

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY AGREEMENT
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CONVEYING PARTY DATA

Name	Execution Date
DOCUMENT PROCESSING SYSTEMS, INC.	07/25/2007

RECEIVING PARTY DATA

Name:	Richard E. Chapin Trus
Street Address:	41700 Gardenbrook
Internal Address:	Suite 125
City:	Novi
State/Country:	MICHIGAN
Postal Code:	48375

Name:	Jack Shenkman Trus
Street Address:	41700 Gardenbrook
Internal Address:	Suite 125
City:	Novi
State/Country:	MICHIGAN
Postal Code:	48375

PROPERTY NUMBERS Total: 1

Property Type	Number
Application Number:	11037505

CORRESPONDENCE DATA

Fax Number: (248)539-5055
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 248.539.5050
 Email: kohn@kohnonline.com
 Correspondent Name: Kenneth I. Kohn
 Address Line 1: 30500 Northwestern Highway
 Address Line 2: Suite 410

CH \$40.00 11037505

Address Line 4: Farmington Hills, MICHIGAN 48334

ATTORNEY DOCKET NUMBER:

3197.00002

NAME OF SUBMITTER:

Kenneth I. Kohn

Total Attachments: 5

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SECURITY AGREEMENT

This Security Agreement ("Security Agreement") is made and entered into effective the 25th day of July, 2007, by and between DOCUMENT PROCESSING SYSTEMS, INC., a Michigan corporation ("Grantor"), and RICHARD E. CHAPIN, individually and on behalf of the RICHARD E. CHAPIN REVOCABLE LIVING TRUST U/A/D SEPTEMBER 3, 1992, AS AMENDED AND RESTATED ("Chapin"), and JACK SHENKMAN, individually and on behalf of the AMENDED AND RESTATED REVOCABLE LIVING TRUST U/A/D APRIL 14, 1975, AS RESTATED ON MARCH 18, 2004, AND AS AMENDED ("Shenkman"), residents of the State of Michigan, as Secured Party ("SP").

WHEREAS, Grantor has executed a promissory note for a loan ("Promissory Note") made by Chapin and Shenkman to Grantor of approximate even date herewith;

WHEREAS, the Grantor has agreed to execute and deliver to SP this Security Agreement to secure the obligations under the afore-mentioned Promissory Note.

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

1. Security Interest Grant. To secure the complete and timely payment, performance and satisfaction of all of the obligations of Grantor under the Promissory Note, Grantor hereby grants to SP a security interest in, with power of sale (to the extent permitted by applicable law and the provisions of this Security Agreement) of all of Grantor's personal property, including without limit:

- a. accounts;
- b. general intangibles;
- c. deposit accounts;
- d. investment property;
- e. goods (including inventory, equipment, and fixtures) and all imbedded software;
- f. patents, (including, but not limited to any and all of Grantor's present and future United States and foreign patents and patent applications and all of the inventions and improvements claimed and/or described therein, pertaining to the patents including without limitation those set forth in Schedule A hereof, and including divisions, continuations, continuations-in-part, reissues, reexaminations, renewals, extensions and rights to file and secure patents in other countries including any and all licensing rights in the patents as licensor or licensee ("Subject Intellectual Property"). The Subject Intellectual Property includes without limitation, in addition to the foregoing: payments for past or future infringements thereof; rights to sue for infringement thereof; and any and all income, royalties, damages and payments now and thereafter due and/or payable under and with respect thereto, including without limitation money, stock,

other securities, promissory notes or anything of any value whatsoever) for any license or transfer of any kind);

(collectively, the "Collateral").

2. Transfer Limitation. Nothing in paragraph 1 shall be taken as authorizing any license or transfer by Grantor (including without limitation any transfer of all or part of Grantor's business) to a third party without securing SP's express written consent.

3. Grantor's Representations and Warranties. Grantor represents and warrants that, as of the date hereof:

- a. The patents and patent applications listed on Schedule A are all of the patents of Grantor;
- b. No liens, claims or security interest of any kind exist with respect to any of the Collateral;
- c. Grantor has not granted any licenses in any of the Collateral or otherwise transferred any of the Collateral to anyone; and
- d. Grantor has not received any license or other transfer of intellectual property rights from third parties.

4. Additional Intellectual Property Rights. If during the life of this Security Agreement Grantor (a) develops or conceives any new inventions in any way related to the Subject Intellectual Property, (b) obtains rights to new inventions in any way related to the Subject Intellectual Property, the same shall become part of the Subject Intellectual Property covered by this Security Agreement. Grantor shall use best efforts to give to SP written notice of any of the foregoing occurrences.

5. Updating and Recording Rights. Grantor authorizes SP to modify this Security Agreement unilaterally (a) by amending Schedule A to include any further intellectual property rights, (b) by amending Schedule A to reflect any new patents and patent applications. Grantor hereby authorizes SP to file and record this Security Agreement and/or UCC Financing Statements and related documents, in such locations and with such persons and governmental offices as SP deems appropriate, desirable or necessary to perfect, preserve and/or continue the security interest of SP in the Subject Intellectual Property including the Patent and Trademark Office and/or in the jurisdiction where the Grantor or Subject Intellectual Property is located. Grantor hereby

irrevocably appoints SP, its agents and employees, as its lawful attorney-in-fact with full power, authority and right to execute and file, upon written notice to Grantor of the same, in the name and on behalf of Grantor such documents. Except as specifically provided herein, this Power of Attorney is irrevocable continuing and coupled with an interest. Grantor shall in addition cooperate and execute such additional documents necessary as/or reasonably requested by SP to effectuate this Agreement. Records and filings of this Security Agreement at any stage may be of the original or duplicate originals or of a true and correct copy thereof. SP will notify Grantor of any schedule updating and provide copies to Grantor, and keep Grantor informed with respect to recordings and filings of this Security Agreement.

6. Nature and Continuation of SP Security Interest and Termination Thereof. This Security Agreement shall create a continuing security interest in the Subject Intellectual Property and shall terminate only when Grantor's obligations under the Promissory Note have been satisfied in full. When this Security Agreement has terminated, SP will promptly execute and deliver to Grantor, all termination statements and other instruments as necessary or appropriate to terminate SP's security interest in the Collateral, subject to any disposition thereof which may have been made by SP pursuant to this Security Agreement.

7. Duties of Grantor. Grantor shall maintain in full force and effect all patents of the Subject Intellectual Property that exist at any time during the life of this Security Agreement. Grantor shall not abandon any patent, patent application, invention or registration of the Subject Intellectual Property without the prior written consent of SP. Without limiting the generality of the foregoing, SP shall not be under any obligation to preserve the rights in any of the Subject Intellectual Property against any other parties, but SP may do so at its option or from and after the occurrence of any default by Grantor with respect to the Promissory Notes.

8. Secured Parties Right to Sue. From and after the occurrence of any default by Grantor with respect to the Promissory Note, SP shall have the right, but shall not be obligated, to bring suit in their own names to enforce the Subject Intellectual Property.

9. Power of Attorney. Grantor hereby irrevocably designates, constitutes and appoints SP (and any persons designated by SP in its sole and absolute discretion) as Grantor's true and lawful attorney-in-fact, and authorizes SP and any of SP's designees, in Grantor's or SP's name, from and after the occurrence of (and during the continuance of) any default by Grantor with respect to the Promissory Note and the subsequent giving by SP of notice to Grantor of SP's intention to enforce rights and claims under this Security Agreement, to:

- a. Endorse Grantor's name on all applications, documents, papers and instruments necessary

or desirable from SP in the use of the Subject Intellectual Property;

- b. Assign, pledge, convey or otherwise transfer title in or dispose of any or all the Subject Intellectual Property to anyone on commercially reasonable terms;
- c. Grant or issue any exclusive or nonexclusive license under any or all of the Subject Intellectual Property to anyone on commercially reasonable terms; and
- d. Take any other actions with respect to any or all of the Subject Intellectual Property as SP deem in their best interest.

Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all Grantor's obligations under the Promissory Notes have been satisfied in full.

10. Events of Default. Any of the following events shall, for purposes of this Agreement, constitute an "Event of Default":

- a. Failure by Grantor to pay any amount owing on the Promissory Note when due, whether by maturity, acceleration or otherwise.
- b. Any failure by Grantor to comply with any of the terms, provisions, warranties or covenants of this Agreement or any other agreement between Grantor and SP.
- c. Institution of remedial proceedings or other exercise of rights and remedies by the holder of any security interest or other lien against any of the Collateral.
- d. The insolvency of Grantor or the admission in writing of Grantor's inability to pay debts as they mature.
- e. Institution of bankruptcy, reorganization, insolvency or other similar proceedings by or against Grantor or the appointment of a receiver, custodian or trustee for the Grantor or any substantial portion of its assets.
- f. Any loss, theft, substantial damage or destruction to the Collateral, or the entry of any judgment against Grantor, or the issuance or filing of any judgment, attachment, levy, garnishment or the commencement of any related proceeding or judicial process upon or in respect to Grantor, or the Collateral unless such action is stayed by payment or an appropriate court order within 21 days after filing.
- g. Sale or other disposition by Grantor of any substantial portion of its assets or dissolution, merger, consolidation, termination of existence,

insolvency, business failure or assignment for the benefit of creditors of or by Grantor.

- h. If there is any failure by Grantor to pay when due any indebtedness (other than to SP) or in the observance or performance of any term, covenant or condition in any document evidencing, securing or relating to such indebtedness.
- i. There is a substantial change in the existing or prospective financial condition of Grantor or the Collateral, which SP in good faith determines to be materially adverse.

11. Remedies. Upon the occurrence of any Event of Default and subject to the remedies of the Bank, SP shall have the right to do the following:

- a. Declare all or part of the debt evidenced by the Promissory Note immediately due and payable.
- b. Institute legal proceedings to foreclose the lien and security interest granted by this Agreement, to recover judgment for all of the debt evidenced by the Promissory Notes then due and owing, and to collect it out of any of the Collateral or the proceeds of its sale.
- c. Institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any or all of the Collateral.
- d. Take possession of the Collateral wherever located and all related records, with or without demand, and with or without process of law; sell, lease, license and dispose of the Collateral, with or without preparation or processing, in any amount or order, at one or more public or private sales or other dispositions, at places and times and on terms and conditions as SP may deem fit, and distribute the proceeds according to this Agreement and applicable law. Any statutory requirement for notice shall be met if SP shall send notice to Grantor at least ten (10) days prior to the date of sale, disposition or other applicable event.
- e. Notify all account debtors and other persons obligated under any of the Collateral to make all payments and otherwise render all performance to or for the benefit of SP and demand, collect, sue for, receive, receipt for, settle and compromise, extend or postpone the time for payment of, forbear from enforcing, and otherwise do all things Grantor could do in connection therewith.
- f. Apply to the debt evidenced by the Promissory Notes the balance of any deposit account maintained with SP and instruct the depository bank maintaining any other deposit account

subject to SP's control to pay its balance to SP for application to the Promissory Note.

- g. Exercise any one or more of the rights and remedies under the UCC or at law or equity to enforce the payment of the Promissory Notes.

12. Further and Cumulative Remedies. Subject to the limitations herein, SP shall have, in addition to other rights and remedies given to it under the terms of this Security Agreement, all rights and remedies allowed by law and rights and remedies of a secured party under the Uniform Commercial Code (UCC) as enacted in any jurisdiction in which any of the Grantor or the Collateral is located or deemed located. Upon the occurrence of any default by Grantor under the Promissory Note and the election by SP to exercise any of their remedies under the UCC with respect to any of the Collateral, Grantor agrees to assign, convey and otherwise transfer title in and to the Collateral to SP or any transferee of SP and to execute and deliver to SP or any such transferee all such agreements, documents and instruments as may be necessary, in SP's sole discretion, to effect such assignment, conveyance and transfer. All of SP's rights and remedies with respect to the Collateral whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of any default by Grantor under the Promissory Note, SP may exercise any of the rights and remedies provided in this Security Agreement and any other documents between Grantor and SP. Grantor acknowledges that SP may be unable to affect the public sale of all or any portion of the Collateral because of certain legal and/or practical restrictions and provisions which may be applicable to the Collateral and, therefore, may be compelled to resort to one or more private sales to a restricted group of offerees and purchasers. Grantor consents to any such private sale so made even though at places and upon terms less favorable than if the Collateral were sold at public sale.

13. Pro Rata Distribution of Sale Proceeds. In the event that SP shall take any action to liquidate the Collateral and apply it to the indebtedness evidenced by the Promissory Note, such proceeds shall be held in trust and applied to the debt evidenced by the Promissory Note as provided in the Promissory Note.

14. Incorporation of Recitations. The recitations set forth above are incorporated into this Security Agreement by reference and are made a part hereof.

15. Waivers. SP's failure at any time or times hereafter to require strict performance by Grantor of any provision of this Security Agreement shall not waive, affect or diminish any right of SP thereafter to demand strict compliance and performance therewith, nor shall any course of dealing between Grantor and SP have such effect. No single or partial exercise of any right hereunder shall preclude any other or further

exercise thereof or the exercise of any other right. No undertaking, agreement, representation, warranty or covenant of Grantor contained in this Security Agreement shall be deemed to have been suspended or waived by SP unless such suspension or waiver is in writing signed by SP and directed to Grantor specifying such suspension or waiver. The SP may act individually or collectively under this Agreement. Collective action is not required.

16. Severability. Whenever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effect and valid under applicable law, but the provisions of this Security Agreement are severable and, if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision (or part hereof) in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Security Agreement in any jurisdiction.

17. Merger and Modification. This Security Agreement and the Promissory Notes represent the final agreement of Grantor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or subsequent oral agreements, between Grantor and SP. This Security Agreement cannot be altered, amended or modified in any way except as specifically provided in paragraph 5 hereof or by a writing signed by the parties hereto.

18. Successors and Assigns. This Security Agreement shall be binding upon Grantor and its

successors and assigns, and shall inure to the benefit of SP, their heirs, nominees, successors and assigns. Grantor's successors and assigns shall include without limitation any receiver, trustee or debtor-in-possession of or for Grantor; provided, however, that Grantor shall not voluntarily assign or transfer its rights or obligations hereunder without SP prior written consent.

19. Governing Law. This Security Agreement shall be construed and enforced and the rights and duties of the parties shall be governed in accordance with the internal laws (as opposed to conflict of laws provisions) of the State of Michigan.

20. Notices. All notices hereunder shall be given in writing, and shall be deemed given upon receipt of fax transmission or upon dispatch by registered mail or by overnight courier addressed to the addresses noted above.

21. No Impairment to This Security Agreement. Grantor represents and warrants that no third-party persons (including any family member or otherwise) or other third parties have any rights with respect to the Collateral or otherwise which would impair Grantor's entering into this Security Agreement or require third-party consent.

22. No Strict Construction. The parties hereto have reviewed and/or participated in the preparation of this Security Agreement. The parties agree that, in the event that any question of intent or interpretation arises, this Security Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision hereof.

The parties hereto have duly executed this Security Agreement as effective on the day and year first written above.

GRANTOR:

DOCUMENT PROCESSING SYSTEMS, INC.,
a Michigan corporation

By: Richard E. Chapin
Its: CEO

SECURED PARTY:

"Chapin"

Richard E. Chapin

RICHARD E. CHAPIN, Individually and on behalf of the RICHARD E. CHAPIN REVOCABLE LIVING TRUST U/A/D SEPTEMBER 3, 1992, AS AMENDED AND RESTATED

"Shenkman"

Jack Shenkman

JACK SHENKMAN, Individually and on behalf of the AMENDED AND RESTATED REVOCABLE LIVING TRUST U/A/D APRIL 14, 1975, AS RESTATED ON MARCH 18, 2004, AND AS AMENDED

SCHEDULE A

PATENTS

United States Patent Application 11037505