1-31-92 REC	-2002 U.S. DEPARTMENT OF COMME Patent and Trademark O (-13.03
To the Honorable Commissioner of Patents and Trademarks	29863 s: Please record the attached original documents or copy thereof.
1. Name of conveying party(ies):	2. Name and address of receiving party(ies):
PointSet Corporation	Name: Jerry Iggulden
	Internal Address: c/o BLAKELY, SOKOLOFF, TAYOR
Additional name(s) of conveying party(ies) attached?	ZAFMAN
YesNoX	
3. Nature of conveyance:	Street Address: 12400 Wilshire Boulevard
	Seventh Floor
Assignment Merger X Security Agreement Change of Name	Seventin F1001
	City Los Angeles State, Celifornia ZID:00005
Other	City: <u>Los Angeles</u> State: <u>California</u> ZIP: <u>90025</u> Additional name(s) & address(es) attached? <u>Yes X</u> N
Execution Date: <u>May 1, 2002</u>	
4. Application number(s) or patent number(s):	
If this document is being filed together with a new applicatio	n the execution date of the application is:
A. Patent Application No.(s) 09/235,709; 09/351,990;	B. Patent No.(s) 6,256,378; 6,281,820.
09/415,299; 09/519,900; 09/684,282; 09/684,525; 09/940,326	
	ached?YesX_No
5. Name and address of party to whom correspondence concerning document should be mailed:	6. Total number of applications and patents involved:
Name: George W Hoover II	
Internal Address:_	7. Total fee (37 CFR 3.41)\$360.00
BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP	<u>X</u> Enclosed
	Authorized to be charged to deposit account
Street Address: 12400 Wilshire Boulevard	8. Deposit account number:
Seventh Floor	02-2666
City: Los Angeles State: CA ZIP: 90025	(Attach duplicate copy of this page if paying by deposit account
DO NOT US	SE THIS SPACE
6/20/2002 NHHHEB1 00000033 09235/09	(*************************************
1 (C:581 360.00 0P)	
9. Statement and signature. <u>To the best of my knowledge</u> attached copy is a true copy of the original document.	e and belief, the foregoing information is true and correct and d
George W Hoover, Reg. No. 32,992	D June 6. 2002
Name of Person Signing, Reg. No.	ure Date Total number of pages including cover sheet:
I hereby certify that this correspondence is being deposited with the Un	
Assistant Commissioner for Patents, Washington, D.C. 20231 on: J	<u>une 6. 2002</u>
Y dler loste	<u>une 6, 2002</u>
	Date Attny Dkt No. 003944.G000

PATENT REEL: 012991 FRAME: 0688

PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of May 1, 2002, by PointSet Corporation, a California corporation ("Grantor"), in favor of Jerry R. Iggulden ("Lender").

WITNESSETH:

WHEREAS, pursuant to that certain Promissory Note due January 1, 2021, as from time to time amended, restated, supplemented or otherwise modified (the "<u>Note</u>"), issued on the date hereof by Grantor to Lender, Lender has agreed to make a loan in the original principal amount of \$533,879.81 for the benefit of Grantor;

WHEREAS, Lender may make additional loans to Grantor in an amount not to exceed \$100,000 (the "<u>Additional Loans</u>"), which, if made, will be represented by an additional promissory note or notes (the "<u>Additional Notes</u>");

WHEREAS, Lender is willing to make the loan as provided for in the Note, and the Additional Loans as provided in the Additional Notes, but only upon the condition, among others, that Grantor shall have executed and delivered to Lender that certain Security Agreement dated as of the date hereof (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "<u>Security Agreement</u>");

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Lender this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. <u>DEFINED TERMS</u>:

"<u>Patent License</u>" shall mean any and all rights under any written or oral agreement to which Grantor is now or hereafter becomes a party granting any right with respect to any invention on which a Patent is in existence.

"<u>Patents</u>" shall mean all of the following in which Grantor now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the

> PATENT REEL: 012991 FRAME: 0689

United States, any state or territory thereof, or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

2. <u>GRANT OF SECURITY INTEREST IN PATENT COLLATERAL</u>.

Grantor hereby grants to Lender a continuing security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "<u>Patent Collateral</u>"):

(a) all of its Patents and Patent Licenses to which it is a party including those referred to on <u>Schedule I</u> hereto;

(b) all reissues, continuations or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Patent License.

3. <u>SECURITY AGREEMENT</u>.

The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Lender pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Lender consents to the Patent & Technology License Agreement dated May 1, 2002, between Grantor and Transaction Devices, Inc. (the "TDI Agreement"). Lender agrees that its security interest in the Patent Collateral is subject to the licenses and other rights granted to Transaction Devices, Inc. in the TDI Agreement.

IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

POINTSET CORPORATION

By: Name: John G. LIN Title 600

By:	 	·	 	 *	
Name:	 		 	 	
Title					-

ACCEPTED AND ACKNOWLEDGED BY:

nil

ACKNOWLEDGMENT OF GRANTOR

STATE OF CALIFORNIA)) ss.

) s COUNTY OF _____)

On this ______day of May, 2002, before me personally appeared ______, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of POINTSET CORPORATION, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

 $\{seal\}$

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On 5-6-02, before	me, James Leck Stoltzfus Jr., Notary Public,
personally appeared Jok	n Ganlin
	or \propto proved to me on the basis of satisfactory
- •) whose name(x)(is) are subscribed to the within
	ged to me that he/she/they executed the same in
—	exity(ies), and that by his/her/their signature(x)
on the instrument the perso	on(s) acted, executed the instrument.
JAMES LECK STOLTZFUS JR. Commission # 1221597 Notary Public - California	WITNESS my hand and official seal
My Comm. Expires May 25, 2003	Jans Lak Stof Z/ Jo signature of Notary Public
Place Notary Seal Above	OPTIONAL
	not required by law, it may prove valuable to persons relying on the dulent removal and reattachment of this form to another document.
Description of Attached Docu	iment
Title or Type of Document:	Patent Security Agreement D2 Number of Pages: 2
Document Date: 5-1-6	$\mathcal{O}\mathcal{F}$ Number of Pages: \mathcal{I}
Signer(s) Other Than Above: _	
Capacity(ies) Claimed by	Signer
Signer's Name:	•
Endividu al	
$\overline{\checkmark}$ Corporate Officer – Title(s)	<u> </u>
Partner Limited Ger	neral
A	
Attorney in Fact	
Trustee	
Trustee Guardian or Conservator	

PATENT REEL: 012991 FRAME: 0692

SCHEDULE I TO PATENT SECURITY AGREEMENT PATENTS AND PATENT APPLICATIONS

ISSUED U. S. PATENTS

PATENT NO.	DATE	TITLE
6,256,378	07/03/01	Method and Apparatus for Setting Programmable Features of an Appliance
6,281,820	08/28/01	Method and Apparatus for Transferring Data from a Display Screen

PENDING U.S. PATENT APPLICATIONS

SERIAL NO.	DATE	TITLE
09/235,709	01/22/99	Method and Apparatus for Setting Programmable Features of an Appliance
09/351,990	07/12/99	Virtual Companion
09/415,299	10/08/99	Method and Apparatus for Setting Programmable Features of an Appliance
09/519,900	03/06/00	Interactive Toys with Wireless Data Transfer Capability
09/684,282	10/06/00	Authentication System Employing an Electronic Token
09/684,525	10/06/00	Transaction Processing Using an Electronic Token
09/940,326	08/27/01	Method and Apparatus for Transferring Data from a Display Screen

PENDING FOREIGN PATENT APPLICATIONS

COUNTRY	SERIAL NO.	DATE	TITLE
Australia	25137/00	01/21/00	Methods and Apparatus for Setting
			Programmable Features of an Appliance
Canada	2361515	01/21/00	Methods and Apparatus for Setting
			Programmable Features of an Appliance
China	00805315.4	01/21/00	Methods and Apparatus for Setting

(PRC)			Programmable Features of an Appliance
Europe	00903382.0	07/27/01	Methods and Apparatus for Setting
			Programmable Features of an Appliance
Japan	2000-595230	01/21/00	Methods and Apparatus for Setting
_			Programmable Features of an Appliance
Russia	2001123431	08/21/01	Methods and Apparatus for Setting
			Programmable Features of an Appliance