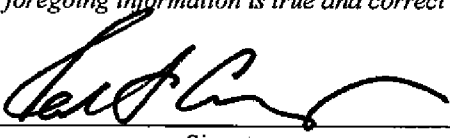


SUBSTITUTE FORM PTO 1595
1-31-92RECORDATION FORM COVER SHEET
PATENTS ONLYU.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Director of the U.S. Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): MTE Corporation 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): Bank of America, N.A. 1600 JFK Boulevard 4 Penn Center Suite 1100 Philadelphia, PA 19103 Additional name(s) & addresses 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"/> Other: _____	Execution Date: November 1, 2006
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) 11/120,795 11/146,462 11/430,501 11/430,778	B. Patent No.(s) 6,009,004 Additional numbers attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5. Name and address of party to whom correspondence concerning document should be mailed: Robert E. Cannuscio, Esq. Drinker Biddle & Reath LLP One Logan Square 18 th & Cherry Streets Philadelphia, PA 19103-6996 Attorney Docket No. 211211	6. Total number of applications and patents involved: <u>5</u> 7. Total fee (37 CFR 3.41) \$ <u>200.00</u> <input type="checkbox"/> Enclosed with prior submission <input checked="" type="checkbox"/> authorized to be charged to deposit account <u>50-0573</u> 8. Deposit Account Number: <u>50-0573</u>
DO NOT USE THIS SPACE	
9. 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.	
<u>Robert E. Cannuscio</u> Name of Person Signing	 Signature
<u>November 6, 2006</u> Date	
Total number of pages including cover sheet, attachments, and document :	
OMB No. 0651-0011 (exp. 4/94)	
Do not detach this portion	
Mail documents to be recorded with required cover sheet information to: Mail Stop Assignment Recordation Services Director U.S. Patent and Trademark Office P. O. Box 1450 Alexandria, VA 22313-1450	

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**IP SECURITY AGREEMENT
(Patents and Trademarks)**

This **IP SECURITY AGREEMENT**, dated as of November 1, 2006 (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), is made by the Person listed on the signature page hereof (the "Grantor") in favor of Bank of America, N.A., as collateral agent for the Secured Parties (in such capacity, the "Collateral Agent"). Undefined capitalized terms used in this Agreement have the meanings assigned to them in that certain Security Agreement, dated as of August 3, 2005 (as supplemented by that certain Security Agreement Joinder and Supplement, dated as of November 1, 2006, by the Grantor in favor of the Collateral Agent (the "Security Agreement Joinder and Supplement"), and as otherwise amended, restated, supplemented or modified from time to time, the "Security Agreement"), between SL Industries, Inc., a New Jersey corporation (the "Parent Borrower"), the subsidiaries of the Parent Borrower listed on the signature pages thereto (the "Subsidiary Grantors"), each Additional Grantor that from time to time becomes a party by executing a supplement to the Security Agreement and the Collateral Agent.

WHEREAS, the Grantor has entered into the Security Agreement Joinder and Supplement which provides, among other things, for the joinder of the Grantor to the Security Agreement as a Grantor (as defined in the Security Agreement) for all purposes thereunder.

WHEREAS, the Grantor has granted a security interest in and continuing Lien on the Collateral (including the Intellectual Property subject of this Agreement) to the Collateral Agent pursuant to the Security Agreement, and desires to enter into this Agreement for purposes of affirming such grant to the Collateral Agent, and providing a short-form medium to facilitate the recording of such security interest in the applicable governmental offices.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

Section 1. Affirmation and Grant of Security. The Grantor hereby affirms its grant to the Collateral Agent for the benefit of the Secured Parties set forth in the Security Agreement of, and grants to the Collateral Agent for the benefit of the Secured Parties, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under the Intellectual Property (including the Patents and Trademarks listed on Schedules I, II and III attached hereto) to secure the Secured Obligations.

Section 2. Recordation. The Grantor authorizes and requests that the Commissioner of Patents and Trademarks and any other applicable government officer record this Agreement.

Section 3. Grants, Rights and Remedies. This Agreement has been entered into in conjunction with the provisions of the Security Agreement. The Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Collateral Agent with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

Section 4. Miscellaneous. The Grantor agrees that neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except by an instrument in writing signed by the party (including, if applicable, any party required to evidence its consent to or acceptance of this Agreement) against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Section 5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

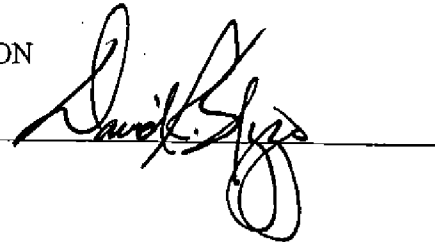
IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

MTE CORPORATION

By: _____

Name: _____

Title: _____

A handwritten signature in black ink, appearing to read "David K. Sizs", is written over a horizontal line. The signature is stylized with a large, looped initial 'D' and a trailing flourish.

SCHEDULE I**REGISTERED AND APPLIED-FOR TRADEMARKS**

Reg. No	Country	Mark	Owner	Registration Date
1,849,823	USA	GUARD-AC and Design	MTE Corporation	8/16/94
3,116,284	USA	MATRIX	MTE Corporation	7/18/06
1,847,630	USA	MTE CORPORATION Stylized	MTE Corporation	8/02/94

SCHEDULE II**PATENTS**

Subsidiary	Number	Country	Description	Issue Date/ (Filing Date)
MTE	2006201301	Australia	Multiple Three-Phase Inductor With a Common Core	(3/29/06)
MTE	2541211	Canada	Multiple Three-Phase Inductor With a Common Core	(3/28/06)
MTE	290/KOL/2006	India	Multiple Three-Phase Inductor With a Common Core	(3/30/06)
MTE	11/120,795	USA	Multiple Three-Phase Inductor With a Common Core	(5/03/05)
MTE	2006-000959	Venezuela	Multiple Three-Phase Inductor With a Common Core	(5/03/06)
MTE	11/430,778	USA	Single Phase Filter for Reducing Harmonics	(5/09/06)
MTE	6,009,004	USA	Single-Phase Harmonic Filter System	12/28/99
MTE	11/146,462	USA	Snap-Together Multiple Phase Inductor Assembly	(6/07/05)
MTE	11/430,501	USA	Three-Phase Harmonic Reduction Filter for Bi-Directional Power Converters	(5/09/06)

SCHEDULE III**DOMAIN NAME REGISTRATION**

Subsidiary	Domain Name	Registrar	Expiration Date
MTE	mtecorp.com	OnYourMark, LLC	12/03/07