

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	LIEN
CONVEYING PARTY DATA	
Name	Execution Date
Tim The Nguyen	06/12/2007
RECEIVING PARTY DATA	
Name:	Melvin Maddux
Street Address:	1215 Mission Trail
City:	Salado
State/Country:	TEXAS
Postal Code:	76571
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	7017218
PCT Number:	US0606767
CORRESPONDENCE DATA	
Fax Number:	(877)897-4801
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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Address Line 4:	Georgetown, TEXAS 78626
ATTORNEY DOCKET NUMBER:	MADDUX
NAME OF SUBMITTER:	T L Peterson

OP \$80.00 7017218

Total Attachments: 9

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PATENT SECURITY AGREEMENT AND MORTGAGE

This Patent Security Agreement and Mortgage ("Agreement") is entered into by and between Dr. Tim T. Nguyen of 1100 North Ventura Road, Suite 110 Oxnard, California 93030 ("Grantor"), and Melvin Maddux, of 1215 Mission Trail, Salado, Texas 76571 ("Secured Party"), on May 11, 2007 ("Effective Date").

Secured Party has agreed to lend to Grantor \$51,500.00 ("Loan"), which is evidenced by a promissory note in the principal amount of \$51,500.00 of Grantor to Secured Party of even date herewith (the "Note"); and

The obligation of the Secured Party to grant the Loan is subject to the condition that Grantor to execute and deliver an agreement in the form hereof to secure its payment and performance obligations under the Note and all related agreements, instruments and documents, including, without limitation, this Agreement (collectively referred to herein as the "Secured Obligations").

1. "*Patents*" shall mean any and all of the following to the extent (and only to the extent) that same constitutes part of the Assets: (i) all letters patent of the United States or any other country, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, all whether now owned or hereafter acquired by Grantor, including, but not limited to, those described in Schedule A annexed hereto and made a part hereof, and (ii) all reissues, continuations, continuations-in-part, extensions or divisionals thereof and all licenses thereof.
2. IT IS AGREED that, as security for the full and prompt payment and performance of the Secured Obligations, Grantor does hereby mortgage to and pledge with Secured Party for its own benefit and the benefit of the Secured Party, and grant to Secured Party a security interest in, all of its right, title and interest in and to (i) each of the Patents (as hereinafter defined) and each of the registrations listed on Schedule A hereto; and (ii) any and all proceeds of the foregoing, including, without limitation, any claims by Grantor against third parties for infringement of the Patents (collectively, the "Collateral").
3. Grantor will perform all acts and execute all documents, including, without limitation, assignments for security in form suitable for filing with the United States Patent and Trademark Office, substantially in the form attached, upon request by Secured Party at any time to evidence, perfect, maintain, record and enforce Secured Party's interest in the Collateral or otherwise in furtherance of the provisions of this Agreement, and Grantor hereby authorizes Secured Party to execute and file one or more financing statements (and similar documents) or copies thereof or of this Agreement with respect to the Collateral signed only by Secured Party.
4. Grantor has the sole, full and clear title to each of the Patents shown on Schedule A hereto and the registrations thereof are valid and subsisting and in full force and effect. None of the Patents has been abandoned or dedicated, and Grantor will not do any act, or omit to do any act, whereby the Patents may become abandoned or dedicated and shall notify Secured Party immediately if it knows of any reason or has reason to know that any application or registration may become abandoned or dedicated.
5. Grantor shall be obligated to, upon demand, pay to Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts or agents which Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the

exercise or enforcement of any of the rights of Secured Party hereunder, or (iv) the failure of any representation or warranty of Grantor hereunder to be true and correct in all material respects or the failure by Grantor to perform or observe any of the provisions hereof. In addition, Grantor indemnifies and holds Secured Party and its affiliates harmless from and against any and all liability incurred by Secured Party its affiliates hereunder or in connection herewith, unless such liability shall be due to the gross negligence or willful misconduct of Secured Party or its affiliates, as the case may be. Any such amounts payable as provided hereunder or thereunder shall be additional Secured Obligations.

6. In no event shall Grantor, either itself or through any agent, employee, licensee or designee, (i) file an application for the registration of any Patent with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, any other country or any political subdivision thereof or (ii) file any assignment of any patent, which Grantor may acquire from a third party, with the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, any other country or any political subdivision thereof, unless Grantor shall, on or prior to the date of such filing, notify Secured Party thereof, and, upon request of Secured Party, execute and deliver any and all assignments, agreements, instruments, documents and papers as Secured Party may request to evidence Secured Party's interest in such Patent and the goodwill and general intangibles of Grantor relating thereto or represented thereby, and Grantor hereby constitutes Secured Party its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Secured Obligations are paid in full.
7. Grantor has the right and power to make the assignment and to grant the security interest herein granted.
8. Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral, and nothing in this Agreement shall be deemed a consent by Secured Party to any such action.
9. Grantor will take all necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, any other country or any political subdivision thereof, to maintain each application and registration of the Patents, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.
10. Grantor assumes all responsibility and liability arising from the use of the Patents, and Grantor hereby indemnifies and holds Secured Party and its affiliates harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by Grantor (or any affiliate or subsidiary thereof) in connection with any Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Grantor (or any affiliate or subsidiary thereof). Grantor agrees that Secured Party does not assume, and shall have no responsibility for, the payment of any sums due or to become due under any agreement or contract included in the Collateral or the performance of any obligations to be performed under or with respect to any such agreement or contract by Grantor, and Grantor hereby agrees to indemnify and hold Secured Party harmless with respect to any and all claims by any person relating thereto.
11. Secured Party may, in its sole discretion, pay any amount or do any act required of Grantor hereunder or requested by Secured Party to preserve, defend, protect, maintain, record or enforce Grantor's obligations contained herein, the Secured Obligations, the Collateral, or the right, title and interest granted Secured Party herein, and which Grantor fails to do or pay, and any such payment shall be

deemed an advance by Secured Party to Grantor and shall be payable on demand together with interest at ten percent per annum.

12. Upon the occurrence of a default under this Agreement, the Note or any agreement, instrument or document related hereto or thereto, in addition to all other rights and remedies of Secured Party, whether under law, this Agreement or otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently, without (except as provided herein) notice to, or consent by, Grantor, Secured Party shall have the following rights and remedies:

- (a) Grantor shall not make any further use of the Patents;

- (b) Secured Party may, at any time and from time to time, upon 10 days' prior notice to Grantor, license, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the Patents, throughout the world for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion determine;

- (c) Secured Party may (without assuming any obligations or liability thereunder), at any time, enforce (and shall have the exclusive right to enforce) against any licensee or sub-licensee all rights and remedies of Grantor in, to and under anyone or more license agreements with respect to the Collateral, and take or refrain from taking any action under any thereof, and Grantor hereby releases Secured Party and its affiliates from, and agrees to hold Secured Party and its affiliates free and harmless from and against any claims arising out of, any action taken or omitted to be taken with respect to any such license agreement;

- (d) Secured Party may, at any time and from time to time, upon 10 days' prior notice to Grantor, assign, sell, or otherwise dispose of, the Collateral or any of it, either with or without special or other conditions or stipulations, with power to buy the Collateral or any part of it, and with power also to execute assurances, and do all other acts and things for completing the assignment, sale or disposition which Secured Party shall, in its sole discretion, deem appropriate or proper; and

- (e) in addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Collateral pursuant to the terms herein, Secured Party may, at any time, pursuant to the authority granted in the Powers of Attorney described in below hereof, execute and deliver on behalf of Grantor, one or more instruments of assignment of the Patents (or any application or registration thereof), in form suitable for filing, recording or registration in any country. Grantor agrees to pay when due all reasonable costs incurred in any such transfer of the Patents, including any taxes, fees and reasonable attorney fees, and all such costs shall be added to the Secured Obligations. Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition to the reasonable costs and expenses thereof, including, without limitation, reasonable attorney fees and all legal, travel and other expenses which may be incurred by Secured Party, and then to the Secured Obligations, in such order as to principal or interest as Secured Party may desire; and Grantor shall remain liable and will pay Secured Party on demand any deficiency remaining, together with interest thereon at a rate equal to ten percent per annum and the balance of any expenses unpaid. Nothing herein contained shall be construed as requiring Secured Party to take any such action at any time. In the event of any such license, assignment, sale or other disposition of the Collateral, or any of it, Grantor shall supply its know-how and expertise relating to the manufacture and sale of the products bearing or in connection with the Patents, and its customer lists and other records relating to the Patents and to the distribution of the products, to Secured Party or its designee.

13. The proceeds of any sale of Collateral, as well as any Collateral consisting of cash, shall be applied by Secured Party as follows: FIRST, to the payment of all reasonable costs and expenses incurred by Secured Party in connection with such collection or sale or otherwise in connection with this Agreement or any of the Secured Obligations, including, but not limited to, all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by Secured Party hereunder on behalf of Grantor and any other reasonable costs or expenses incurred in connection with the exercise of any right or remedy hereunder; SECOND, to the payment in full of all

Secured Obligations; and THIRD, to Grantor, its successors and assigns, or as a court of competent jurisdiction may otherwise direct.

14. Upon any sale of the Collateral by Secured Party (including, without limitation, pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of Secured Party or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to Secured Party or such officer or be answerable in any way for the misapplication thereof.
15. Concurrently with the execution and delivery hereof, Grantor is executing and delivering to Secured Party, in the form attached hereto, five originals of a Special Power of Attorney for the implementation of the assignment, sale or other disposal of the Patents pursuant to the terms of this Agreement and Grantor hereby releases Secured Party and its affiliates from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by Secured Party under the powers of attorney granted herein, other than actions taken or omitted to be taken through the gross negligence or willful misconduct of Secured Party.
16. All rights of Secured Party hereunder, the security interest granted to Secured Party hereunder, and all obligations of Grantor hereunder, shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Note, any other agreement with respect to any of the Note, instrument or document relating to any of the foregoing, (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or consent to any departure from the Note, any other agreement with respect to any of the Secured Obligations or any other agreement, instrument or document relating to any of the foregoing, (iii) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to or departure from any guarantee, for all or any of the Secured Obligations or (iv) any other circumstance which might otherwise constitute a defense available to, or discharge of, Grantor or any other obligor in respect of the Secured Obligations or in respect of this Agreement.
17. No failure on the part of Secured Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by Secured Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. Secured Party shall not be deemed to have waived any rights hereunder or under any other agreement or instrument unless such waiver shall be in writing and signed by such parties.
18. This Agreement, and the terms, covenants and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Grantor shall not be permitted to assign this Agreement or any interest herein or in the Collateral, or any part thereof, or any cash or property held by Secured Party as Collateral under this Agreement.
19. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.
20. All communications and notices hereunder shall be in writing.
21. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable the remaining provisions contained herein shall not in any way be affected or impaired.

22. Section headings used herein are for convenience only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.
23. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument. This Agreement shall be effective when a counterpart which bears the signature of Grantor shall have been delivered to Secured Party.
24. This Agreement and the security interest granted hereunder shall terminate when all the Secured Obligations have been fully and indefeasibly paid in cash, at which time Secured Party shall execute and deliver to Grantor all Uniform Commercial Code termination statements, terminations of assignment and similar documents which Grantor shall reasonably request to evidence such termination; provided, however, that all indemnities of Grantor contained in this Agreement shall survive, and remain operative and in full force and effect regardless of, the termination of this Agreement.

IN WITNESS WHEREOF, Grantor and Secured Party have caused this Agreement to be executed effective on the Effective Date.

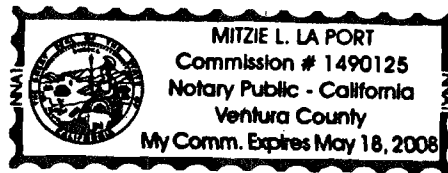
GRANTOR:



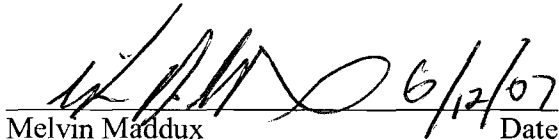
Tim T. Nguyen

5-12-07

Date



SECURED PARTY:



Melvin Maddux

6/12/07
Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of VENTURA } ss.

On MAY 12, 2007 before me, MITZIE L. LAPORT, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared TIM T. NGUYEN
Names(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Mitzie L. LaPort
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: PATENT SECURITY AND MORTGAGE, GRANTOR

Document Date: 5/11/2007 Number of Pages: 5

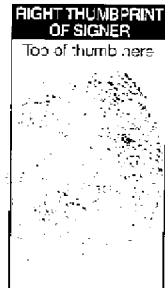
Signer(s) Other Than Named Above: NONE NOTARIZED

Capacity(ies) Claimed by Signer

Signer's Name: TIM T. NGUYEN

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: SELF AS GRANTOR ONLY



**SCHEDULE A
TO PATENT SECURITY AGREEMENT AND MORTGAGE AND
TO ASSIGNMENT OF PATENTS**

PATENTS:

Inventor	Date Issued	Patent No.	Description
Tim The Nguyen	March 28, 2006	7,017,218	Customized orthopedic sole-insert and method for making Appl. No.: 10/707,046 Filed: November 18, 2003
Tim The Nguyen			<i>Method for treatment of any chronic pain.</i> Appl. No.: PCT/US 2006/006767 Filed: 2/22/2005

ASSIGNMENT OF PATENTS

Tim T. Nguyen of 1100 North Ventura Road, Suite 110 Oxnard, California 93030 ("Assignor"), owns the letters patent, and/or applications for letters patent, of the United States, more particularly described on Schedule A annexed hereto as part hereof (the "Patents");

Assignor is obligated to Melvin Maddux, of 1215 Mission Trail, Salado, Texas 76571 ("Assignee"), and Assignor has entered into a Patent Security Agreement and Mortgage of even date herewith (the "Agreement") in favor of Assignee; and

Pursuant to the Agreement, Assignor has assigned to Assignee, and granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Patents, together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents (the "Collateral"), to secure the prompt payment, performance and observance of the Secured Obligations, as defined in the Agreement;

For good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby further assign unto Assignee and grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Secured Obligations.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the assignment of, security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, Assignor has duly executed this Assignment to be effective on the 11th day of May, 2007.

ASSIGNOR:



Tim T. Nguyen

5-12-07

Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of VENTURA } ss.

On MAY 12, 2007 before me, MITZIE L. LAPORT, NOTARY PUBLIC
Date Name and Title of Officer (e.g., Jane Doe, Notary Public)

personally appeared TIM T. NGUYEN
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Mitzie L. LaPort
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: ASSIGNMENT OF PATENTS

Document Date: 5/11/2007 Number of Pages: 1

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer

Signer's Name: TIM T. NGUYEN

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: SELF

