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To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s): Ganeden Biotech, Inc. December 20, 2005 Execution Date(s) _____ Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies) Name: <u>MidCap Credit, LLC</u> Internal Address: _____ Street Address: <u>433 South Main Street</u> City: <u>West Hartford</u> State: <u>CT</u> Country: <u>USA</u> Zip: <u>06110</u> Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Government Interest Assignment <input type="checkbox"/> Executive Order 9424, Confirmatory License <input type="checkbox"/> Other _____	4. Application or patent number(s): <input type="checkbox"/> This document is being filed together with a new application. A. Patent Application No.(s) <u>See Attached Schedule A</u> B. Patent No.(s) <u>See Attached Schedule A</u> Additional numbers attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. Name and address to whom correspondence concerning document should be mailed: Name: <u>Stacey C. Friends, Esq.</u> Internal Address: _____ <u>RUBERTO, ISRAEL & WEINER, P.C.</u> Street Address: <u>100 N. Washington Street</u> City: <u>Boston</u> State: <u>MA</u> Zip: <u>02114</u> Phone Number: <u>617. 742. 4200</u> Fax Number: <u>617. 742. 2355</u> Email Address: <u>Trademark@riw.com</u>	6. Total number of applications and patents involved: <u>23</u> 7. Total fee (37 CFR 1.21(h) & 3.41) \$ <u>920.00</u> <input type="checkbox"/> Authorized to be charged by credit card <input checked="" type="checkbox"/> Authorized to be charged to deposit account <input type="checkbox"/> Enclosed <input type="checkbox"/> None required (government interest not affecting title)
8. Payment Information a. Credit Card Last 4 Numbers _____ Expiration Date _____ b. Deposit Account Number <u>501715</u> Authorized User Name <u>Robert Marotta</u>	
9. Signature: <u>Robert J. Marotta</u> 12/23/05 Date Robert J. Marotta Signature Total number of pages including cover sheet, attachments, and documents: <u>8</u> Name of Person Signing _____	

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, V.A. 22313-1450

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SCHEDULE A

**TO A PATENT SECURITY AGREEMENT
BETWEEN GANEDEN BIOTECH, INC. (Borrower)
AND
MIDCAP CREDIT, LLC (Lender)**

DATED: DECEMBER 20, 2005

ISSUED PATENTS (USA)

Patent Number	Issue Date	Title
6,461,607	10/08/2002	PROBIOTIC, LACTIC ACID-PRODUCING BACTERIA AND USES THEREOF
6,716,435	04/06/2004	METHODS FOR INHIBITING MICROBIAL INFECTIONS ASSOCIATED WITH SANITARY PRODUCTS AND FOR ENHANCING SANITARY PRODUCT DEGRADATION, SYSTEMS AND COMPOSITIONS
6,733,751	5/11/2004	USE OF EMU OIL AND ITS VARIOUS FRACTIONS AS A CARRIER FOR ANTIFUNGAL, ANTIBACTERIAL, AND ANTIVIRAL MEDICATIONS & PREPARATIONS
6,849,256	02/01/2005	INHIBITION OF PATHOGENS BY PROBIOTIC BACTERIA
6,733,751	5/11/2004	USE OF EMU OIL AND ITS VARIOUS FRACTIONS AS A CARRIER FOR ANTIFUNGAL, ANTIBACTERIAL, AND ANTIVIRAL MEDICATIONS & PREPARATIONS
6,723,326	4/20/2004	TOPICAL COMPOSITIONS CONTAINING PROBIOTIC BACILLUS BACTERIA, SPORES, AND EXTRACELLULAR PRODUCTS AND USES THEREOF
6,905,692	6/14/2005	TOPICAL COMPOSITIONS CONTAINING PROBIOTIC BACILLUS BACTERIA, SPORES, AND EXTRACELLULAR PRODUCTS AND USES THEREOF
6,849,256	2/1/2005	INHIBITION OF PATHOGENS BY PROBIOTIC BACTERIA

6,811,786	11/2/2004	METHODS FOR REDUCING CHOLESTEROL USING BACILLUS COAGULANS SPORES, SYSTEMS AND COMPOSITIONS
6,461,607	10/8/2002	PROBIOTIC, LACTIC ACID- PRODUCING BACTERIA AND USES THEREOF
6,723,326	4/20/2004	TOPICAL COMPOSITIONS CONTAINING PROBIOTIC BACILLUS BACTERIA, SPORES, AND EXTRACELLULAR PRODUCTS AND USES THEREOF
6,905,692	6/14/2005	TOPICAL COMPOSITIONS CONTAINING PROBIOTIC BACILLUS BACTERIA, SPORES, AND EXTRACELLULAR PRODUCTS AND USES THEREOF
6,811,786	11/2/2004	METHODS FOR REDUCING CHOLESTEROL USING BACILLUS COAGULANS SPORES, SYSTEMS AND COMPOSITIONS

PENDING PATENT APPLICATIONS (USA)

Application/Serial Number	Filing Date	Title
10/264,745	10/04/2002	PROBIOTIC, LACTIC ACID-PRODUCING BACTERIA AND USES THEREOF
09/369,016	09/05/1999	METHODS FOR INCREASING THE SOLUBILITY OF ESSENTIAL VITAMINS & MINERALS IN MAMMALS USING PROBIOTIC LACTIC ACID-PRODUCING BACTERIA, SYSTEMS, AND COMPOSITIONS
10/287,904	11/05/2002	PROBIOTIC COMPOSITIONS
10/915,030	8/9/2004	METHODS FOR THE DIETARY MANAGEMENT OF IRRITABLE BOWEL SYNDROME AND CARBOHYDRATE MALABSORPTION
60/528,074	12/5/2003	METHODS FOR THE DIETARY MANAGEMENT OF IRRITABLE BOWEL SYNDROME AND CARBOHYDRATE MALABSORPTION
09/369,016	8/5/1999	METHODS FOR INCREASING THE SOLUBILITY OF ESSENTIAL VITAMINS & MINERALS IN MAMMALS USING PROBIOTIC LACTIC ACID-PRODUCING BACTERIA, SYSTEMS, AND COMPOSITIONS
10/264,745	10/4/2002	PROBIOTIC, LACTIC ACID-PRODUCING BACTERIA AND USES THEREOF
10/287,904	11/5/2002	PROBIOTIC COMPOSITIONS
10/819,060	4/5/2004	ABSORBENT PRODUCT CONTAINING ABSORBENT STRUCTURE AND BACILLUS COAGULANS
10/843,277	5/11/2004	USE OF EMU OIL AND ITS VARIOUS FRACTIONS AS A CARRIER FOR ANTIFUNGAL, ANTIBACTERIAL, AND ANTIVIRAL MEDICATIONS & PREPARATIONS

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PATENT SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into as of December ²⁰, 2005, by and between Ganeden Biotech, Inc., a Delaware corporation having its principal place of business at 5915 Landerbrook Drive, Suite 304, Mayfield Heights, Ohio 44124 (the "Borrower"), and MidCap Credit, LLC, a Delaware limited liability company with a usual place of business at 433 South Main Street, West Hartford, Connecticut 06110 ("Lender").

NOW THEREFORE, in consideration of the premises, Borrower hereby agrees with Lender as follows:

1. **Grant of Security Interest.** Borrower hereby grants to Lender a first priority security interest in, and conditionally assigns, but does not transfer title to Lender, all of Borrower's right, title and interest in and to the following (collectively, the "Collateral") to secure payment and performance of all obligations of Borrower to Lender whether such obligations are direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including, without limitation, those liabilities of Borrower to Lender pursuant to a Loan and Security Agreement dated May 12, 2005, as amended, between Lender and Borrower (the "Loan Agreement") (collectively, the "Obligations").

The Collateral shall consist of the following:

(a) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights and rights to extend such patents and patent rights;

(b) All of Borrower's right, title and interest, in and to the patents and patent applications listed on Schedule A attached hereto, as the same may be updated hereafter from time to time;

(c) All of Borrower's right, title and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Borrower or in the name of Lender for past, present and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(d) All general intangibles relating to the Collateral; and

(e) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

2. **Warranties and Representations.** Borrower hereby warrants and represents to Lender the following:

(a) A true and complete schedule setting forth all patents and patent applications owned or controlled by Borrower or licensed to Borrower, together with a summary description and full

information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(b) To the best of Borrower's knowledge and belief, each of the patents is valid and enforceable, and Borrower is not presently aware of any past, present or prospective claim by any third party that any of the patents are invalid or unenforceable, or that the use of any patents violates the rights of any third person, or of any basis for any such claims;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the patents and patent applications, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, shop rights and covenants by Borrower not to sue third persons;

(d) Borrower has used and will continue to use proper statutory notice in connection with its use of each of the patents;

(e) Except for the filing of financing statements with the Secretary of State of Delaware under the Uniform Commercial Code and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Borrower of the security interest hereunder or for the execution, delivery or performance of this Agreement by Borrower or for the perfection of or the exercise by Lender of its rights hereunder to the Collateral in the United States.

3. After-Acquired Patent Rights. If Borrower shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, divisional or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Borrower shall give prompt notice in writing to Lender with respect to any such new patents. Borrower shall bear any expenses incurred in connection with future applications for patent.

4. Litigation and Proceedings. Borrower shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings or other actions for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Borrower shall provide to Lender any information with respect thereto requested by Lender. Lender shall provide at Borrower's expense all necessary cooperation in connection with any such suit, proceeding or action, including, without limitation, joining as a necessary party. Following Borrower's becoming aware thereof, Borrower shall notify Lender of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state or foreign court regarding Borrower's claim of ownership in any of the patents, its right to apply for the same, or its right to keep and maintain such patent rights.

5. Power of Attorney. Borrower grants Lender power of attorney, having the full authority, and in the place of Borrower and in the name of Borrower, from time to time in Lender's discretion to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of the Loan Agreement:

(a) To endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use or maintain the Collateral;

(b) To ask, demand, collect, sue for, recover, impound, receive and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) To file any claims or take any action or institute any proceedings that Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Lender's rights with respect to any of the Collateral and to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any person.

7. Events of Default. Any of the following events shall be an Event of Default:

(a) Borrower fails to make any payment of principal or interest or any other payment on any Obligation when due and payable, by acceleration or otherwise; and

(b) the occurrence of an Event of Default as that term is defined in the Loan Agreement.

8. Specific Remedies. Upon the occurrence of any Event of Default:

(a) Lender may cease advancing money or extending credit to or for the benefit of Borrower under the Loan Agreement or under any other agreement between Borrower and Lender.

(b) Lender may declare all Obligations to be due and payable immediately, whereupon they shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Borrower;

(c) Lender may set off against the Obligations all Collateral, balances, credits, deposits, accounts or moneys of Borrower then or thereafter held with Lender, including amounts represented by certificates of deposit;

(d) Lender may notify licensees to make royalty payments on license agreements directly to Lender;

(e) Lender may sell or assign the Collateral at public or private sale for such amounts, and at such time or times as Lender deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Borrower ten (10) days prior to such disposition. Borrower shall be credited with the net proceeds of such sale only when they are actually received by Lender, and Borrower shall continue to be liable for any deficiency remaining after the Collateral is sold or collected;

(f) If the sale is to be a public sale, Lender shall also give notice of the time and place by publishing a notice one time at least ten (10) calendar days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held; and

(g) To the maximum extent permitted by applicable law, Lender may be the purchaser of any or all of the Collateral at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any Collateral payable by Lender at such sale.

9. **Governing Law.** All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Connecticut.

IN WITNESS WHEREOF, the Borrower and Lender have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

GANEDEN BIOTECH, INC.

By: 
Andrew R. Lefkowitz, President

MIDCAP CREDIT, LLC

By: MIDCAP BUSINESS CREDIT, LLC,
Manager

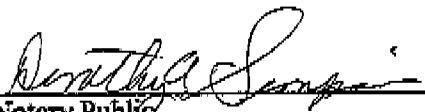
By: 
Richard E. Mount, President

STATE OF OHIO

Cuyahoga, Mayfield Heights, ss.

On this 20 day of December, 2005, before me, the undersigned notary public, personally appeared Andrew R. Lefkowitz, as President of Geneden Biotech, Inc., a corporation, proved to me to be the person whose name is signed on the preceding or attached document, through satisfactory evidence of identification, namely, a driver's license issued by the State of Ohio bearing the photographic image of the face and signature of Andrew R. Lefkowitz, and acknowledged to me that he signed it voluntarily for its stated purpose.

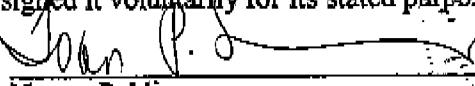
Dorothy A. Simpson
State of Ohio
Commission Expires
01/20/2009


Notary Public
My Commission Expires: 1/20/2009

STATE OF CONNECTICUT

Hartford, West Hartford, ss.

On this 22nd day of December, 2005, before me, the undersigned notary public, personally appeared Richard E. Mount, as President of MidCap Credit, LLC, a limited liability company, proved to me to be the person whose name is signed on the preceding or attached document, through satisfactory evidence of identification, namely, my personal knowledge of the identity of that individual, and acknowledged to me that he signed it voluntarily for its stated purpose.


Notary Public
My Commission Expires: 10/31/06