OPTi Inc
Financial Statements
As of September 30, 2015
(Unaudited)

The number of shares outstanding of the registrant's common stock as of September 30, 2015 was 11,645,903.
# Index

## Part I: Financial Information

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ITEM 1. FINANCIAL STATEMENTS

OPTi INC.
CONDENSED CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION
(Liquidation Basis)
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2015</th>
<th>March 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (see Footnote 4)</td>
<td>$4,681</td>
<td>$4,768</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>$4,701</td>
<td>$4,775</td>
</tr>
</tbody>
</table>

| Liabilities:         |               |               |
| Accounts payable     | $156          | $18           |
| Accrued expenses     | -             | 2             |
| Accrued employee compensation | - | - |
| Non-current taxes payable (see Footnote 3) | 3,188  | 3,188  |
| Accrued liquidation liabilities | 383 | 643 |
| Total liabilities    | 3,777         | 3,851         |

Net assets in liquidation $924 $924

The accompanying notes are an integral part of these condensed consolidated financial statements.

Because of the unpredictability of any settlement amount and of a final ruling in favor of the Company, the Company is currently unable to estimate the net realizable value of any proceeds for the ongoing litigation against VIA Technologies, Inc (“VIA”). Accordingly, the Company has not recorded any receivables for such litigation. If the Company is successful in its litigation efforts, it will record the amount of any settlement or final judgment at the time thereof, resulting in an increase to the net assets.

On May 31, 2013, the United States District Court for the Eastern District of Texas issued its verdict in the VIA litigation. The court determined that VIA infringed claim 26 of the 906 Patent, and the jury failed to find that the asserted claim is invalid. The court ordered that OPTi recover from VIA a reasonable royalty of $2.1 million in actual damages. In addition the court has awarded the Company approximately $1.0 million as pre-judgment interest in the case, increasing the total damages in the case to approximately $3.1 million. The verdict has been appealed and the case is currently being scheduled in the Appellate Courts.
OPTi Inc.
CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands)
(unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>License and royalties</td>
<td>$-</td>
<td>$-</td>
<td>$3,088</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>-</td>
<td>-</td>
<td>3,088</td>
</tr>
<tr>
<td><strong>Costs and Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>260</td>
<td>375</td>
<td>2,772</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>260</td>
<td>375</td>
<td>2,772</td>
</tr>
<tr>
<td><strong>Operating Income / (loss)</strong></td>
<td>(260)</td>
<td>(375)</td>
<td>316</td>
</tr>
<tr>
<td>Interest and other income, net</td>
<td>-</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Profit / (loss) before income taxes</strong></td>
<td>(260)</td>
<td>(374)</td>
<td>319</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-</td>
<td>1,298</td>
<td>82</td>
</tr>
<tr>
<td><strong>Basic net income / (loss)</strong></td>
<td>$ (260)</td>
<td>$ 924</td>
<td>$ 237</td>
</tr>
</tbody>
</table>

Note - On May 31, 2013, the United States District Court for the Eastern District of Texas issued its verdict in the VIA litigation. The court determined that VIA infringed claim 26 of the 906 Patent, and the jury failed to find that the asserted claim is invalid. The court ordered that OPTi recover from VIA a reasonable royalty of $2.1 million in actual damages. In addition the court has awarded the Company approximately $1.0 million as pre-judgment interest in the case, increasing the total damages in the case to approximately $3.1 million. Because of the unpredictability of any settlement amount and of a final ruling in favor of the Company, the Company is currently unable to estimate the net realizable value of any proceeds for the ongoing litigation against VIA Technologies, Inc (“VIA”). Accordingly, the Company has not recorded any receivables for such litigation. If the Company is successful in its litigation efforts, it will record the amount of any settlement or final judgment at the time thereof, resulting in an increase to the net assets.
OPTi Inc.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION
(Liquidation Basis)
(in thousands)
(Unaudited)

For the Six Month Period ended
September 30, 2015

Net assets in liquidation as of March 31, 2015 $924

Adjustments to accrued liquidation costs:
Additional Litigation Accrual - Appeal -
Less: Income tax adjustments ($1,300 in 2015 and ($80) in 2014) -
Less: Legal, accounting, board and professional fees -
Less: Insurance costs (25)
Less: Outside services and other expenses 25
Net assets in liquidation as of March 31, 2015 $924

Because of the unpredictability of any settlement amount and of a final ruling in favor of the Company, the Company is currently unable to estimate the net realizable value of any proceeds for the ongoing litigation against VIA. Accordingly, the Company has not recorded any receivables for such litigation. If the Company is successful in its litigation efforts, it will record the amount of any settlement or final judgment at the time thereof, resulting in an increase to the net assets.

The accompanying notes are an integral part of these condensed consolidated financial statements.
OPTi Inc. (In Liquidation)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015
(Unaudited)

Since May 31, 2012, the Company has been in liquidation pursuant to a Plan of Liquidation approved by its shareholders on that date.

1. Basis of Presentation

The interim consolidated information, as of September 30, 2015, is unaudited, but includes all adjustments (consisting of normal recurring adjustments) which the Company’s management believes to be necessary for the fair presentation of the financial position for the periods presented. All intercompany transactions and balances have been eliminated. Interim results are not necessarily indicative of results for a full year.

The accompanying consolidated financial statements should be read in conjunction with the Company’s audited financial statements for the year ended March 31, 2013, which are included in the annual report on Form 10-K filed by the Company with the Securities and Exchange Commission (“SEC”).

Liquidating Basis of Accounting

Basis of Consolidation – As a result of the shareholders’ approval of the Plan of Liquidation, the Company adopted the liquidation basis of accounting effective May 31, 2012. This basis of accounting is considered appropriate when liquidation of a company is imminent. Under the liquidation basis of accounting, assets are valued at their net realizable value, which is the non-discounted amount of cash, or its equivalent, into which an asset is expected to be converted in the due course of business less direct costs. Liabilities are stated at their estimated settlement amount, which is the non-discounted amount of cash, or its equivalent, expected to be paid to liquidate an obligation in the due course of business, including direct costs.

Accrued Cost of Liquidation

The Company accrued the estimated costs expected to be incurred during the dissolution period, as of June 1, 2012 and has made adjustment during the plan of liquidation. The dissolution period estimated provides time for the Company to complete the remaining litigation, make final distributions (if any), and file its certificate of dissolution. In determining its total estimated costs to liquidate, the Company estimated that it would incur costs through the liquidation period as follows (in thousands):

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and benefits</td>
<td>$1,117</td>
</tr>
<tr>
<td>Lease expense</td>
<td>132</td>
</tr>
<tr>
<td>Legal, accounting, board and other professional fees</td>
<td>1,037</td>
</tr>
<tr>
<td>Litigation related expenses</td>
<td>4,200</td>
</tr>
<tr>
<td>Outside services and other expenses</td>
<td>465</td>
</tr>
<tr>
<td>Insurance</td>
<td>213</td>
</tr>
<tr>
<td><strong>Total liquidation accrual</strong></td>
<td><strong>$7,164</strong></td>
</tr>
</tbody>
</table>

The estimates were based on prior history, known future events, contractual obligations and the estimated time to complete liquidation. The Company has recorded total accrued liabilities of approximately $0.4 million on the statement of net assets as of September 30, 2015. The actual costs associated with carrying out the Plan of Liquidation may depend on factors beyond the control of the Company and differ materially from the accrued amounts because of the Plan’s inherent uncertainty. See “Risk Factors” below. Because of the unpredictability of
any settlement amounts or a final ruling in favor of the Company, the Company is currently unable to estimate the net realizable value of any proceeds for the ongoing litigation against VIA. Accordingly, the Company has not recorded any receivables for such litigation. If the Company is successful in its litigation efforts, it will record the amount of any settlement or of any final judgment, at the time thereof, resulting in an increase to the net assets. See “legal Proceedings” below. The pre-tax change in liquidation accruals are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Liquidation Accrual as of 6/1/12</th>
<th>Expenses Incurred In Liquidation 6/1/12 to 9/30/15</th>
<th>Balance of Accrual as of 9/30/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and benefits</td>
<td>$1,117</td>
<td>$1,072</td>
<td>$ 45</td>
</tr>
<tr>
<td>Lease expense</td>
<td>132</td>
<td>124</td>
<td>8</td>
</tr>
<tr>
<td>Legal, accounting, board and other professional fees</td>
<td>1,037</td>
<td>922</td>
<td>115</td>
</tr>
<tr>
<td>Litigation related expenses</td>
<td>4,200</td>
<td>4,065</td>
<td>135</td>
</tr>
<tr>
<td>Outside services and other expenses</td>
<td>465</td>
<td>449</td>
<td>16</td>
</tr>
<tr>
<td>Insurance</td>
<td>213</td>
<td>149</td>
<td>64</td>
</tr>
<tr>
<td>Totals</td>
<td>$7,164</td>
<td>$6,781</td>
<td>$383</td>
</tr>
</tbody>
</table>

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates under different assumptions or conditions. These differences may be material. See “Risk Factors” below.

Summary of Significant Accounting Policies, Income Taxes

Income taxes are calculated under Accounting Standard Codification (ASC) Topic 740 “Accounting for Income Taxes” (“ASC 740”). Under ASC 740, the liability method is used in accounting for income taxes, which includes the effects of deferred tax assets or liabilities. Deferred tax assets or liabilities are recognized for the expected tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities using the enacted tax rates that will be in effect when these differences reverse. The Company provides a valuation allowance to reduce deferred tax assets to the amount that is expected, based on whether such assets are more likely than not to be utilized.

3. Taxes

As part of the process of preparing the unaudited condensed consolidated financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves estimating the current tax liability under the most recent tax laws and assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the unaudited condensed consolidated balance sheet.

As of March 31, 2015, the Company’s total gross unrecognized tax benefit decreased by $1.3 million due to the expiration of the statute of limitations on federal tax benefits as compared with the balance as of March 31, 2014. As of September 30, 2015 the Company has provided a liability of approximately $2.5 million representing unrecognized tax benefits relating to state R&D credit. All of this amount would impact the Company’s effective tax rate, if recognized. Penalty and interest of approximately $0.7 million has been accrued in income tax expense.
4. **Cash and Cash Equivalents**

The following is a summary as of September 30, 2015 (in thousands):

<table>
<thead>
<tr>
<th>September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Treasury Bills funds</td>
</tr>
<tr>
<td>Money market funds</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

5. **Commitments**

In January 2015 the Company signed a one year lease on an office in an office complex for approximately $1,100 a month. The new lease expires in January 2016.

Future minimum lease commitments for all facility leases are approximately $4,000.
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Information set forth in this report may include forward-looking statements made within the meaning of Section 27A of the Security Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “1934 Act”), which involve risks and uncertainties. The Company’s actual results may differ significantly from the results discussed in the forward-looking statements as a result of a number of factors. Readers are encouraged to review “Risk Factors” set forth below.

On May 31, 2012, the shareholders of OPTi approved a Plan of Liquidation pursuant to which the Company has been winding up. During the winding up period, the Company has ceased to carry on business except to the extent necessary for the beneficial winding up thereof. Please see Part 1, Item 1 of Form 10-K for the fiscal year ended March 31, 2013, for background regarding the Plan of Liquidation.

In addition, the Company may be compelled to defend itself and its directors against litigation initiated by its shareholders or others in connection with the Plan of Liquidation and the winding up of the Company. See “Risk Factors” below.

Critical Accounting Policies

General. Our discussions and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that, of the significant accounting policies used in preparation of our consolidated financial statements the following are critical accounting policies, which may involve a higher degree of judgment and complexity.

Revenue Recognition Revenue from license arrangements is recognized when persuasive evidence of an arrangement exists, delivery has occurred and there are no future performance obligations, fees are fixed or determinable and collectability is reasonably assured.

Litigation and Contingencies From time to time, we receive various inquiries or claims in connection with patent and other intellectual property rights. We estimate the probable outcome of these claims and accrue estimates of the amounts that we expect to pay upon resolution of such matters, if needed. Should we not be able to secure the terms we expect, these estimates may change and may result in increased accruals, resulting in decreased profits.

Accrual for Costs of Liquidation When the Company entered the Plan of Liquidation it had to estimate expenses for the liquidation period based on historical information and known future events. The actual costs associated with carrying out the Plan of Liquidation may depend on factors beyond the control of the Company and may differ materially from the accrued amounts because of the Plan’s inherent uncertainty. See “Risk Factors” below.
Results of Operations

Revenues

The Company had no license revenue for the six and twelve month periods ended September 30, 2015 and March 31, 2015, respectively.

General and Administrative

General and administrative expenses for the six months ended September 30, 2015 were $260,000 as compared to $375,000 for the twelve months ended March 31, 2014. The vast majority of the general and administrative expenses for the six month and twelve month periods ending September 30, 2015 and March 31, 2015 relate to the ongoing litigation with VIA.

Income Taxes

As part of the process of preparing the unaudited condensed consolidated financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves estimating the current tax liability under the most recent tax laws and assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the unaudited condensed consolidated balance sheet.

As of March 31, 2015, the Company’s total gross unrecognized tax benefit decreased by $1.3 million due to the expiration of the statute of limitations on federal tax benefits as compared with the balance as of March 31, 2014. As of September 30, 2015 the Company has provided a liability of approximately $2.5 million representing unrecognized tax benefits relating to state R&D credit. All of this amount would impact the Company’s effective tax rate, if recognized. Penalty and interest of approximately $0.7 million has been accrued in income tax expense.

Liquidity and Capital Resources

Cash and cash equivalents decreased to $4.7 million at March 31, 2015 from $4.8 million at March 31, 2015. The decrease in cash and cash equivalents of approximately $0.1 million from March 31, 2014, to March 31, 2015, primarily relates to the net operating loss for the period. The Company had no investing or financing activity for the six and twelve month period ended September 30, 2015 and March 31, 2015, respectively.

As of September 30, 2015, the Company’s principal sources of liquidity included cash and cash equivalents of approximately $4.7 million. The Company believes that the existing sources of liquidity will satisfy the Company’s projected working capital and other cash requirements during the Plan of Liquidation.

In January 2015 the Company signed a one year lease on an office in an office complex for approximately $1,100 a month. The new lease expires in January 2016.

Contractual Obligations

There was no material change as of March 31, 2014, to our contractual obligations as compared to those disclosed in our Annual Report on Form 10-K for the year ended March 31, 2013.
Part II. Other Information

Item 1. Legal Proceedings

On August 2, 2010, the Company announced that it had filed a patent infringement lawsuit on July 30, 2010, in the United States District Court for the Eastern District of Texas against VIA and SIS for patent infringement. The patent at issue in the lawsuit is U.S. Patent No. 5,710,906 entitled “Predictive Snooping of Cache Memory for Master-Initiated Accesses” (the “906 Patent”). The complaint alleges that VIA infringed the patent by making, selling, and offering for sale core logic products based on and incorporating Predictive Snooping technology and inducing and contributing to the infringement of the patent by others. The Company, in its case against VIA, was seeking damages or other monetary relief, including pre-judgment interest and awarding OPTi’s attorney fees.

On May 31, 2013, the United States District Court for the Eastern District of Texas issued its verdict in the VIA litigation. The court determined that VIA infringed claim 26 of the 906 Patent, and the jury failed to find that the asserted claim is invalid. The court ordered that OPTi recover from VIA a reasonable royalty of $2.1 million in actual damages. The court also found that there was no willful infringement in the case and denied any request for the reimbursement of attorney fees. In addition the court has awarded the Company approximately $1.0 million as pre-judgment interest in the case, increasing the total damages in the case to approximately $3.1 million. The verdict has been appealed and the case is currently being scheduled in the Appellate Courts.

The VIA action is a part of the Company’s strategy for pursuing its patent infringement claims relating to its Predictive Snooping technology and is expected to be the final action with respect to such strategy. Despite the verdict, it is possible that the Company’s litigation against VIA may ultimately be unsuccessful on appeal, and the Company’s remaining assets could be substantially depleted in pursuing such litigation.

The ultimate outcome in the VIA legal actions could have significant effects on the Company’s distribution to its shareholders which cannot be predicted.

Item 1A. Risk Factors

De-Registering Shares Under the 1934 Act

As noted below the Company has recently undergone a change of control. Its newly constituted Board of Directors has evaluating its status as a reporting company under the 1934 Act and made the decide that it is in the best interests of the Company and its shareholders to de-register the Company’s common stock under the 1934 Act to reduce cash expenses and because the Company has fewer than 300 shareholders and its business operations have been substantially concluded.

Based on the Company’s decision to de-register its shares, it filed a Form 15 with the SEC on or about July 12, 2013, and upon filing the Company’s reporting obligations where immediately suspended. After suspension of its reporting obligations, the Company would file no further reports with the SEC.

Although the Company will cease to file periodic reports under the 1934 Act, it will (but is not obligated to) publish financial and other information on its website. Currently, the Company’s shares are traded on the OTC Bulletin Board as well as the OTC Market. The OTC Bulletin Board may de-list the Company’s shares once it ceases to file reports with the SEC, but its shares may continue to trade on the OTC Market.

Shareholder and Third Party Actions

While the Company’s shareholders have approved the Plan of Liquidation, there can be no assurances that the Company’s shareholders and/or third parties will not take actions that may delay or derail the Company’s winding
up and dissolution. For example, on February 9, 2012, a class action was filed in Federal District Court for the Northern District of California alleging that the directors of the Company breached their fiduciary duties in approving the Plan of Liquidation and violated Section 14 (a) of the 1934 Act and Rule 14a-9 in allegedly issuing a consent solicitation statement with the intention of obtaining shareholder approval. The complaint also alleged that the Company aided and abetted the directors’ breach of fiduciary duty. The Company believes that this action was without merit. The complaint was voluntarily dismissed without prejudice on February 24, 2012, but other actions could be taken by the same plaintiff or others. Defending such actions could reduce the assets of the Company available for distribution to its shareholders.

Uncertainty of Future Distributions to Shareholders

The amount and frequency of future distributions to shareholders depend upon a number of factors including, but not limited to, the Company’s ability to achieve future revenues from its pending patent infringement litigation against VIA and the amount of the Company’s liquidation costs. Certain shareholders may attempt to challenge implementation of the Plan, as indicated by the litigation noted above. Accordingly, there can be no assurance regarding the amount or frequency of future distributions or whether they may occur at all.

Since the Company must maintain adequate reserves in order to pursue the pending VIA litigation and defend itself and its directors against new litigation, the Company may not be able to make further distributions to shareholders.

Takeover Attempts

Since the Company’s only assets are cash and the pending VIA litigation, the Company may become a target for potential takeover attempts. However, the Company believes that pursuant to applicable California law, any attempt to reverse the Company’s election to wind up and dissolve after payment of the liquidating distribution on July 3, 2012 would be very difficult, if not impossible, to achieve.

Change of Control

As previously disclosed, S. Muoio & Co. LLC and certain private investment vehicles and managed accounts for which SMC acts as general partner and/or investment manager (collectively, “SMC”) have acquired a controlling interest in the Company. The Board of Directors of the Company increased the Board’s size from four to five directors and submitted three candidates for the Board, including Mr. Salvatore Muoio, the managing member of S. Muoio & Co. LLC. The three candidates submitted by S. Muoio & Co., LLC were elected to serve as board members at the annual shareholders’ meeting, which was held on December 13, 2012. As a result of its share ownership and Board representation, SMC, and Mr. Muoio as a result of his status as the managing member of SMC, may have the capacity to influence or control decisions of the Board of Directors of the Company.

Lengthy Winding-Up Period

The Company’s final liquidating distribution, if any, is not anticipated to be made until on or about March 31, 2016. Aside from potentially prevailing and recovering damages in its pending litigation against VIA referred to above, the Company does not anticipate any revenue during the Company’s winding up period. However, the Company may be subject to claims during the winding up period which may adversely affect future distributions to shareholders.

Possible Changes In Winding-Up Period

The duration of the liquidation period was determined in light of the Company’s ongoing litigation against VIA, as the Board was concerned with the Company having sufficient time to prosecute such litigation. It is possible that appeals could delay the conclusion of such litigation beyond March 31, 2016, necessitating the extension of the liquidation period. However, it is also possible that the litigation could settle which may result in a shorter liquidation period and reduce expenses associated therewith.
Shareholders Liability for Debts Not Paid or Provided For

Shareholders may be liable for claims with respect to the Company’s debts and liabilities which were not paid or adequately provided for, even if such debts and liabilities are unknown. Shareholder liability is limited to the lesser of each shareholder’s pro rata share of the claim or to the amount of corporate assets distributed to it. Claims against shareholders may be commenced before the expiration of the applicable statute of limitations or within 4 years of the Company’s final dissolution, whichever is earlier.

No Additional Infringement Claims

As noted below, the Company has recently obtained a verdict in its last remaining legal action, and the Company does not anticipate initiating any other infringement claims in the future.

Success of Litigation Cannot be Predicted

The United States District Court for the Eastern District of Texas issued a verdict in the patent infringement action between the Company and VIA.

The verdict as issued on May 31, 2013 is:

• The court determined that VIA infringed claim 26 of U.S. Patent No. 5,710,906 and the jury failed to find any of the asserted claims are invalid. Therefore, the court ordered that OPTi recover from VIA a reasonable royalty of $2.1 million in actual damages.

• The court also found that there was no willful infringement in the case and denied any request for the reimbursement of attorney fees.

In addition to the $2.1 million awarded by the jury the court has also awarded the Company an additional $1.0 million of pre-judgment interest, making the total award approximately $3.1 million. The verdict has been appealed and the case is currently being scheduled in the Appellate Courts.

The VIA action is a part of the Company’s strategy for pursuing its patent infringement claims relating to its Predictive Snooping technology and is expected to be the final action with respect to such strategy. Despite the verdict, it is possible that the Company’s litigation against VIA may ultimately be unsuccessful on appeal, and the Company’s remaining assets could be substantially depleted in pursuing such litigation.

OTC Bulletin Board

The Company’s common stock is currently traded on the OTC Bulletin Board. Some investors may be less likely to invest in stocks that are not traded on recognized national markets and listing services such as NASDAQ. Therefore, investors in our common stock may experience reduced liquidity when attempting to trade shares of our common stock. Implementation of the Plan of Liquidation could also reduce liquidity in the Company’s common stock because investors may not be interested in buying shares of a company in liquidation with limited future prospects. As noted above under “De-Registering Shares Under the 1934 Act”, liquidity may also be negatively affected by the Company’s decision to de-register its common stock under the 1934 Act. The OTC Bulletin Board may de-list the Company’s shares if it ceases to file reports with the SEC.

Limited Trading Volume

Daily trading volume in our shares has varied from zero to over one hundred thousand shares during the last two years. Therefore, investors in our stock may find liquidity in our shares to be limited and difficult to predict. Liquidity in the Company’s shares may be further reduced due to the Company’s announcement of its liquidation, payment of the initial liquidating distribution, recent acquisition of control of the Company by one of its shareholders and/or by a decision to de-register its common stock under the 1934 Act.
Volatility of Stock Price

There can be no assurances as to the Company’s financial results in any given period. The Company expects that the trading price of its common stock will continue to be subject to significant volatility. For example, the Company’s recent liquidating distribution resulted in a significant reduction in the trading price of its common stock.