Establishing Bar Dates for Filing Proofs of Claim, Including Claims Under 11 U.S.C. § 503(b)(9); (B) Approving the Form and Manner for Filing Proofs of Claim; and (C) Approving Notice Thereof (the "General Bar Date Order") (Docket No. 162) establishing (i) May 17, 2013 (the "Bar Date") as the last date for persons or entities other than governmental units to file proofs of claim, and (ii) August 27, 2013 as the last date for governmental units to file proofs of claim.

C. On May 14, 2013, Fan timely filed two identical proofs of claim for general unsecured claims, each in the amount of \$101,188.26, one against Conexant Systems, Inc. ("Claim No. 78") and the other against Conexant, Inc. ("Claim No. 79").

D. The Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (the "Plan") (Docket No. 206) was confirmed by the Bankruptcy Court by order entered June 6, 2013 (the "Confirmation

1 The Reorganized Debtor in this case, along with the last four digits of the Reorganized Debtor's federal tax identification number is Conexant Systems, Inc. (9439). The Reorganized Debtor's main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660. The chapter 11 cases of the Reorganized Debtor's affiliated debtors have been closed.

2 Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

Order") (Docket No. 287). The Plan became effective July 12, 2013 (the "Effective Date") (Docket No. 322).

E. The Plan provides for the establishment of the Trust effective on the Effective Date of the Plan.

F. The Confirmation Order provides for the appointment of Solution Trust ("Trustee") as Liquidating Trustee of the Trust.

G. On July 12, 2013, the Debtors and the Trustee entered into the Liquidating Trust Agreement and Declaration of Trust ("Trust Agreement").

H. Pursuant to the Plan and Trust Agreement, the Trust is responsible for, among other things, administering all General Unsecured Claims filed against the Debtors, including investigating, objecting to, settling, and allowing all Disputed Claims, and paying Distributions to the holders of Allowed Claims in accordance with and subject to the terms and conditions of the Plan and Trust Agreement. Under the Plan, the Trust is authorized, without limitation, to settle any disputed general unsecured claim without notice to or order or approval of the Bankruptcy Court

K. The Trustee disputes the validity and amount of Claims Nos. 78 and 79.

L. Pursuant to the Plan and Trust Agreement, the Trust is authorized to settle the Parties' dispute over Claims Nos. 78 and 79 on the terms and conditions set forth herein.

M. Fan and the Trust have mutually agreed to settle, compromise, and resolve Claims Nos. 78 and 79 on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises of the Parties herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Recitals. The above recitals are incorporated into and made a substantive part of this Stipulation.

2. Effective Date of Agreement. This Stipulation shall become effective when the last Party executes this Stipulation.

3. Allowance of Claim No. 78 in Reduced Amount; Disallowance of Claim No. 79. Claim No. 78 shall be liquidated and finally Allowed as a General Unsecured Claim in the amount of \$36,000.00 and shall be administered and paid in accordance with the terms and conditions of the Plan and the Trust Agreement. Allowance of Claim No. 78 is in full satisfaction of all claims that Fan now has or has ever had against any one or more of the Debtors and other Releasees (defined below). Claim No. 79 shall be disallowed in its entirety. To the extent Claim No. 78 is not Allowed in this Stipulation, it is disallowed.

4. General Release of Debtors, Trust, and Trustee. Except for the rights and obligations established by this Stipulation, Fan covenants not to sue and forever releases, waives, and discharges from liability each of the Debtors, Trust and Trustee (“Releasees”), together with their respective successors, assigns, agents, attorneys, employers, affiliated parties, officers, directors, managers, partners, members, related entities, insurers and all other persons or entities who may be vicariously liable through them, of and from any and all Claims (including all filed and scheduled Claims), demands, rights, defenses, causes of action, liabilities, obligations, and duties of any kind or nature whatsoever, known or unknown, which were or could have been asserted through the date of this Stipulation, provided, however, that nothing in this Agreement shall affect Fan’s right to pursue and receive any amounts or distributions to which she may be entitled under the Plan and Trust Agreement on account of her Allowed Claim No. 78.

5. The Parties each acknowledge that Section 1542 of the Civil Code of California provides that:

A general release does not extend to claims to which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The provisions of Section 1542 of the Civil Code of California are hereby waived by the Parties with respect to Claims Nos. 78 and 79 and all other claims.

6. Each of the parties hereto represents that it has not sold, pledged or otherwise assigned or transferred, in whole or in part, its interest in any of the Claims implicated in this Stipulation.

7. Each Party and signatory to this Stipulation represents and warrants to each other Party that such Party or signatory has full power, authority and legal right and has obtained all approvals and consents necessary to execute, deliver and perform all actions required under this Stipulation.

8. This Stipulation constitutes the entire agreement between the Parties and may not be amended or modified in any manner except by a writing signed by each of the Parties or their counsel. There are no other covenants, promises, agreements, conditions or understandings, either oral or written, expressed or implied, between the Parties, except for this Stipulation with respect to its subject matter.

9. The Parties expressly acknowledge and agree that the terms of this Stipulation have been completely read, are fully understood, and are voluntarily accepted.

10. This Stipulation shall be immediately effective and enforceable upon execution by all Parties, and shall be binding and shall inure to the benefit of the Parties and, to the extent applicable, their respective heirs, legal representatives, successors, and assigns.

**Execution Copy**

11. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original, including any facsimile or "PDF" counterparts, and which together shall constitute one and the same agreement.

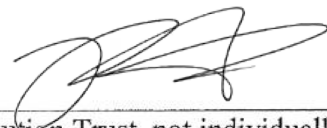
12. The Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Stipulation.

**CONSENTED AND AGREED TO BY:**

XIN FAN

CONEXANT LIQUIDATING TRUST

By: 

By: 

By: Xin Fan [print name]

Solution Trust, not individually, but solely as Liquidating Trustee of the Conexant Liquidating Trust

Its: Engineer [print title]

By: Peter Kravitz [print name]

Dated: January 29, 2014

Its: Liquidating Trustee [print title]

Dated: January \_\_\_\_\_, 2014

February 12, 2014