

07-19-2002

Form PTO-1595  
(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

Tab settings

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## PATENTS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

## 1. Name of conveying party(ies):

The Siegel Family Revocable Trust

7-19-02

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

## 3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other

Execution Date: June 26, 2002

## 2. Name and address of receiving party(ies)

Name: LaSalle Business Credit, Inc.

Internal Address:

Street Address: 1735 Market Street

Suite 660

City: Philadelphia State: PA Zip: 19103

Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 4. Application number(s) or patent number(s): See Attachment

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s)

Additional numbers attached? ☒ Yes ☐ No

## 5. Name and address of party to whom correspondence concerning document should be mailed:

## Return To

National Corporate Research, LTD.  
225 W. 34th St., Suite 910  
New York, N.Y. 10122  
(800) 221-0102 (212) 947-7200

City: State: Zip:

## 6. Total number of applications and patents involved: 6

7. Total fee (37 CFR 3.41).....\$ 240<sup>00</sup>☐ Enclosed☐ Authorized to be charged to deposit account

## 8. Deposit account number:

DO NOT USE THIS SPACE

## 9. Signature.

Allyson Kasetta

Name of Person Signing

Allyson Kasetta

Signature

6/27/02

Date

Total number of pages including cover sheet, attachments, and documents: 10

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240.00 OP

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231PATENT  
REEL: 013089 FRAME: 0316

**THE SIEGEL FAMILY REVOCABLE TRUST  
SCHEDULE OF PATENTS**

<b>Title</b>	<b>Patent No.</b>	<b>Issue Date</b>
DEDICATED MULTI-CAVITY DISPENSER FOR SOLIDS	4834264	5/30/89
MULTI CAVITY MEDICATION CARD CRUSHER	4694996	9/22/87
MEDICATION BLISTER CARD	D306825	5/27/90
MEDICATION DISPENSING IDENTIFIER SYSTEM	4732411	3/22/88
MEDICATION DISPENSING IDENTIFIER METHOD	4730849	3/15/88
MEDICATION COMPLIANCE AID FOR UNIT DOSE PACKAGING	4617557	10/14/86

**PATENT SECURITY AGREEMENT**

**THIS PATENT SECURITY AGREEMENT** (this "**Security Agreement**") made as of this 26th day of June 2002, by **THE SIEGEL FAMILY REVOCABLE TRUST** (together with any successor trust(s) heretofore or hereafter formed pursuant to trust documents originally executed by Harold Siegel, including without limitation The Todd Siegel Q-TIP Trust, The Mindy Jo Barth Q-TIP Trust, The Siegel Family Q-TIP Trust and The Siegel Family By-Pass Trust, the "**Grantor**") in favor of **LASALLE BUSINESS CREDIT, INC.**, as Agent ("**Agent**").

**W I T N E S S E T H**

**WHEREAS**, Agent, Standard Federal Bank National Association, as lender ("**Lender**"), Medical Technology Systems, Inc. ("**MTS**") and MTS Packaging Systems, Inc. ("**Packaging**", and together with MTS, the "**Borrowers**"), and the Guarantors named therein are parties to that certain Loan and Security Agreement of even date herewith (as amended, restated or otherwise modified from time to time, the "**Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Financing Agreements**"), which Financing Agreements provide (i) for Agent and/or Lender to, from time to time, extend credit to or for the account of the Borrowers and, as a condition to such extensions of credit, (ii) Grantor assigns and grants to Agent, for its benefit and for the benefit of Lender, of a security interest in certain of Grantor's assets, including, without limitation, its patents and patent applications;

**WHEREAS**, Grantor is a shareholder of MTS;

**WHEREAS**, Grantor has heretofore granted MTS a license to the Patents (as hereinafter defined) and is paid royalties for MTS's use of the Patents;

**WHEREAS**, the Borrowers' business is dependent on its ability to use the Patents;

**WHEREAS**, it is a condition to the extension of the financial accommodations under the Loan Agreement that Grantor execute this Agreement;

**WHEREAS**, Grantor desires to fulfill the condition set forth in the preceding whereas clause and it will derive benefit from the extension of financial accommodations to the Borrowers by the Agent;

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

1. **Incorporation of Financing Agreements.** The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. **Grant and Reaffirmation of Grant of Security Interests.** To secure the complete and timely payment and satisfaction of the Liabilities, Grantor hereby grants to Agent, for its benefit and for the benefit of Lender, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in Grantor's entire right, title and interest

in and to all of its now owned or existing and hereafter acquired or arising patents, patent applications and rights under patent license agreements, whether as licensee or licensor, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on **Schedule A** attached hereto and made a part hereof and all patents and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Patents**").

3. **Warranties and Representations.** Grantor warrants and represents to Agent that:

(a) no Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Patent been cancelled, in whole or in part and each such Patent is presently subsisting;

(b) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Grantor not to sue third persons, other than liens in favor of the Subordinated Lender, which are junior and subordinate to the liens created hereunder and under the Loan Agreement in favor of the Agent and Permitted Liens;

(c) Grantor has no notice of any suits or actions commenced or threatened with reference to any Patent; and

(d) Grantor has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. **Restrictions on Future Agreements.** Grantor agrees that, until the Liabilities shall have been paid and satisfied in full and the Financing Agreements shall have been terminated, Grantor shall not, without the prior written consent of Agent, sell or assign its interest in any Patent or enter into any other agreement with respect to any Patent which would affect the validity or enforcement of the rights transferred to Agent under this Security Agreement.

5. **New Patents.** Grantor represents and warrants that, based on a diligent investigation by Grantor, the Patents listed on **Schedule A** constitute all of the federally registered Patents and Patent applications now owned by Grantor. If, before the Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, Grantor shall (i) become aware of any existing Patents of which Grantor has not previously informed Agent, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, which are being licensed or are to be licensed to MTS or any of its Subsidiaries, the provisions of this Security Agreement above shall automatically apply thereto and Grantor shall give to Agent prompt written notice thereof. Grantor hereby authorizes Agent to modify this Security Agreement by amending **Schedule A** to include any such Patents.

6. **Royalties; Terms.** The term of this Security Agreement shall extend until the earlier of (i) the expiration of each of the Patents, and (ii) the payment and satisfaction in full of the Liabilities and the termination of the Financing Agreements. Grantor agrees that, during the

continuance of an Event of Default, the use by Agent of all Patents shall be without any liability for royalties or other related charges from Agent to Grantor.

7. **Release of Security Interest.** This Security Agreement is made for Collateral purposes only. Upon payment and satisfaction in full of the Liabilities and termination of the Financing Agreements, Agent shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements

8. **Expenses.** All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Grantor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, actually incurred by Agent and/or Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees actually incurred, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne by and paid by Grantor and until paid shall constitute Liabilities.

9. **Duties of Grantor.** Grantor shall have the duty (i) to file and prosecute diligently any patent applications pending as of the date hereof or hereafter until the Liabilities shall have been paid and satisfied in full and the Financing Agreements have been terminated, (ii) to make application on unpatented but patentable inventions, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, as commercially reasonable and (iv) to ensure that the Patents are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Grantor's obligations under this **Section 9** shall be borne by Grantor.

10. **Agent's Right to Sue.** During the continuance of an Event of Default, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if Agent shall commence any such suit, Grantor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Agent for all costs and expenses actually incurred by Agent in the exercise of its rights under this **Section 10**.

11. **Waivers.** No course of dealing between Grantor and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

13. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 5** hereof or by a writing signed by the parties hereto.

14. **Cumulative Remedies; Power of Attorney; Effect on Financing Agreements.** All of Agent's rights and remedies with respect to the Patents, whether established hereby or by the

Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Agent during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Patents or (ii) take any other actions with respect to the Patents as Agent deems to be in the best interest of Agent, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Liabilities shall have been paid and satisfied in full and the Financing Agreements have been terminated. Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon Grantor and its respective successors and assigns, and shall inure to the benefit of Agent and its successors, nominees and assigns.

16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and applicable federal law.


17. **Headings.** Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

18. **Further Assurances.** Grantor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Agent shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

19. **Survival of Representations.** All representations and warranties of Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements

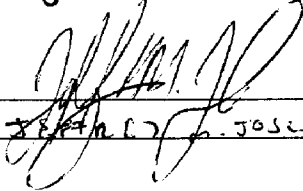
**IN WITNESS WHEREOF,** Grantor has duly executed this Security Agreement as of the date first written above.

**THE SIEGEL FAMILY REVOCABLE TRUST**  
**u/a/d July 10, 1992, as amended**

By   
Its Trustee Todd Siegel

Agreed and Accepted  
As of the Date First Written Above

**LASALLE BUSINESS CREDIT,**  
**INC.,** agent

By   
Its Joseph J. Joseph, VP

STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF NEW YORK    )

On the 26th day of June, 2002, before me personally came Todd E. Siegel, to me known to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that he is the Trustee of The Siegel Family Revocable Trust <sup>dated July 10, 1992, as amended.</sup> and that he executed the foregoing instrument in the firm name of said company, and that he had authority to sign the same, and he acknowledged to me that he executed the same as the act and deed of said firm for the uses and purposes therein mentioned.

Allyson Kasetta  
Notary Public

ALLYSON M. KASSETTA  
Notary Public, State of New York  
No. 01KA6063872  
Qualified in New York County  
Commission Expires Sept. 10, 2005

COMMONWEALTH OF PENNSYLVANIA

)

) ss.:

COUNTY OF PHILADELPHIA

)

On the 25th day of June, 2002, before me personally came Jeffrey M. Joslin to me known to be the person who executed the foregoing instrument, and who, being duly sworn by me, did depose and say that he is Vice President of LaSalle Business Credit, Inc., Agent, and that he executed the foregoing instrument in the firm name of said company, and that he had authority to sign the same, and he acknowledged to me that he executed the same as the act and deed of said firm for the uses and purposes therein mentioned.

*Carol A. Rader*

Notary Public

CAROL A. RADER  
COMMONWEALTH OF PENNSYLVANIA  
COMMISSIONER OF DEEDS  
MY COMMISSION EXPIRES JULY 11, 2006

**THE SIEGEL FAMILY REVOCABLE TRUST  
SCHEDULE OF PATENTS**

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DEDICATED MULTI-CAVITY DISPENSER FOR SOLIDS	4834264	5/30/89
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