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RECORDATION FORM COVER SHEET 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.

<p>1. Name of conveying party(ies): Phoenix Solutions, Inc. 634 Georgia Ave. Suite 101 Palo Alto, CA 94306</p> <p>Additional name(s) of conveying party(ies) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: J. Nicholas Gross, Attorney at Law</p> <p>Internal Address: _____</p> <p>_____</p> <p>_____</p> <p>Street Address: 726 Duboce Ave.</p> <p>_____</p> <p>City: San Francisco State: CA Zip: 94117</p> <p>Additional name(s) & address(es) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger</p> <p><input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name</p> <p><input type="checkbox"/> Other _____</p> <p>Execution Date: December 18, 2002</p>	

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) **09/439,174, 10/603,998, 10/684,357, 10/653,039**

B. Patent No.(s) **6,615,172, 6,633,846, 6,665,640**


Additional numbers attached? Yes No

<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: J. Nicholas Gross, Attorney at Law</p> <p>Internal Address: _____</p> <p>_____</p> <p>Street Address: 726 Duboce Ave.</p> <p>_____</p> <p>City: San Francisco State: CA Zip: 94117</p>	<p>6. Total number of applications and patents involved: <input type="text" value="7"/></p> <p>7. Total fee (37 CFR 3.41).....\$ 280</p> <p><input type="checkbox"/> Enclosed</p> <p><input checked="" type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number:</p> <p>501244</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
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9. 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.

John Nicholas Gross  **2/6/04**

Name of Person Signing _____ Signature _____ Date _____

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

Mail documents to be recorded with required cover sheet information to:
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Washington, D.C. 20231

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of December 18 2002 by and between J. Nicholas Gross, Attorney-at-Law ("JNG Law Firm") and Phoenix Solutions, Inc. a California ("Grantor").

RECITALS

A. JNG Law Firm has agreed to make certain advances of money, to extend certain financial accommodations, and provide legal services to Grantor in an amount and manner set forth in a Services Agreement by and among Grantor and JNG Law Firm dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Services Agreement"; capitalized terms used herein are used as defined in the Services Agreement). JNG Law Firm is willing to make such loans and provide services to Grantor, but only upon the condition, among others, that Grantor shall grant to JNG Law Firm a security interest in certain Patents to secure the obligations of Grantor under the Services Agreement.

B. Pursuant to the terms of the Service Agreement, Grantor has granted to JNG Law Firm a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Patents to the extent of Grantor's obligations as set forth under the Services Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Services Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

1. To secure its obligations under the Services Agreement, Grantor grants and pledges to JNG Law Firm a security interest in all of Grantor's right, title and interest in, to and under its current and future Patents and including without limitation the proceeds thereof (such as license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof, to the extent of Grantor's obligations as set forth in the Services Agreement.
2. The granting of the security interest in paragraph 1 above shall not affect, preclude or extinguish Grantor's right to sell, assign, license, encumber or otherwise commercialize such patents and patent applications.
3. The rights and remedies of JNG Law Firm with respect to the security interest granted hereby are in addition to those set forth in the Services Agreement and those which are now or hereafter available to JNG Law Firm as a matter of law or equity. Each right, power and remedy of JNG Law Firm provided for herein or in the Services Agreement, or now or hereafter existing at law or in equity shall be cumulative and concurrent and

shall be in addition to every right, power or remedy provided for herein and the exercise by JNG Law Firm of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Services Agreement or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including JNG Law Firm, of any or all other rights, powers or remedies.


- 4. Counterparts. This Intellectual Property Security Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

In Witness Whereof, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

PHOENIX SOLUTIONS, INC.

By: Ian M. Bennett



President & CEO

634 Georgia Avenue, Suite 101

Palo Alto, CA 94306-3810

(650) 858-0585

JNG LAW FIRM:

J. NICHOLAS GROSS, ATTORNEY AT LAW

By: J. Nicholas Gross



Owner

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