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Form PTO-1595  
(Rev. 03/01)



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

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

Tab settings

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

1. Name of conveying party(ies): 12.9.02

Net Nanny Software International, Inc.

2. Name and address of receiving party(ies)

Name: 35227 Yukon Inc.

Internal Address: Attn: Mark DiSalle

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

3. Nature of conveyance:

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

Street Address: 14205 SE 36th St. Suite 100

City: Bellevue State: WA Zip: 98006

Execution Date: November 13, 2002

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

4. Application number(s) or patent number(s):

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)

#4,805,222

Additional numbers attached? ☐ Yes ☒ No

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

Name: Lasher Holzapfel Sperry & Ebberson

Internal Address: Attn: David J. Sprinkle

Street Address: 601 Union Street, #2600

City: Seattle State: WA Zip: 98101

6. Total number of applications and patents involved: ☐

7. Total fee (37 CFR 3.41).....\$ 40.00

- ☒ Enclosed  
☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

12/12/2002 DBYRNE 00000076 4805222

DO NOT USE THIS SPACE

01 FC:84219. Statement and signature 40.00 DA

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.

David J. Sprinkle

Name of Person Signing

Signature

12/13/02

Date

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

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

PATENT  
REEL: 013552 FRAME: 0902

**Additional Names of Conveying Parties  
Patent Recordation Cover Sheet**

- (2) Net Nanny Ltd.
- (3) Net Nanny Software, Inc.
- (4) Biopassword Security Systems Ltd.

## BILL OF SALE, ASSIGNMENT AND CONVEYANCE

THIS BILL OF SALE, ASSIGNMENT and CONVEYANCE is dated effective November 13, 2002 by NET NANNY SOFTWARE INTERNATIONAL INC. a Yukon Territories corporation, NET NANNY LTD., a British Columbia company, NET NANNY SOFTWARE, INC., a Washington corporation, BIOPASSWORD SECURITY SYSTEMS LTD. a British Columbia company ("Assignor").

Assignor and 35227 YUKON INC., a Yukon Territories corporation, ("Assignee") have heretofore signed and delivered an Agreement for Purchase of Assets, dated effect November 13, 2002 (the "**Purchase Agreement**"), providing for the conveyance, transfer, assignment and delivery to Assignee of substantially all of the assets, properties, business and goodwill of Assignor in exchange for the consideration set forth in the Purchase Agreement.

In consideration of the premises and for good and valuable consideration, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

1. **Conveyance Assets.** Assignor by this instrument does convey, transfer, assign and deliver to Assignee, its successors and assigns, forever (free and clear of all liens, charges and encumbrances whatsoever) all of Assignor's tangible and intangible assets, including fixed assets, accounts receivable, customer contracts and lists. As used herein, the term intangibles includes business records, deposit accounts, inventions, intellectual property (including source codes), designs, patents, patent applications, trademarks, trademark applications, trademark registrations, service marks, service mark applications, service mark registrations, trade names, goodwill (including the exclusive right of the Assignee to represent itself as carrying on the Business in continuation of and as successor to the Assignor, and the right to use any words indicating that the Business is so carried on, including the right to use the names "Net Nanny", "PC Nanny" and "Biopassword" or any variation thereof as part of the name of, or in connection with, the business to be carried on by the Assignee), technology, know how, confidential information, trade secrets, customer lists, supplier lists, copyrights, copyright applications, copyright registrations, licenses, permits, franchises, and any letters of credit, guarantee claims, security interests, or other security held by the Assignor, and 750,000 shares of unvested common stock of Musicrypt.com Inc. Without limiting the generality of the foregoing, intangibles specifically includes the trademark and patent rights set forth on Exhibit "A" attached hereto, the licenses set forth on Exhibit "B" attached hereto; and the fixed assets set forth on Exhibit "E" (together, the "**Assets**"). Notwithstanding the foregoing, the Assets shall not include the 250,000 shares of vested common stock of Musicrypt.com Inc.
2. **Trust.** The Assignor hereby declares that, as to any property or asset or interest in any property or asset of the Assignor intended to be transferred, sold, granted, conveyed, assigned and set over to the Assignee pursuant to this Assignment and title to which may not have passed to the Assignee by virtue of this Assignment or any transfer or conveyance which from time to time may be executed and delivered in pursuance of the covenants contained in

this Assignment or the Purchase Agreement, the Assignor holds the same in trust for the Assignee to transfer, sell, grant, convey, assign and set over the same as the Assignee from time to time may direct.

3. **Substitution and Subrogation.** The conveyance of the Assets to the Assignee is with full rights of substitution and subrogation of the Assignee to the fullest extent possible in and to all covenants and warranties by others given or made in respect of the Assets or any part of them.
4. **Further Assurances.** The Assignor from time to time and at all times hereafter upon every reasonable request of the Assignee, and without further consideration, will do and perform or cause to be done or performed all such further acts and things, and execute or cause to be executed all such further deeds, documents, writings or other instruments and give all such further assurances as may be required by the Assignee to carry out effectively the intent and meaning of this Assignment and of the Purchase Agreement.
5. **No Superseding or Merger.** The provisions contained in this Assignment shall not supersede or merge with any provision contained in the Purchase Agreement, as such may be amended from time to time. The provisions contained in this Assignment shall not merge in any transfer, assignment, novation agreement or other document or instrument issued pursuant to or in connection with this Assignment.
6. **General Conveyance Subject to Purchase Agreement.** The provisions of this Assignment are subject to the Purchase Agreement and in the event of any conflict or inconsistency between the provisions of this Assignment and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.
7. **Power of Attorney from Assignor to Assignee.** Assignor hereby constitutes and appoints Assignee, its successors and assigns, the true and lawful attorney of Assignor, with full power of substitution, having full right and authority, in the name of Assignor or otherwise, and for the benefit and at the expense of Assignee, its successor and assigns:
  - (a) demand and receive any of the Assets transferred pursuant to this Assignment;
  - (b) give receipts and releases for and in respect of the Assets and any part of them;
  - (c) to institute and prosecute all proceedings which Assignee may deem proper in order to collect, assert or enforce any claim, right or title of any kind in or to the Assets, properties, business and goodwill sold and transferred or intended to be sold and transferred to Assignee by this Assignment, to defend or compromise any and all actions, suits or proceedings in respect of any such assets, properties and business, and to do all such acts and things in relation thereto as Assignee shall deem advisable; and
  - (d) take all action which Assignee shall deem proper in order to provide for Assignee the benefits under any claims, contracts, licenses, leases, commitments, sales orders or

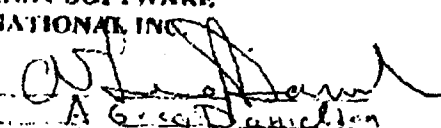
purchase orders where any required consent of another party to the assignment thereof to Assignee, pursuant to the Purchase Agreement, shall not have been obtained

Assignor hereby declares that the foregoing powers are coupled with an interest and shall be irrevocable by it or by its subsequent dissolution or in any manner or for any reason. Assignee shall be entitled to retain for its own account any amounts collected pursuant to the foregoing powers including any amounts payable as interest in respect thereof

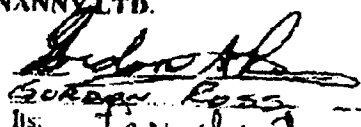
8. No Implied Rights in Third Parties. Nothing expressed or implied in this Assignment is intended to confer upon any person, other than the Assignee or its successors assigns, heirs and legal representatives, any rights, remedies, obligations or liabilities under or by reason of this Assignment.
9. Governing Law. This Assignment is governed by and will be construed in accordance with the law in force in the province of British Columbia and each party irrevocably agrees that the courts of the province of British Columbia shall have jurisdiction, but not exclusive jurisdiction, with respect to any matter arising out of or in connection with this Assignment.
10. Enurement. This Assignment will enure to the benefit of and be binding upon the successors and permitted assigns of the parties.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be duly signed as of the day and year first above written.


NET NANNY SOFTWARE  
INTERNATIONAL INC.

By:   
Its: President  
Address: \_\_\_\_\_

NET NANNY LTD.

By:   
Its: President  
Address: \_\_\_\_\_

NET NANNY SOFTWARE, INC.

By: 

Nov 21 02 11:43a  
Nov-13-02 04:11P  
Nov-13-02 03:18P

p.5  
P.02

Its: President  
Address: \_\_\_\_\_

BIOPASSWORD SECURITY SYSTEMS LTD.

By: Gordon Ross  
Its: President  
Address: \_\_\_\_\_

Exhibit A

Trademark and Patent Rights

See Exhibit A attached to Purchase Agreement dated effective November 13, 2002.

Exhibit B

Licenses

See Exhibit B attached to Purchase Agreement dated effective November 13, 2002.



Exhibit E

Fixed Assets

See Exhibit E attached to Purchase Agreement dated effective November 13, 2002.

**AGREEMENT FOR PURCHASE OF ASSETS  
OF  
NET NANNY SOFTWARE INTERNATIONAL, INC.  
NET NANNY, LTD.  
NET NANNY SOFTWARE, INC.  
BIOPASSWORD SECURITY SYSTEMS, LTD.**

This Agreement is entered into effective the 13<sup>th</sup> day of November, 2002 between **NET NANNY SOFTWARE INTERNATIONAL INC.** a Yukon Territories corporation, **NET NANNY LTD.**, a British Columbia company, **NET NANNY SOFTWARE INC.**, a Washington corporation, **BIOPASSWORD SECURITY SYSTEMS LTD.** a British Columbia company (together, the "**Seller**") and **35227 YUKON INC.**, a Yukon Territories corporation, (the "**Buyer**").

**RECITALS**

- A. Seller is an insolvent company;
- B. Seller desires to sell and Buyer desires to purchase substantially all of the assets of the Seller pursuant to a Proposal (the "**Proposal**") under Part III, Division I, of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, s.1; 1992, c.27, s.2 (the "**Act**");
- C. Campbell Saunders Ltd., licensed trustee in bankruptcy ("**Trustee**"), is the trustee acting under the Proposal;
- D. The parties desire to reduce their Agreement to writing; and
- E. The Proposal is under the jurisdiction of the Supreme Court of British Columbia in Bankruptcy (the "**Court**"), whose approval of this transaction shall be obtained prior to Closing.

NOW, THEREFORE, the parties agree as follows:

**1. Agreement to Sell and Purchase**

Subject to the terms and conditions of this Agreement, on the Closing Date (as defined in Section 11 hereof) and in consideration of the purchase price set forth below, the Seller will sell, transfer, assign and convey to the Buyer, substantially all of the assets of the Seller used in the Seller's business (the "**Business**"), including:

All of the Seller's tangible and intangible assets, including fixed assets, accounts receivable, customer contracts and lists. As used herein, the term intangibles includes business records, deposit accounts, inventions, intellectual property (including source codes), designs, patents, patent applications, trademarks, trademark applications, trademark registrations, service marks, service mark applications, service mark registrations, trade names, goodwill (including the exclusive right of the Buyer to represent itself as carrying on the Business in continuation of and as successor to the

Seller, and the right to use any words indicating that the Business is so carried on, including the right to use the names "Net Nanny", "PC Nanny" and "Biopassword" or any variation thereof as part of the name of, or in connection with, the business to be carried on by the Buyer), technology, know how, confidential information, trade secrets, customer lists, supplier lists, copyrights, copyright applications, copyright registrations, licenses, permits, franchises, and any letters of credit, guarantee claims, security interests, or other security held by the Seller, and 750,000 shares of unvested common stock of Musicrypt.com Inc. Without limiting the generality of the foregoing, intangibles specifically includes the trademark and patent rights set forth on Exhibit "A" attached hereto, the licenses set forth on Exhibit "B" attached hereto; and the fixed assets set forth on Exhibit "E" (together, the "**Acquired Assets**"). Seller shall deliver a Bill of Sale to Buyer at Closing in the form attached as Schedule "B". Notwithstanding the foregoing, the Acquired Assets shall not include the 250,000 shares of vested common stock of Musicrypt.com Inc.

## **2. Purchase Price**

The purchase price (the "Purchase Price") for the Acquired Assets is Eight Hundred Twenty-Three Thousand Three Hundred Sixty-Five Canadian Dollars (CA\$823,365.00) payable as follows:

**2.1 Assumption of Debt.** Buyer will assume the Seller's debt to Bio STV I, LLC in the amount of Three Hundred Ninety-One Thousand Three Hundred Sixty-Five Canadian Dollars (CA\$391,365.00).

**2.2 Cash Payments.** Buyer will pay to Seller the amount of Four Hundred Thirty-Two Thousand Canadian Dollars (CA\$432,000.00) in installments accruing at the rate of \$8,000 per month for the period from January 1, 2003 ending December 31, 2003, at the rate of \$12,000 per month for the period from January 1, 2004 to December 31, 2004, and at the rate of \$16,000 per month for the period from January 1, 2004 to December 31, 2005, and payable as follows:

- (i) Twenty-Four Thousand Canadian Dollars (CA\$24,000.00) on the last day of April, July, October 2003, and January 2004;
- (ii) Thirty-Six Thousand Canadian Dollars (CA\$36,000.00) on the last day of April, July, October 2004, and January 2005; and
- (iii) Forty-Eight Thousand Canadian Dollars (CA\$48,000.00) on last day of April, July, October 2005, and January 2006.

**2.3 Allocation of Purchase Price.** The allocation of the Purchase Price is attached hereto as Exhibit "D" and incorporated herein by this reference.


## **3. Shares and Profits**

**3.1 Share Subscription.** Campbell Saunders Ltd., as trustee for Net Nanny Software International Inc. shall be entitled to subscribe, for nominal consideration, for Three Hundred

IN WITNESS WHEREOF, the parties hereto have signed this Agreement effective on the date first set forth above.

**SELLER:**  
**NET NANNY SOFTWARE**  
**INTERNATIONAL INC.**


Per:

  
Name: GORDON ROSS  
Title: CEO/CTO

I have authority to bind the Corporation

**BUYER:**  
**35227 YUKON INC.**

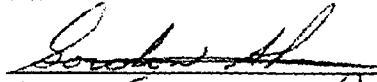
Per:

  
Name: MARK W. SALVE  
Title: PRESIDENT

I have authority to bind the Corporation

**NET NANNY LTD.**

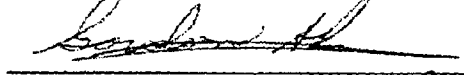
Per:

  
Name: GORDON ROSS  
Title: PRESIDENT

I have authority to bind the Corporation

**NET NANNY SOFTWARE INC.**

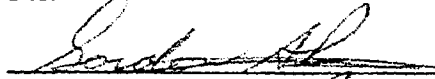
Per:

  
Name: GORDON ROSS  
Title: CEO/CTO

I have authority to bind the Corporation

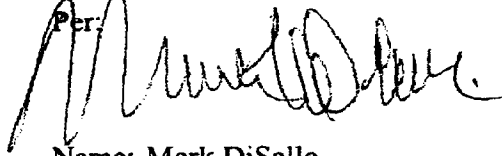
**BIOPASSWORD SECURITY SYSTEMS**  
**LTD.**

Per:

  
Name: GORDON ROSS  
Title: PRESIDENT

**BIONET SYSTEMS LLC**

Per:

A handwritten signature in black ink, appearing to read 'Mark DiSalle', written over the 'Per:' label.

Name: Mark DiSalle

Title: Manager

I have authority to bind the Corporation

**EXHIBIT A**  
**Trademarks and Patents**

<b>OWNER</b>	<b>MARK/PATENT/ COPYRIGHT</b>	<b>REGISTRATION #</b>
<b>USPTO</b>		
Net Nanny Software International Inc.	NET NANNY (Design plus words, letters and/or numbers)	# 2153282
	PC NANNY (Typed Drawing)	Serial # 75846233
BioPassword Security Systems, Inc.	BIOPASSWORD (Typed Drawing)	#1854043
International Bioaccess Systems Corporation	Method and apparatus for verifying an individual's identity	Patent # 4,805,222
<b>CIPO</b>		
Net Nanny Software International, Inc.	Net Nanny & Design	TMA472200
	PC NANNY	TMA512824
BioPassword Security Systems, Inc.	BIOPASSWORD	TMA432143
<b>US COPYRIGHT OFFICE</b>		
International BioMetric Systems, Inc.	BioPassword model 2100 user manual	TXu-461-084
	BioPassword model 2100 superuser manual	TXu-461-726
	BioPassword 2100 hardware installation manual	TXu-463-958
acInternational Biometric Systems, Inc.	Biolan "C" code	TXu-482-176
Biopassword Security Systems, Inc.	Biopass "C" code	TXu-494-067