

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
: :
TSIC, Inc. f/k/a Sharper Image Corporation,¹ : Case No. 08-10322 (KG)
: :
Debtor. : Related Docket No. 1611
: :
: :
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**ORDER ON DEBTOR'S MOTION PURSUANT TO
SECTION 105(a) OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 9019 FOR APPROVAL OF SETTLEMENT
AGREEMENT BETWEEN DEBTOR AND MOTOROLA, INC.**

Upon the motion (the "Motion")², dated March 4, 2009, of TSIC, Inc. f/k/a Sharper Image Corporation, as debtor and debtor in possession ("TSIC" or "Debtor"), for an order, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, authorizing and approving a stipulation and settlement agreement (the "Settlement Agreement") between TSIC and Motorola, Inc. ("Motorola"), all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and due notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and after consideration of the representations set forth in the Motion and upon all of the proceedings had before the Court; and the relief requested in the Motion and the Settlement

¹ The address of the Debtor's principal executive offices is 1255 Treat Blvd, Suite 300, Walnut Creek, California 94597. The Debtor's EIN is 94-2493558.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.



Agreement being in the best interests of TSIC's estate; and after due deliberation and sufficient cause appearing therefor, IT IS ORDERED:

1. The Motion is granted;
2. Pursuant to Bankruptcy Rule 9019, the terms and conditions of the Settlement Agreement are approved;

3. TSIC and Motorola are authorized to implement the terms of the Settlement Agreement;

4. In accordance with the Settlement Agreement, Motorola shall pay to TSIC the amount of One Hundred Eighty Five Thousand Dollars (\$185,000.00) in full and final settlement of the Dispute within one (1) business day of this Order becoming a final and non-appealable order, as set forth in the Settlement Agreement; and

5. The Court shall retain jurisdiction over any and all disputes arising under or otherwise relating to the construction, performance, and enforcement of the terms and provisions of the Settlement Agreement and this Order.

Dated: Wilmington, Delaware
March 20, 2009



THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
TSIC, Inc. f/k/a Sharper Image Corporation,¹ : Case No. 08-10322 (KG)
Debtor. :
-----X

**STIPULATION AND SETTLEMENT AGREEMENT
BETWEEN TSIC, INC. AND MOTOROLA, INC.**

TO THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE:

TSIC, Inc. f/k/a Sharper Image Corporation, as debtor in possession ("TSIC"),
and Motorola, Inc. ("Motorola," and together with TSIC, the "Parties") stipulate and agree:

RECITALS:

A. On February 19, 2008 (the "Commencement Date"), TSIC commenced a
voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code")
in the United States Bankruptcy Court for the District of Delaware (the "Court").

B. On December 12, 2008, TSIC made a written demand for recovery from
Motorola of certain transfers made by TSIC to Motorola on account of antecedent debt within
ninety (90) days of the Commencement Date aggregating \$408,029.17 as voidable preferences
pursuant to § 547 of the Bankruptcy Code (the "Disputed Transfers"). Motorola contends that
the Disputed Transfers are not avoidable by TSIC pursuant to § 547 of the Bankruptcy Code
(the "Dispute").

¹ The address of the Debtor's principal executive offices is 1255 Treat Blvd, Suite 300, Walnut Creek,
California 94597. The Debtor's EIN is 94-2493558.

C. The Parties desire to amicably resolve the Dispute without resort to expensive and contentious litigation.

D. TSIC and Motorola have reached an agreement to compromise and settle the Dispute, pursuant to which Motorola will pay TSIC the sum of \$185,000.00 in cash or cash equivalents in full and final settlement of TSIC's claims arising out of the Disputed Transfers, on the following terms and conditions.

AGREEMENT:

1. The Recitals form an integral part of this settlement and mutual releases (the "Agreement") and are incorporated fully herein.
2. In full and final settlement of the Disputed Transfers, Motorola shall pay to TSIC the sum of \$185,000.00 (the "Settlement Payment") and the Parties shall mutually release each other as provided in the Agreement.
3. TSIC shall promptly apply to the Court for approval of this Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.
4. Motorola shall make the Settlement Payment to TSIC within one (1) business day of an order of the Court approving the Agreement becoming a final and non-appealable order.
5. TSIC on behalf of itself and its estate hereby waives and releases any and all claims, demands, rights, liabilities, suits, actions or causes of action of any and every kind, character or nature whatsoever (other than claims, actions, causes of action, rights and remedies arising under this Agreement) it has, had, or may have against Motorola and its past and present officers, directors, employees, agents, representatives, shareholders, attorneys, predecessors, successors, parents, subsidiaries, affiliates and assigns with respect to the Disputed Transfers.

This waiver and release is subject to and conditioned upon receipt by TSIC of the Settlement Payment as set forth in paragraphs 2 and 4 above.

6. Effective upon the entry of a final order of the Court approving the Agreement, Motorola hereby waives and releases any and all claims, actions, causes of action, rights and remedies it has, had or may have against TSIC with respect to the Disputed Transfers, and agrees that it shall not file or otherwise assert an administrative expense claim against TSIC in its bankruptcy case with respect to the Disputed Transfers or the Settlement Payment, except that nothing herein shall be deemed to constitute a waiver or release of Motorola's right upon making the Settlement Payment as set forth herein to file a general unsecured claim pursuant to § 502(h) of the Bankruptcy Code in the amount of the Settlement Payment which TSIC agrees shall be allowed pursuant to § 502(a) of the Bankruptcy Code.

7. Nothing herein shall be deemed or construed as an admission of liability by either Party to this Agreement as to the Disputed Transfers.

8. This Agreement may not be modified other than by a signed writing executed by the Parties hereto, or their authorized representatives, or by further order of the Court.

9. Each person who executes this Agreement hereby covenants and warrants to the other Party that he or she has the authority to execute this document on behalf of his or her respective client(s) and is fully authorized to bind his or her client(s) to all the terms of this Agreement.

10. Each Party to this Agreement shall bear its own attorneys' fees and costs.

11. This Agreement constitutes the entire agreement between the Parties concerning the matters set forth herein, and supersedes any and all prior agreements between them concerning the matters set forth herein.

12. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Agreement to present any copy, copies or facsimiles signed by the Party hereto to be charged.

13. The Court retains jurisdiction as to all matters arising from or related to the implementation and/or enforcement of this Agreement and each of the Parties submit to the jurisdiction of the Court.

Remainder of page intentionally blank, signatures on following page.

Dated: March 3, 2009

TSIC, INC.

By: /s/ Harvey R. Miller

Harvey R. Miller

Lori R. Fife

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--and--

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Attorneys for TSIC, Inc.

Dated: March 3, 2009

MOTOROLA, INC.

By: /s/ Wayne White

Wayne White

Corporate Vice President, Companion

Products, Mobile Devices