

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
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<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT
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<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
DEXTER MAGNETIC TECHNOLOGIES, INC.	07/19/2007

<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	LEVINE LEICHTMAN CAPITAL PARTNERS III, L.P., AS COLLATERAL AGENT
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<b>City:</b>	Beverly Hills
<b>State/Country:</b>	CALIFORNIA
<b>Postal Code:</b>	90210

**PROPERTY NUMBERS Total: 26**

Property Type	Number
Application Number:	60913143
Application Number:	60815129
Application Number:	11684600
PCT Number:	US0645423
Application Number:	11604660
PCT Number:	US0525096
Application Number:	11182596
PCT Number:	US0516755
Patent Number:	7135792
PCT Number:	US0438084
Patent Number:	7182843
PCT Number:	US0434764
Application Number:	10691679
Patent Number:	6572778

**CH \$1040.00 60913143**

Patent Number:	6451207
Application Number:	10349771
Patent Number:	6514416
Patent Number:	6514415
Patent Number:	6562239
Patent Number:	6413420
Patent Number:	6084498
Patent Number:	5959520
Patent Number:	6249200
Patent Number:	5886609
Patent Number:	5865970
Patent Number:	5635889

**CORRESPONDENCE DATA**

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ATTORNEY DOCKET NUMBER:	3212285.326097
NAME OF SUBMITTER:	Kimberley A. Lathrop

Total Attachments: 8  
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## PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Patent Security Agreement") is made this 19<sup>th</sup> day of July 2007 among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **LEVINE LEICHTMAN CAPITAL PARTNERS III, L.P.**, a California limited partnership (in its capacity as collateral agent for itself as Purchaser, Levine Leichtman Capital Partners, Inc. and all other Indemnified Parties, the "Secured Party").

### WITNESSETH:

WHEREAS, pursuant to that certain Note Purchase Agreement dated as of July 19, 2007 (as amended, restated, supplemented or otherwise modified from time to time, including all schedules and exhibits thereto, the "Note Purchase Agreement") by and among the Secured Party and the Grantors identified on the signature pages thereof, the Secured Party is willing to purchase the Notes pursuant to the terms and conditions thereof;

WHEREAS, the Secured Party is willing to purchase the Notes as provided for in the Note Purchase Agreement, but only upon the condition, among others, that the Grantors shall have executed and delivered to the Secured Party, for the benefit of the First Priority Security Interest Holders and the Second Priority Security Interest Holders, that certain Security Agreement dated July 19, 2007 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to the Secured Party, for the benefit of the First Priority Security Interest Holders and the Second Priority Security Interest Holders, this Patent Security Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement and/or the Note Purchase Agreement.
2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Each Grantor hereby grants to the Secured Party, for the benefit of the First Priority Security Interest Holders and the Second Priority Security Interest Holders (having the priorities set forth in Sections 2(a), 2(b) and 5(d) of the Security Agreement), a first priority, continuing security interest in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):
  - (a) all of its Patents and rights in and to Intellectual Property Licenses with respect to patents to which it is a party including those referred to on Schedule I hereto;
  - (b) all reissues, continuations, continuations-in-part, substitutes, extensions or renewals of, and improvements on, the foregoing; and
  - (c) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Intellectual Property License.
3. SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to the Secured Party, for the benefit of the First Priority Security Interest Holders and the Second Priority Security Interest Holders, pursuant to the

Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Secured Party with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to the Secured Party with respect to any such new patent rights. Without limiting Grantors' obligations under this Section 4, Grantors hereby authorize the Secured Party unilaterally to modify this Agreement by amending Schedule I to include any such new patent rights of Grantors. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from the Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule I.

5. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Patent Security Agreement or any other Investment Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

[SIGNATURE PAGE FOLLOWS]

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

**DEXTER MAGNETIC TECHNOLOGIES, INC.,**  
a New York corporation  
as Grantor

By: 

Name: Steven Hartman  
Title: Secretary and Treasurer

**ACCEPTED AND ACKNOWLEDGED BY:**

**LEVINE LEICHTMAN CAPITAL  
PARTNERS, INC.,** a California corporation  
as the Secured Party

On behalf of **LEVINE LEICHTMAN  
CAPITAL PARTNERS III, L.P.,** a  
California limited partnership

By: 

Name: Steven Hartman  
Title: Vice President

[signature page to patent security agreement]

SCHEDULE I  
to  
PATENT SECURITY AGREEMENT

Patents and Rights in and to Intellectual Property Licenses

See attached.

## Active Patent Portfolio Report

**STATUS KEY**

**Provisional** Provisional patent application has been made [on date cited].  
**Pending** Full patent application has been made [on date cited] and awaits publication.  
**Published** Patent application has been published and awaits allowance.  
**Allowed** Patent has been allowed and awaits patent number assignment and issuance.  
**Issued** Patent has been issued, assigned a patent number and can be enforced.

ID	Title	Inventors	Status	Reference
P018	Method And Apparatus For Creating A Uniform Magnetic Field	Chun Li Mike Schilling	Provisional - Filed 04/20/07	60/913,143
DMT-06-03	Wellbore Valve Having Linear Magnetically Geared Valve Actuator	Timothy Price William McDonald	Pending - Filed 06/20/07	60/815,129
DMT-06-01	Wellbore Motor Having Magnetic Gear Drive	William McDonald Timothy Price Gareth Hatch	Pending - Filed 03/17/07	11/684,600
DMT-05-01PCT	Wellbore Motor Having Magnetic Gear Drive	William McDonald Tim Price Gareth Hatch	Published - Filed 11/27/06	PCT/US2006/045423
DMT-05-01US	Wellbore Motor Having Magnetic Gear Drive	William McDonald Tim Price Gareth Hatch	Published - Filed 11/27/06	20070125578
P017PCT	Sputtering Magnetron Control Devices	Gareth Hatch Christopher Ras	Published - Filed 07/15/05	PCT/US2005/025096
P017	Sputtering Magnetron Control Devices	Gareth Hatch Christopher Ras	Published - Filed 07/14/05	20060011470
P016PCT	High Field Voice Coil Motor	Tom Devaney Chun Li	Published- Filed 05/12/05	PCT/US2005/016755

### Active Patent Portfolio Report

ID	Title	Inventors	Status	Reference
P016	High Field Voice Coil Motor	Tom Devaney Chun LI	Issued 11/14/06	US 7,135,792
P015PCT	Rotating Sputtering Magnetron	Richard Stelter Aron Welk Christopher Padua Chun LI	Published - Filed 11/05/04	PCT/US2004/038084
P015	Rotating Sputtering Magnetron	Richard Stelter Aron Welk Christopher Padua Chun LI	Issued 02/27/07	US 7,182,843
P014PCT	Method For Constructing Permanent Magnet Assemblies	Christopher Ras Gareth Hatch Mike Schilling	Published - Filed 10/19/04	PCT/US2004/034764
P014	Method For Constructing Permanent Magnet Assemblies	Christopher Ras Gareth Hatch Mike Schilling	Published - Filed 10/22/03	20050086793
P012JP	Magnetic Cell Separation Device	Martin D. Sterman Paul Lituri Richard E. Stelter	Pending - Filed 06/04/98	503034/99
P012EP	Magnetic Cell Separation Device	Martin D. Sterman Paul Lituri Richard E. Stelter	Issued 08/25/04	0986436
P012D	Magnetic Cell Separation Device	Martin D. Sterman Paul Lituri Richard E. Stelter	Issued 06/03/03	US 6,572,778



### Active Patent Portfolio Report

ID	Title	Inventors	Status	Reference
P012CA	Magnetic Cell Separation Device	Martin D. Sterman Paul Lituri Richard E. Stelter	Pending - Filed 06/04/98	2,292,631
P012AU	Magnetic Cell Separation Device	Martin D. Sterman Paul Lituri Richard E. Stelter	Issued 02/20/03	753848
P012	Magnetic Cell Separation Device	Martin D. Sterman Paul Lituri Richard E. Stelter	Issued 09/17/02	US 6,451,207
P011	Method and Apparatus for Magnetic Separation of Particles	Christopher A. Ras Gareth P. Hatch	Allowed - Filed 01/22/03	20030146166
P010	Method and Apparatus for Magnetic Separation of Particles	Mark A. Harradine Richard V. Bennett	Issued 02/04/03	US 6,514,416
P009	Method and Apparatus for Magnetic Separation of Particles	Gareth Hatch Mike Schilling	Issued 02/04/03	US 6,514,415
P008D	Improved Magnetic Separation Device	Jeffrey E. Foy Eric B. Sweeney	Issued 05/13/03	US 6,562,239
P008	Improved Magnetic Cell Separation Device	Jeffrey E. Foy Eric B. Sweeney	Issued 07/02/02	US 6,413,420
P006X	Improved Magnetic Decoupler	Richard E. Stelter David Choit Thomas J. Devaney	Issued 07/04/00	US 6,084,498
P006	Improved Magnetic Decoupler	Richard E. Stelter David Choit Thomas J. Devaney	Issued 09/28/99	US 5,959,520

**Active Patent Portfolio Report**

ID	Title	Inventors	Status	Reference
P004	Combination of Magnets for Generating a Uniform External Magnetic Field	Richard E. Stelter Ging-Li Wang	Issued 06/19/01	US 6,249,200
P003	Single Dipole Permanent Magnet Structure with Linear Gradient Magnetic Field Intensity	Richard E. Stelter	Issued 03/23/99	US 5,886,609
P002C	Permanent Magnet Structure for Use in a Sputtering Magnetron	Richard E. Stelter	Issued 02/02/99	US 5,865,970
P001	Dipole Permanent Magnet Structure	Richard E. Stelter	Issued 06/03/97	US 5,635,889