

12-21-1998



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U.S. Department of Commerce
Patent and Trademark Office
PATENT**RECORDATION FORM COVER SHEET
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TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type☒ New
☐ Resubmission (Non-Recordation)Document ID# ☐ Correction of PTO ErrorReel # Frame # ☐ Corrective DocumentReel # Frame # **Conveyance Type**☐ Assignment ☒ Security Agreement☐ License ☐ Change of Name☐ Merger☐ Other **U.S. Government**
(For Use ONLY by U.S. Government Agencies)☐ Departmental File ☐ Secret File**Conveying Party(ies)**☐ Mark if additional names of conveying parties attachedName (line 1) ChatCom, Inc.Execution Date
Month Day Year
9/24/98Name (line 2) **Second Party**Name (line 1) Execution Date
Month Day YearName (line 2) **Receiving Party**☐ Mark if additional names of receiving parties attachedName (line 1) Credit Managers AssociationName (line 2) Robert HoderAddress (line 1) 40 E. Verdugo AvenueAddress (line 2) Address (line 3) Burbank California 91502

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name Richard K. Diamond, Esq.Address (line 1) Danning, Gill, Diamond & Kollitz, LLPAddress (line 2) 2029 Century Park East, #1900Address (line 3) Los Angeles, California 90067-3005Address (line 4) **FOR OFFICE USE ONLY**

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT
REEL: 9638 FRAME: 0371

FORM PTO-1619B
Expires 06/30/99
OMB 0651-0027

Page 2

U.S. Department of Commerce
Patent and Trademark Office
PATENT**Correspondent Name and Address**

Area Code and Telephone Number (310) 277-0077

Name Richard K. Diamond, Esq.

Address (line 1) Danning, Gill, Diamond & Kollitz, LLP

Address (line 2) 2029 Century Park East, #1900

Address (line 3) Los Angeles, California 90067-3005

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

9

Application Number(s) or Patent Number(s)☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

07/959,339

Patent Number(s)

5,355,407

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

PCT

PCT

PCT

only if a U.S. Application Number has not been assigned.

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 80.00

Method of Payment:
Deposit AccountEnclosed ☒Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes ☐No ☐**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Elan S. Levey

Name of Person Signing

Elan S. Levey

Signature

12-11-98

Date

SECURITY AGREEMENT

This SECURITY AGREEMENT (this "Agreement") is entered into as of the 24th day of September 1998 by and between CHATCOM, INC. ("Debtor"), and CREDIT MANAGERS ASSOCIATION ("Secured Party"), in its capacity as agent for the creditors of Debtor (collectively, the "Creditors").

1. Collateral. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby grants to Secured Party a security interest in the Collateral (as defined on Exhibit A attached hereto and hereby incorporated herein by this reference).

2. Obligations Secured. The grant of the Collateral pursuant to this Agreement is to secure the payment of any and all indebtedness owing by Debtor to the Creditors (collectively, the "Indebtedness").

3. Intercreditor Priority. All of the Indebtedness shall rank *pari passu* and *pro rata* as among the Creditors. The lien in favor of Secured Party as agent for the Creditors and the rights of the Creditors in and to the Collateral shall rank *pari passu* and *pro rata* as among the Creditors, and the Creditors, through Secured Party, shall be entitled to the benefit of the Collateral on such basis. Secured Party agrees that Debtor may further encumber the Collateral. The lien in the Collateral granted hereby shall be subordinate to existing liens and any lien in the Collateral of any lender who lends money to Debtor for purposes of providing working capital to Debtor. If requested by Debtor, Secured Party shall execute subordination and/or intercreditor agreement(s) containing customary terms and conditions to reflect such subordination and priority.

4. Event of Default. The occurrence of any of the following shall, at the option of Secured Party, constitute an "Event of Default": (a) Debtor's failure to make any payment due with respect to the Indebtedness which is not cured within any applicable cure or grace period; (b) The filing of a voluntary petition by Debtor under any section or chapter of the Bankruptcy Code; or (c) The filing of an involuntary petition or any other petition under any section or chapter of the Bankruptcy Code against Debtor by any of the creditors of Debtor and said petition remaining undischarged or Debtor fails to obtain vacation thereof for a period of one hundred twenty (120) days.

5. Remedies. Upon the occurrence of an Event of Default, all sums secured hereby shall become immediately due and payable, and Secured Party, without demand first made and without notice to Debtor, may proceed in the foreclosure of Secured Party's security interest and sale of the Collateral in any manner permitted by law or exercise any other remedies of a secured party permitted by applicable law.

6. Secured Party's Rights, Powers and Remedies. Time and exactitude of each of the terms, obligations, covenants and conditions set forth in this Agreement shall be of the essence. The rights, powers and remedies given to Secured Party pursuant to

this Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any statute, rule of law, or any other agreement between Debtor and Secured Party. Any forbearance or failure or delay by Secured Party in exercising any right, power or remedy hereunder shall not preclude the further exercise thereof. Every right power and remedy of Secured Party shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by Secured Party. The taking of any action by Secured Party shall not be deemed to be an election of the action, but rather the rights, powers and remedies given to Secured Party by this Agreement shall be deemed cumulative, the one with the other, and not alternative.

7. Applicable Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California.

8. Notices. All notices, requests, and demands to be given hereunder shall be in writing and shall be deemed to have been duly given three (3) days after mailed to the party for whom intended at the address set forth below (unless notice of a change of address is provided in the manner set forth herein):

To Debtor: CHATCOM, INC.
9600 Topanga Canyon Boulevard
Chatsworth, CA 91311
Attn: Carey Walters

with copies to: Howard J. Steinberg, Esq.
Irell & Manella LLP
333 South Hope Street, Suite 3300
Los Angeles, California 90071

To Secured Party: Credit Managers Association
40 E. Verdugo Ave.
Burbank, CA 91502
Attn: Robert J. Hoder

With copies to: Richard Diamond, Esq.
Danning, Gill, Diamond & Kollitz, LLP
2029 Century Park East, Suite 1900
Los Angeles, California 90067

9. Counterparts. This Agreement may be executed in any number of counterparts each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement is executed as of the date set forth above.

"Debtor"

CHATCOM, INC.

By: *E. Carey Walters*
Name: E. CAREY WALTERS
Title: President

"Secured Party"

CREDIT MANAGERS ASSOCIATION

By: _____
Name: _____
Title: _____

OCT-01-98 11:43 From: IRELL, JELLA LLP

2132290515

T-840 P.06/08 Job-277

IN WITNESS WHEREOF, this Agreement is executed as of the date set forth above.

"Debtor"

CHATCOM, INC.

By: _____
Name: _____
Title: _____

"Secured Party"

CREDIT MANAGERS ASSOCIATION

By: 
Name: _____
Title: ROBERT J. HODER, SECRETARY

DEBTOR: CHATCOM, INC.

SECURED PARTY: CREDIT MANAGERS ASSOCIATION

UCC-1 Continuation Page

Item 4. Collateral

All of Debtor's present and hereafter acquired right, title and interest in and to all assets of Debtor or in which Debtor has an interest, now owned or hereafter acquired, including, without limitation, the following:

(a) all present and future accounts (including, without limitation, any and all returns, credits, and any certificates or other tangible or intangible property evidencing or representing any right to receive payment in any form from any person or entity);

(b) all goods and inventory wherever located, including, without limitation, (i) all present and future goods held for sale or lease or to be furnished under a contract of service, (ii) all raw materials, work in process, finished goods, returned goods and repossessed goods, and (iii) all materials used or consumed in the manufacture or production of goods or inventory of any kind or type;

(c) all equipment in all of its forms and wherever located including, without limitation to, any and all machinery, equipment, controls, attachments, parts, tools, furniture and furnishings used by Debtor in the conduct of its business, and all attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing;

(d) all present and future choses and things in action, goodwill, trademarks, trade names, customer lists, mailing lists, purchase orders, copyrights, tax refunds and any returned goods;

(e) all general intangibles, intellectual property, chattel paper, documents, instruments, deposit accounts and policies of life insurance;

(f) all present and future media, computer programs, data storage units, computer drives, drawings, blueprints, catalogs, dies, molds and tools;

(g) all proceeds and products of the foregoing, including but not limited to accounts, general intangibles, equipment, inventory, money, deposit accounts, goods, chattel paper, documents, instruments and insurance proceeds, all refunds, equities, benefits, book equities, returns, credits, revolving fund withholdings, return of capital and certificates evidencing any right to receive payment in any form from any

marketer of goods or inventory and any other tangible or intangible property received upon the sale, lease, transfer or other disposition of any of the foregoing; and

(h) all present and future books, records, accounting logs and stored data pertaining to any of the foregoing or to the business of Debtor, including, without limitation, computer programs, software and the equipment containing said books, records, accounting logs and stored data (collectively, the "**Collateral**").

Exhibit A

The Collateral

All of Debtor's present and hereafter acquired right, title and interest in and to all assets of Debtor or in which Debtor has an interest, now owned or hereafter acquired, including, without limitation, the following:

(a) all present and future accounts (including, without limitation, any and all returns, credits, and any certificates or other tangible or intangible property evidencing or representing any right to receive payment in any form from any person or entity);

(b) all goods and inventory wherever located, including, without limitation, (i) all present and future goods held for sale or lease or to be furnished under a contract of service, (ii) all raw materials, work in process, finished goods, returned goods and repossessed goods, and (iii) all materials used or consumed in the manufacture or production of goods or inventory of any kind or type;

(c) all equipment in all of its forms and wherever located including, without limitation to, any and all machinery, equipment, controls, attachments, parts, tools, furniture and furnishings used by Debtor in the conduct of its business, and all attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing;

(d) all present and future choses and things in action, goodwill, trademarks, trade names, customer lists, mailing lists, purchase orders, copyrights, tax refunds and any returned goods;

(e) all general intangibles, intellectual property, chattel paper, documents, instruments, deposit accounts and policies of life insurance;

(f) all present and future media, computer programs, data storage units, computer drives, drawings, blueprints, catalogs, dies, molds and tools;

(g) all proceeds and products of the foregoing, including but not limited to accounts, general intangibles, equipment, inventory, money, deposit accounts, goods, chattel paper, documents, instruments and insurance proceeds, all refunds, equities, benefits, book equities, returns, credits, revolving fund withholdings, return of capital and certificates evidencing any right to receive payment in any form from any marketer of goods or inventory and any other tangible or intangible property received upon the sale, lease, transfer or other disposition of any of the foregoing; and

(h) all present and future books, records, accounting logs and stored data pertaining to any of the foregoing or to the business of Debtor, including, without

limitation, computer programs, software and the equipment containing said books, records, accounting logs and stored data (collectively, the "**Collateral**").

DEBTOR: CHATCOM, INC.

SECURED PARTY: CREDIT MANAGERS ASSOCIATION

UCC-1 Continuation Page

Item 4. Collateral

All of Debtor's present and hereafter acquired right, title and interest in and to all assets of Debtor or in which Debtor has an interest, now owned or hereafter acquired, including, without limitation, the following:

(a) all present and future accounts (including, without limitation, any and all returns, credits, and any certificates or other tangible or intangible property evidencing or representing any right to receive payment in any form from any person or entity);

(b) all goods and inventory wherever located, including, without limitation, (i) all present and future goods held for sale or lease or to be furnished under a contract of service, (ii) all raw materials, work in process, finished goods, returned goods and repossessed goods, and (iii) all materials used or consumed in the manufacture or production of goods or inventory of any kind or type;

(c) all equipment in all of its forms and wherever located including, without limitation to, any and all machinery, equipment, controls, attachments, parts, tools, furniture and furnishings used by Debtor in the conduct of its business, and all attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing;

(d) all present and future choses and things in action, goodwill, trademarks, trade names, customer lists, mailing lists, purchase orders, copyrights, tax refunds and any returned goods;

(e) all general intangibles, intellectual property, chattel paper, documents, instruments, deposit accounts and policies of life insurance;

(f) all present and future media, computer programs, data storage units, computer drives, drawings, blueprints, catalogs, dies, molds and tools;

(g) all proceeds and products of the foregoing, including but not limited to accounts, general intangibles, equipment, inventory, money, deposit accounts, goods, chattel paper, documents, instruments and insurance proceeds, all refunds, equities, benefits, book equities, returns, credits, revolving fund withholdings, return of capital and certificates evidencing any right to receive payment in any form from any

marketer of goods or inventory and any other tangible or intangible property received upon the sale, lease, transfer or other disposition of any of the foregoing; and

(h) all present and future books, records, accounting logs and stored data pertaining to any of the foregoing or to the business of Debtor, including, without limitation, computer programs, software and the equipment containing said books, records, accounting logs and stored data (collectively, the "**Collateral**").

9828060343

**FINANCING STATEMENT — FOLLOW INSTRUCTIONS CAREFULLY**

This Financing Statement is presented for filing pursuant to the Uniform Commercial Code and will remain effective, with certain exceptions, for 5 years from date of filing.

A. NAME & TEL. # OF CONTACT AT FILER (optional)	B. FILING OFFICE ACCT. # (optional)
C. RETURN COPY TO: (Name and Mailing Address)	
<p>SACO 30050</p>	
D. OPTIONAL DESIGNATION (if applicable): LESSOR/LESSEE CONSIGNOR/CONSIGNEE NON-UCC FILING	

FILED
SACRAMENTO, CA
OCT 05, 1998 AT 1547

BILL JONES
SECRETARY OF STATE

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b)					
1a. ENTITY'S NAME					
Chatcom, Inc.					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS			CITY	STATE	COUNTRY
9600 Topanga Canyon Boulevard			Chatsworth	CA	USA
1d. S.S. OR TAX I.D. #	OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	1e. TYPE OF ENTITY	1f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	1g. ENTITY'S ORGANIZATIONAL I.D. #, if any	
				<input checked="" type="checkbox"/> NONE	
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b)					
2a. ENTITY'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	COUNTRY
2d. S.S. OR TAX I.D. #	OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	2e. TYPE OF ENTITY	2f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	2g. ENTITY'S ORGANIZATIONAL I.D. #, if any	
				<input type="checkbox"/> NONE	
3. SECURED PARTY'S (ORIGINAL S/P or ITS TOTAL ASSIGNEE) EXACT FULL LEGAL NAME - insert only one secured party name (3a or 3b)					
3a. ENTITY'S NAME					
Credit Managers Association					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS			CITY	STATE	COUNTRY
40 East Verdugo Avenue			Burbank	CA	USA
4. This FINANCING STATEMENT covers the following types or items of property: See continuation page					

5. CHECK BOX (if applicable)	<input type="checkbox"/> This FINANCING STATEMENT is signed by the Secured Party instead of the Debtor to perfect a security interest (a) in collateral already subject to a security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) in accordance with other statutory provisions (additional data may be required)	7. If filed in Florida (check one)
		<input type="checkbox"/> Documentary stamp tax paid <input type="checkbox"/> Documentary stamp tax not applicable
6. REQUIRED SIGNATURE(S)		8. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS Attach Addendum (if applicable)
Chatcom, Inc.		9. Check to REQUEST SEARCH CERTIFICATE(S) on Debtor(s) (ADDITIONAL FEE) (optional)
By: <i>Carey Walters</i>		<input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2

Carey Walters, President

Created from: UCC Kwik Doc Inc., P.O. Box 3205, Palm Beach, FL 33480

(1) FILING OFFICER COPY — NATIONAL FINANCING STATEMENT (FORM UCC1) (TRANS) (REV. 12/18/95)

RECORDED: 12/14/1998

PATENT
REEL: 9638 FRAME: 0383