FORM B10 (Official Form 10) (10/05)

UNITED STATES BANKRUPTCY COURT _____ DISTRICT OF DELAWARE

PROOF OF CLAIM

Name of Debtor
LG PHILIPS DISPLAYS USA, INC.

Case Number
06-10245

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property):
DNP ELECTRONICS AMERICA, LLC

Name and address where notices should be sent:
c/o Patricia S. Mar
Morrison & Foerster LLP
425 Market Street, 33rd Floor
San Francisco, CA 94105-2482
Telephone number: (415) 268-7000

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check box if you have never received any notices from the bankruptcy court in this case.

☒ Check box if the address differs from the address on the envelope sent to you by the court.

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Last four digits of account or other number by which creditor identifies debtor:

Check here if this claim ☐ replaces ☐ amends a previously filed claim, dated: _____

1. Basis for Claim

☒ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other See Addendum Attached

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)
Last four digits of your SS #: _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred:

3. If court judgment, date obtained:

4. Classification of claim. Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time case filed See reverse side for important explanations.

Unsecured Nonpriority Claim $ 3,833,014

☒ Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.

Unsecured Priority Claim.

☐ Check this box if you have an unsecured claim, all or part of which is entitled to priority.
Amount entitled to priority $ _____
Specify the priority of the claim:

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B)

☐ Wages, salaries, or commissions (up to $10,000),* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

Secured Claim.

☐ Check this box if your claim is secured by collateral (including a right of setoff).
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle
☐ Other _____
Value of Collateral: $ _____
Amount of arrearage and other charges at time case filed included in secured claim, if any: $ _____

☐ Up to $2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (_____).

Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

5. Total Amount of Claim at Time Case Filed: $3,833,014 (unsecured) _____ (secured) _____ (priority) 3,833,014 (Total)

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

6. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

7. Supporting Documents: *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

8. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

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Date
August 4, 2006

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
Patricia S. Mar, Attorney

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

ADDENDUM TO PROOF OF CLAIM OF
DNP ELECTRONICS AMERICA , LLC

Creditor DNP Electronics America, LLC ("DEAL") asserts a claim against Debtor LG Philips Displays USA, for the amount of $3,833,014.00 plus any interest to which DEAl is entitled pursuant to contract or statute.

DEAL manufactured and sold product to Debtor, known as the "Shadow Mask," pursuant to a contract, titled "VMI/Consignment Stock System Agreement," dated September 1, 2004, a copy of which is attached hereto as **Exhibit A.** Unpaid invoices owed by Debtor to DEAL, as of the petition date, total $3,737,414. In addition, Debtor owes DEAL an additional $95,600 for masks which were ordered by Debtor, and which had been manufactured by DEAL for Debtor but which had not yet been shipped or invoiced as of the petition date. A summary of the unpaid amounts, by invoice number, is attached hereto as **Exhibit B**. Copies of the invoices and other relevant backup documents are attached hereto as **Exhibit C**.