

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
Magnequench, Inc.	08/31/2007
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	National City Bank
<b>Street Address:</b>	629 Euclid Avenue, 2nd Floor
<b>City:</b>	Cleveland
<b>State/Country:</b>	OHIO
<b>Postal Code:</b>	44114
<b>PROPERTY NUMBERS Total: 1</b>	
<b>Property Type</b>	<b>Number</b>
<b>Patent Number:</b>	7144463
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(212)755-7306
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Phone:</b>	2123263939
<b>Email:</b>	sdbryan@jonesday.com, jferino@JonesDay.com
<b>Correspondent Name:</b>	Sophia Bryan
<b>Address Line 1:</b>	222 East 41st Street
<b>Address Line 4:</b>	New York, NEW YORK 10017
<b>ATTORNEY DOCKET NUMBER:</b>	497400-121066
<b>NAME OF SUBMITTER:</b>	Sophia Bryan
<b>Total Attachments: 5</b> source=Collateral Assignment of Patents#page1.tif source=Collateral Assignment of Patents#page2.tif source=Collateral Assignment of Patents#page3.tif source=Collateral Assignment of Patents#page4.tif source=Collateral Assignment of Patents#page5.tif	

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**PATENT**

## COLLATERAL ASSIGNMENT OF PATENTS

This COLLATERAL ASSIGNMENT OF PATENTS, dated as of August 31, 2007 ("Agreement"), is entered into by Magnequench, Inc., a Delaware corporation, (together with its successors and assigns, the "Assignor"), in favor of National City Bank, as successor by merger to National City Bank of Indiana, as collateral agent (together with its successors and assigns in such capacity, the "Collateral Agent"), for the benefit of the Secured Creditors (as defined in the Security Agreement referred to below):

### RECITALS:

(1) This Agreement is made pursuant to the Amended and Restated Credit Agreement, dated as of August 31, 2005, as amended and restated as of August 3, 2007 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), among Magnequench International, Inc., a Delaware corporation ("MQI"), the Assignor, the other Guarantors (as defined in the Credit Agreement) party thereto, the lenders party thereto, and the Administrative Agent (as defined in the Credit Agreement).

(2) In connection with the Credit Agreement, the Assignor is a party to a Pledge and Security Agreement, dated as of August 31, 2005, as amended as of August 3, 2007 (as amended, restated or otherwise modified from time to time, the "Security Agreement"), among MQI, the Assignor, the other grantors named therein and the Collateral Agent, pursuant to which the Assignor has granted to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest in, collateral assignment of and lien on substantially all of its assets, whether now owned or existing or hereafter acquired or arising.

### AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor hereby covenants and agrees with the Collateral Agent and the other Secured Creditors as follows:

Section 1. Defined Terms. Terms used herein without definition shall have the respective meanings ascribed thereto in the Security Agreement.

Section 2. Assignment and Grant of Security Interest. As security for the prompt payment and performance of the Secured Obligations, the Assignor hereby collaterally assigns, transfers, conveys and grants to the Collateral Agent, for the benefit of the Secured Creditors, a security interest in, a general lien upon and/or a right of set-off against (whether now owned or hereafter acquired by the Assignor and whether acquired in the United States or elsewhere in the world) all right, title and interest of the Assignor in and to the following, whether now existing or hereafter acquired:

(i) all of the Patents issued by the United States Patent and Trademark Office (including, without limitation, those listed on Schedule A hereto);

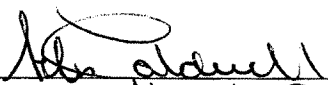
- (ii) all applications for Patents filed with the United States Patent and Trademark Office (including, without limitation, those listed on Schedule A hereto);
- (iii) all Patents issued by any other country or any office, agency or other governmental authority thereof;
- (iv) all applications for Patents filed with any office, agency or other governmental authority referred to in clause (iii) above;
- (v) all registrations and recordings with respect to any of the foregoing;
- (vi) all reissues, continuations, continuations-in-part, extensions and divisions of any of the foregoing;
- (vii) all licenses and other agreements relating in whole or in part to any Patents, inventions, processes, production methods, proprietary information or know-how covered by any of the foregoing, including all rights to payments in respect thereof;
- (viii) all rights to sue for past, present or future infringements of any of the foregoing;
- (ix) to the extent not included above, all general intangibles (as such term is defined in the UCC) of the Assignor related to the foregoing; and
- (x) all proceeds of any and all of the foregoing.

Section 3. Reference to Separate Security Agreement. This Agreement has been entered into by the Assignor and the Collateral Agent primarily for recording purposes as contemplated by the Security Agreement. In the event of any inconsistency between any of the terms or provisions hereof and the terms and provisions of the Security Agreement, the terms and provisions of the Security Agreement shall govern.

[Remainder of page intentionally left blank.]

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

MAGNEQUENCH, INC.

By:   
Name: Alexander Caldwell  
Title: Company Secretary

Accepted and acknowledged by:

NATIONAL CITY BANK, as the  
Collateral Agent

By: \_\_\_\_\_  
Name:  
Title:

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

MAGNEQUENCH, INC.

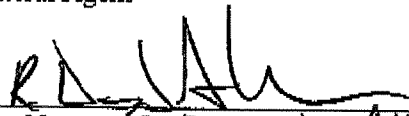
By: \_\_\_\_\_

Name:

Title:

Accepted and acknowledged by:

NATIONAL CITY BANK, as the  
Collateral Agent

By:   
Name: R. Douglas Allen  
Title: Senior Vice President

Schedule A  
to  
Collateral Assignment of Patents

U.S. Patent/Application No.	Title	Issue/Application Date
7144463	HIGHLY QUENCHABLE FE-BASED RARE EARTH MATERIALS FOR FERRITE REPLACEMENT	12/05/06

NYI-4020104v2  
Magnequench: Magnequench Inc. Collateral Assignment of Patents  
JP011771  
497400 - 121066

**RECORDED: 11/19/2007**

**PATENT**  
**REEL: 020125 FRAME: 0671**