

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Digital Recorders, Inc.	03/15/2006
Digital Audio Corporation	03/15/2006
Twin Vision of North America, Inc.	03/15/2006

RECEIVING PARTY DATA

Name:	Laurus Master Fund, Ltd.
Street Address:	825 Third Avenue 14th Floor
Internal Address:	c/o Laurus Capital Management LLC
City:	New York
State/Country:	NEW YORK
Postal Code:	10022

PROPERTY NUMBERS Total: 7

Property Type	Number
Application Number:	10822974
Application Number:	29113345
Application Number:	10869305
Application Number:	10880811
Application Number:	60749740
Application Number:	60713414
Application Number:	10417383

CORRESPONDENCE DATA

Fax Number: (866)826-5420
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 3016380511
 Email: ipresearchplus@comcast.net
 Correspondent Name: IP Research Plus, Inc.

CH \$280.00 10822974

Address Line 1: 21 Tadcaster Circle
Address Line 2: Attn: Penelope J.A. Agodoa
Address Line 4: Waldorf, MARYLAND 20602

ATTORNEY DOCKET NUMBER:

31394

NAME OF SUBMITTER:

Penelope J.A. Agodoa

Total Attachments: 8
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RECORDATION FORM COVER SHEET PATENTS ONLY

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)

SEE EXHIBIT 1

2. Name and address of receiving party(ies)

Name: LAURUS MASTER FUND, LTD.

Internal Address: _____

C/O LAURUS CAPITAL MANAGEMENT LLC

Street Address: 825 THIRD AVENUE 14TH FLOOR

City: NEW YORK CITY

State: NEW YORK

Country: USA

Zip: 10022

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

3. Nature of conveyance/Execution Date(s):

Execution Date(s) MARCH 15, 2006

- | | |
|---|---|
| <input type="checkbox"/> Assignment | <input type="checkbox"/> Merger |
| <input checked="" type="checkbox"/> Security Agreement | <input type="checkbox"/> Change of Name |
| <input type="checkbox"/> Joint Research Agreement | |
| <input type="checkbox"/> Government Interest Assignment | |
| <input type="checkbox"/> Executive Order 9424, Confirmatory License | |
| <input type="checkbox"/> Other _____ | |

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

4. Application or patent number(s):

This document is being filed together with a new application.

A. Patent Application No.(s)

SEE SCHEDULE 2 ATTACHED TO THE INTELLECTUAL
PROPERTY SECURITY AGREEMENT

B. Patent No.(s)

SEE SCHEDULE 2 ATTACHED TO THE INTELLECTUAL
PROPERTY SECURITY AGREEMENT

Additional numbers attached? Yes No

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

Name: LOEB & LOEB LLP

Internal Address: ATTN: DARRELL R. MITCHINER,
LEGAL ASSISTANT

Street Address: 345 PARK AVENUE

City: NEW YORK CITY

State: NEW YORK Zip: 10154

Phone Number: 212 407-4915

Fax Number: 646 607-3304

Email Address: DMITCHINER@LOEB.COM

6. Total number of applications and patents involved: 7**7. Total fee (37 CFR 1.21(h) & 3.41) \$ _____**


- Authorized to be charged by credit card
 Authorized to be charged to deposit account
 Enclosed
 None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____
Authorized User Name _____

9. Signature:


Signature

FEBRUARY 2, 2007

Date

DARRELL R. MITCHINER
Name of Person Signing

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

8

EXHIBIT 1

	<u>NAME</u>	<u>ORGANIZATION</u>	<u>JURISDICTION</u>
1.	DIGITAL RECORDERS, INC.	CORPORATION	NORTH CAROLINA
2.	DIGITAL AUDIO CORPORATION	CORPORATION	NORTH CAROLINA
3.	TWIN VISION OF NORTH AMERICA, INC.	CORPORATION	NORTH CAROLINA

**GRANT OF SECURITY INTEREST
IN PATENTS AND TRADEMARKS**

THIS GRANT OF SECURITY INTEREST ("Grant"), effected as of March 15, 2006, is executed by Digital Recorders, Inc., a North Carolina corporation, Digital Audio Corporation, a North Carolina corporation and Twin Vision of North America, Inc. (collectively, the "Grantor"), in favor of Laurus Master Fund, Ltd. (the "Secured Party").

A. Pursuant to a Security Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") among the Grantor, certain other Companies (as defined in the Security Agreement), and the Secured Party, the terms and provisions of which are hereby incorporated herein as if fully set forth herein, the Grantor and the other Companies have granted a security interest to the Secured Party in consideration of the Secured Party's agreement to provide financial accommodations to Digital Recorders, Inc.

B. The Grantor (1) has adopted, used and is using the trademarks reflected in the trademark registrations and trademark applications in the United States Patent and Trademark Office more particularly described on Schedule 1 annexed hereto as part hereof (the "Trademarks"), and (2) has registered or applied for registration in the United States Patent and Trademark Office of the patents more particularly described on Schedule 2 annexed hereto as part hereof (the "Patents").

C. The Grantor wishes to confirm its grant to the Secured Party of a security interest in all right, title and interest of the Grantor in and to the Trademarks and Patents, and all proceeds thereof, together with the business as well as the goodwill of the business symbolized by, or related or pertaining to, the Trademarks, and the customer lists and records related to the Trademarks and Patents and all causes of action which may exist by reason of infringement of any of the Trademarks and Patents (collectively, the "T&P Collateral"), to secure the payment, performance and observance of the Obligations (as that term is defined in the Security Agreement).

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged:

1. The Grantor does hereby further grant to the Secured Party a security interest in the T&P Collateral to secure the full and prompt payment, performance and observance of the Obligations.

2. The Grantor agrees to perform, so long as the Security Agreement is in effect, all acts deemed necessary or desirable by the Secured Party to permit and assist it, at the Grantor's expense, in obtaining and enforcing the Trademarks and Patents in any and all countries. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. The Grantor hereby appoints the Secured Party as the Grantor's attorney-in-fact to execute and file any and all agreements, instruments, documents and papers as the

Secured Party may determine to be necessary or desirable to evidence the Secured Party's security interest in the Trademarks and Patents or any other element of the T&P Collateral, all acts of such attorney-in-fact being hereby ratified and confirmed.


3. The Grantor acknowledges and affirms that the rights and remedies of the Secured Party with respect to the security interest in the T&P Collateral granted hereby are more fully set forth in the Security Agreement and the rights and remedies set forth herein are without prejudice to, and are in addition to, those set forth in the Security Agreement. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

4. The Grantor hereby authorizes the Secured Party to file all such financing statements or other instruments to the extent required by the Uniform Commercial Code and agrees to execute all such other documents, agreements and instruments as may be required or deemed necessary by the Secured Party, in each case for purposes of affecting or continuing Secured Party's security interest in the T&P Collateral.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed as of the day and year first above written.


DIGITAL RECORDERS, INC.

By: 
Name: David L. Turvey
Title: Chairman, CEO, & President

DIGITAL AUDIO CORPORATION

By: 
Name: David L. Turvey
Title: President

**TWIN VISION OF NORTH AMERICA,
INC.**

By: 
Name: David L. Turvey
Title: President

IP

LAURUS MASTER FUND, LTD.

By: _____

Name: *David Grew*
Title: *Director.*

SCHEDULE 1 TO GRANT OF SECURITY INTEREST
REGISTERED TRADEMARKS AND TRADEMARK APPLICATIONS

1. 75/763,900
2. 76/354,124
3. 76/551,985
4. 76/545,891
5. 75/181,268
6. 78/105,184
7. 78/045,100
8. 78/063,631
9. 74/247,475
10. 75/157,950
11. 78/635,663
12. 78/709,995
13. 78/771,572
14. 76/636,317
15. 78/688,045

SCHEDULE 2 TO GRANT OF SECURITY INTEREST
PATENTS AND PATENT APPLICATIONS

1. 10/822,974
2. 29/113,345
3. 10/869,305
4. 10/880,811
5. 10/417,383
6. 60/749,740
7. 60/713,414

NY552195.1
203891-10098

RECORDED: 02/16/2007

PATENT
REEL: 018901 FRAME: 0782