

RECORDATION FORM COVER SHEET PATENTS ONLY

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

To the Honorable Commissioner For Patents: Please record the attached original documents or copy thereof:

1. Name of conveying party(ies):
Sapphire Communications, Inc.

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

3. Nature of Conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other: Ownership Transfer

Execution Date: April 13, 2004

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

Name: B. C. Leow

Internal Address:

Street Address: 53 Ubi Avenue, #03-33

City: Paya Ubi Industrial Park

Country: Singapore Zip: 408934

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):
09/847,097

B. Patent No.(s):

Additional numbers attached? Yes No

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

Name: John T. McNelis

Internal Address: Fenwick & West LLP

Street Address: Silicon Valley Center
801 California Street

City: Mountain View State: CA Zip Code: 94041

6. Total number of applications and patents involved: [1]

7. Total fee (37 CFR 3.41): \$40.00
 Check Enclosed
 Fee Transmittal Enclosed
 Charge the indicated fees to the below mentioned deposit account.

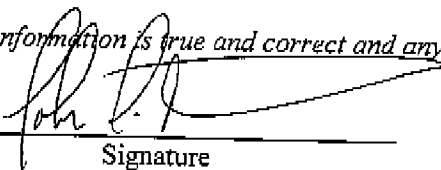
8. Deposit Account No.: 19-2555

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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 T. McNelis
Name of Person Signing


Signature

26 Aug 2004
Date

Total number of pages including cover sheet, attachments, documents: [7]

Mail documents to be recorded with required cover sheet information to: Mail Stop Assignment Recordation Services, Director of the U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450.

Use Docket No.: 24445-06001

20870/06001/DOCS/1461180

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HAAS & NAJARIAN

Francois Trans
The RecovAR Group, LLC
Verio, Inc.
Sweet & Hinsdale
April 13, 2004
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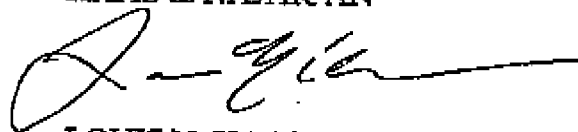
applications for patents attached to the Security Agreement as Exhibit B and attached hereto for the reader's convenience) and similar intellectual property rights), "goods," "investment property," "instruments," "inventory," and all money, cash or cash equivalents (as such terms are defined in Division 9 of the California Uniform Commercial Code in effect on the date of this Agreement), now owned by Sapphire Communications, Inc.

Secured Party filed his UCC Financing Statement with the California Secretary of State on June 14, 2002. You are advised that Debtor's obligation to Secured Party is in the amount of \$1,489,347.00, including interest and principal to date, plus an amount for foreclosure, including attorney's fees, to be added to the foregoing. You are further advised that Secured Party does not believe the collateral is equal to his debt since the Debtor's technology must be further developed and Debtor's R & D team was disbanded when Debtor ceased operations.

You are further notified that if you object to this proposal, you must notify the undersigned on behalf of Secured Party in writing within 20 days of the date of this notice. If you have any questions regarding this notice, please contact the undersigned.

Very truly yours,

HAAS & NAJARIAN



LOUIS N. HAAS
Attorney for Secured Party
B. C. Leow

Enclosures

N:\CLIENTS\35\3503.000\Notice of Intent to Retain Collateral.wpd

Exhibit A
Trademarks

Mark	Serial #	Filing Date	Class
Sapphire Communications	76/041,464.	05/05/00	9

Exhibit B**Patents**

F&W Ref	Title	Serial #	Filing Date
2960 (Prov.)	Method And Means For A Synchronous Network Communication System	60/05,406	07/31/97
2961 (Prov.)	Method And Means For A Universal Information Technological System	60/05,415	07/31/97
3432 (Prov.)	System And Method For Scalable Com2000 Gigabit Ethernet CAT5 Physical Layer (GPHY4)	60/08,603	05/15/98
3476 (Lit to 2960, 2961, 3432 & 3480)	Means & Method for a Synchronous Network Communications System	09/12,383	07/31/98
3476 EP	Means and Method for a Synchronous Network Communications System	98938,279.1	07/31/98
3476 AU	Means and Method for a Synchronous Network Communications System	868,0/98	07/31/98
3476 CA	Means and Method for a Synchronous Network Communications System	230,466	07/31/98
3476 IL	Means and Method for a Synchronous Network Communications System	134,287	07/31/98
3480 (Prov.)	Simulation Findings For Scalable Com2000 Gigabit Ethernet CAT5 Physical Layer (GPHY4)	60/08,9,526	05/15/98

F&W Ref	Title	Serial #	Filing Date
3659 (Prov)	Means and Method for Increasing Performance of Interference-Suppression Based FSLE/DFE xDSL Receivers Over POTS Cables	60/104 316	10/13/98
3697 (Prov)	Means and Method of Precursor ISI Cancellation	60/105 340	11/20/98
3926 (Prov)	Means And Method Of High-Speed Data Transmission Over Existing Mil-STD-1553	60/125 314	04/14/99
4511	Means And Method For Increasing Performance Of Interference-Suppression Based Receivers	09/41 528	10/13/99
4511 CA	Means And Method For Increasing Performance Of Interference-Suppression Based Receivers	Not yet received	10/15/01
4511 EP	Means And Method For Increasing Performance Of Interference-Suppression Based Receivers	0091 379	11/14/01
4571	Means And Method For Precursor ISI Cancellation	09/44 1,007	11/19/99
4630 (Prov)	Universal Synchronous Network System for Internet Processor and Web Operating Environment	60/17 1,455	12/13/99
4871	Universal Synchronous Network System for Internet Processor and Web Operating Environment	09/55 1,395	04/14/00

F&W Ref	Title	Serial #	Filing Date
4871 CA	Universal Synchronous Network System for Internet Processor and Web Operating Environment	Not yet received	10/15/01
4871 EP	Universal Synchronous Network System for Internet Processor and Web Operating Environment	00930 12	11/14/01
6001	Channel Equalization System and Method (div of 4871)	09/847 397	05/01/01
6419 (div. of 6001)	Channel Adaptive Equalization Precoding System and Method	Not yet received	10/03/01
6761 (con of 3476)	Means and Method For A Synchronous Network Communications System	10/096 390	03/10/02