

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Short Form Patent Security Agreement

CONVEYING PARTY DATA

Name	Execution Date
Liontech Trains, LLC	05/01/2008

RECEIVING PARTY DATA

Name:	Guggenheim Corporate Funding, LLC
Street Address:	135 East 57th Street
City:	New York
State/Country:	NEW YORK
Postal Code:	10022

PROPERTY NUMBERS Total: 17

Property Type	Number
Patent Number:	7221113
Patent Number:	7028955
Patent Number:	7264207
Patent Number:	7312590
Patent Number:	6947815
Patent Number:	6848657
Application Number:	11188117
Application Number:	11187592
Application Number:	11187593
Application Number:	10723430
Application Number:	11187709
Application Number:	10705216
Application Number:	10723260
Application Number:	11779264
Application Number:	11779864

PATENT

500542153

REEL: 020951 FRAME: 0785

CH \$680.00 7221113

Application Number:	11940285
Application Number:	11957403

**CORRESPONDENCE DATA**

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ATTORNEY DOCKET NUMBER:	51014.0013.SK
NAME OF SUBMITTER:	Hoyoom Nam
Total Attachments: 5 source=Liontech Trains Patents#page1.tif source=Liontech Trains Patents#page2.tif source=Liontech Trains Patents#page3.tif source=Liontech Trains Patents#page4.tif source=Liontech Trains Patents#page5.tif	

## Short Form Patent Security Agreement

**PATENT SECURITY AGREEMENT**, dated as of May 1, 2008, by the entity listed on the signature pages hereof ( "Grantor"), in favor of Guggenheim Corporate Funding, LLC, as agent (in such capacity, the "Agent").

### W i t n e s s e t h:

WHEREAS, pursuant to the Second Lien Loan and Security Agreement, dated as of May 1, 2008 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), among Lionel L.L.C. (the "Borrower"), the guarantors party thereto, the several financial institutions or entities from time to time parties thereto (the "Lenders") and the Agent, the Lenders have severally agreed to make loans, advances and provide other financial accommodations to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, Grantor is party to a Patent Collateral Assignment and Security Agreement, dated May 1, 2008 (the "Security Agreement");

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, and the Agent to enter into the Loan Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, Grantor hereby agrees with the Agent as follows:

### Section 1. Defined Terms

Unless otherwise defined herein, terms defined in the Loan Agreement or in the Security Agreement and used herein have the meaning given to them in the Loan Agreement or the Security Agreement.

### Section 2. Grant of Security Interest in Patent Collateral

Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the secured obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Agent for the benefit of the Secured Parties, and grants to the Agent for the benefit of the Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the following collateral of such Grantor (the "Patent Collateral"):

- (a) all of its patents, including, without limitation, those referred to on *Schedule I* hereto;
- (b) all reissues, continuations or continuations-in-part of the foregoing; and
- (c) all proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any patent or any patent licensed under any patent license.

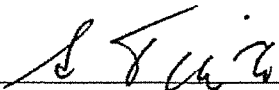
### **Section 3. Security Agreement**

The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interest granted to the Agent pursuant to the Security Agreement and Grantor hereby acknowledges and affirms that the rights and remedies of the Agent 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. In the event of any conflict between the terms of the Intercreditor Agreement and this Patent Security Agreement or any of the other Financing Agreements, the Intercreditor Agreement shall govern.

[SIGNATURE PAGES FOLLOW]

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.

**LIONTECH TRAINS LLC,**  
as Grantor

By:   
Name: Scott Turkington  
Title: CFO

Accepted and Agreed  
as of the date first above written:

**GUGGENHEIM CORPORATE FUNDING, LLC,**  
as Agent

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

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.

**LIONTECH COMPANY,**  
as Grantor

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

Accepted and Agreed  
as of the date first above written:

**GUGGENHEIM CORPORATE FUNDING, LLC,**  
as Agent

By:   
Name: **Bill Hagner**  
Title: **Managing Director**

[SIGNATURE PAGE TO SHORT FORM PATENT SECURITY AGREEMENT]

**Schedule 1****ISSUED PATENTS**

<b>Title</b>	<b>Patent No.</b>	<b>Issue Date</b>
TOUCH-SENSITIVE MODEL TRAIN CONTROLS	7,221,113	05/22/2007
MODEL VEHICLE DETECTION OF ID AND DIRECTION	7,028,955	04/18/2006
MODEL TRACK LAYOUT REPRESENTATION	7,264,207	09/04/2007
MODEL RAILROAD VELOCITY CONTROLLER	7,312,590	12/25/2007
MODEL VEHICLE CONTROL INPUT SELECTION	6,947,815	09/20/2005
DYNAMIC SELF-TEACHING TRAIN TRACK LAYOUT LEARNING AND CONTROL SYSTEM	6,848,657	02/01/2005

**FILED PATENT APPLICATIONS**

<b>Title</b>	<b>Serial No.</b>	<b>Filing Date</b>
SYSTEM FOR SENDING COMMANDS TO TRAIN CARS BASED ON LOCATION IN TRAIN	11/188,117	07/22/2005
MODEL TRAIN COMMAND PROTOCOL USING FRONT AND BACK ERROR BYTES	11/187,592	07/22/2005
FORCE SENSITIVE COUPLER FOR TRAINS	11/187,593	07/22/2005
DIRECT WIRELESS POLLING OF MODEL TRAINS	10/723,430	11/25/2003
MODEL TRAIN CONTROL SYSTEM	11/187,709	07/22/2005
EXPANDING INSTRUCTION SET USING ALTERNATE ERROR BYTE	10/705,216	11/07/2003
MODEL TRAIN WIRELESS BI-DIRECTIONAL COMMUNICATION PROTOCOL	10/723,260	11/25/2003
MODEL TRAIN CONTROL SYSTEM HAVING REALISTIC SPEED CONTROL	11/779,264	07/17/2007
MODEL TRAIN REMOTE CONTROL SYSTEM HAVING REALISTIC SPEED AND SPECIAL EFFECTS CONTROL	11/779,864	07/18/2007
MODEL TRAIN CONTROL SYSTEM	11/940,285	11/14/2007
MODEL RAILROAD VELOCITY CONTROLLER	11/957,403	12/14/2007

**PATENT****RECORDED: 05/16/2008****REEL: 020951 FRAME: 0791**