

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
OpSec Security Group, Inc.	04/28/2008

RECEIVING PARTY DATA

Name:	The Royal Bank of Scotland plc as agent for National Westminster Bank plc
Street Address:	1 Trinity Gardens
Internal Address:	Broadchare
City:	Newcastle upon Tyne
State/Country:	UNITED KINGDOM
Postal Code:	NE1 2EH

PROPERTY NUMBERS Total: 25

Property Type	Number
Patent Number:	4890763
Patent Number:	4928837
Patent Number:	4945708
Patent Number:	4998989
Patent Number:	5028290
Patent Number:	5137208
Patent Number:	5291317
Patent Number:	5370763
Patent Number:	5595624
Patent Number:	5704652
Patent Number:	5716482
Patent Number:	5763052
Patent Number:	5913543
Patent Number:	5948555

PATENT

500550484

REEL: 021006 FRAME: 0124

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Patent Number:	6129975
Patent Number:	6361889
Patent Number:	6364994
Patent Number:	6533180
Patent Number:	6632533
Patent Number:	6764571
Patent Number:	6837960
Patent Number:	7204909
Patent Number:	7269123
Application Number:	11188100
Application Number:	11425224

CORRESPONDENCE DATA

Fax Number: (212)818-9606
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 212-818-9200
 Email: jbell@ssbb.com
 Correspondent Name: James H. Bell
 Address Line 1: 230 Park Avenue, Suite 1130
 Address Line 2: Satterlee Stephens Burke & Burke
 Address Line 4: New York, NEW YORK 10169

ATTORNEY DOCKET NUMBER:	105096/00014 OPSEC
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NAME OF SUBMITTER:	James H. Bell
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Total Attachments: 7
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PATENT SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of April 28, 2008 (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), by and between THE ROYAL BANK OF SCOTLAND PLC AS AGENT FOR NATIONAL WESTMINSTER BANK PLC ("Creditor") and OPSEC SECURITY GROUP, INC., a corporation existing under the laws of the State of Colorado ("Obligor").

Pursuant to the terms of a Facilities Agreement, dated as of April 17, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Facilities Agreement"), by and between Creditor and OpSec Security Group plc ("Borrower"), Creditor has made credit facilities (the "Credit Facilities") available to Borrower, which is the ultimate parent of Obligor. Pursuant to the terms of an Unlimited Inter-Company Composite Guarantee, dated as of October 16, 2007 (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), by and among Creditor, Borrower, Obligor and the other obligors party thereto, Obligor has guaranteed the obligations of Borrower under the Facilities Agreement. In order to induce Creditor to make the Credit Facilities available to Borrower, Obligor has agreed to grant to Creditor a continuing lien and security interest in and to the Collateral (hereinafter defined) in order to secure the Obligations (hereinafter defined) in a manner acceptable to Creditor.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Obligor agrees with Creditor as follows:

1. DEFINITIONS. As used herein:

- 1.1 "Collateral" has the meaning set forth in Section 2.
- 1.2 "PTO" means the United States Patent and Trademark Office.
- 1.3 "Security Agreement" means that certain Security Agreement, dated as of the date hereof, between Obligor and Creditor.
- 1.4 "Security Interest" has the meaning set forth in Section 2.
- 1.5 "UCC" means the Uniform Commercial Code as in effect in the State of New York.

Other capitalized terms used herein, but not otherwise defined herein or in the UCC, shall have the meanings ascribed to such terms in the Facilities Agreement and the Guarantee.

2. GRANT OF SECURITY INTEREST. To secure the punctual payment and performance of the Obligations when due (whether at the stated maturity, by acceleration or otherwise), Obligor hereby grants to Creditor a security interest in and to, and a lien upon (the "Security Interest"), all right, title and interest of Obligor in and to

the following property, whether now owned and existing or hereafter acquired or arising, and wherever located (collectively, the “Collateral”):

(a) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents and patent applications as described in Schedule A), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(b) all general intangibles and all intangible intellectual or other similar property of Obligor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(c) all Proceeds of any of such property in whatever form (including license royalties, rights to payment, accounts and proceeds of infringement suits), whether derived from voluntary or involuntary disposition, all products of any of such property, all renewals, replacements, substitutions, additions, accessions, rents, issues and profits of, to or from any such property and all other income therefrom, and, to the extent not otherwise included, all payments under insurance (whether or not Creditor is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect therefrom.

3. SUPPLEMENT TO SECURITY AGREEMENT. This Agreement has been entered into in conjunction with the security interests granted to Creditor under the Security Agreement or other security documents referred to therein. The rights and remedies of Creditor with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

4. REPRESENTATIONS AND WARRANTIES. Obligor represents and warrants to Creditor that a true and correct list of all of the existing Collateral consisting of U.S. patents and patent applications or registrations owned by Obligor, in whole or in part, is set forth in Schedule A.

5. COVENANTS AND AGREEMENTS OF THE OBLIGOR. The Obligor covenants and agrees as follows:

5.1 Further Assurances and Authority of the Creditor. On a continuing basis, Obligor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or as may reasonably be requested by Creditor to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Obligor’s compliance with this Agreement or to enable Creditor to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents

for filing with the PTO or any applicable state office. Creditor may record this Agreement, an abstract thereof, or any other document describing Creditor's interest in the Collateral with the PTO, at the expense of Obligor. In addition, Obligor authorizes Creditor to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Creditor. If the Obligor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, the Obligor shall immediately notify Creditor in a writing signed by the Obligor of the brief details thereof and grant to the Creditor in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Creditor.

5.2 Continuing Security Interest. Obligor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 8.

6. AUTHORIZATION TO SUPPLEMENT. If Obligor 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 Agreement shall automatically apply thereto. Obligor shall give prompt notice in writing to Creditor with respect to any such new patent rights. Without limiting Obligor's obligations under this Section 6, Obligor authorizes Creditor unilaterally to modify this Agreement by amending Schedule A to include any such new patent rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from Creditor's continuing security interest in all Collateral, whether or not listed on Schedule A.

7. SEVERABILITY. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

8. TERMINATION. Upon payment in full and performance of all Obligations owed by Obligor to Creditor pursuant to the Finance Documents (including payment in full and performance of all indebtedness, obligations and liabilities of other persons guaranteed by Obligor) and the termination of all obligations of Creditor to extend credit under the Finance Documents, this Agreement shall be terminated and the security interests and liens created herein shall be released; otherwise, this Agreement shall remain in full force and effect.

9. NOTICES. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Security Agreement.

10. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the UCC (or, to the extent made applicable by the UCC to the attachment, perfection, priority or enforcement of the Security Interest in any Collateral,

the Uniform Commercial Code of any other state) as applied to contracts made and to be performed within said State, without regard to principles of conflicts of law.

11. MISCELLANEOUS.

11.1 Binding on Successors. This Agreement shall be binding upon Obligor, the heirs, executors, administrators, successors and assigns of Obligor, and shall inure to the benefit of and be enforceable by Creditor, its successors, transferees and assigns.

11.2 Entire Agreement; Amendment. This Agreement and the Security Agreement, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Security Agreement. Notwithstanding the foregoing, Creditor unilaterally may re-execute this Agreement or modify, amend or supplement the Schedule hereto as provided in Section 6 hereof. To the extent that any provision of this Agreement conflicts with any provision of the Security Agreement, the provision giving Creditor greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Creditor under the Security Agreement.

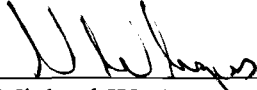
11.3 No Inconsistent Requirements. Obligor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Obligor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

[signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement,
as of the date first above written.

OBLIGOR:

OPSEC SECURITY GROUP, INC.

By: 
Name: Michael W. Angus
Title: Vice President and Chief Financial
Officer

CREDITOR:

**THE ROYAL BANK OF SCOTLAND
PLC AS AGENT FOR NATIONAL
WESTMINSTER BANK PLC**

By: _____
Name: _____
Title: _____

SCHEDULE A

Obligor: OPSEC SECURITY GROUP, INC.

Issued U.S. Patents of Obligor

NUMBER	COUNTRY	TITLE OF PATENT	NAME HELD IN	DATE FILED OR PUBLISHED
4890763	United States	Tamper Resistant Package and Method of Making Same	OpSec Security Group, Inc.	1/2/90
4928837	United States	Tamper Evident Closure (Warren Closure)	OpSec Security Group, Inc.	5/29/90
4945708	United States	Method of Making a Tamper Resistant Package	OpSec Security Group, Inc.	8/7/90
4998989	United States	Tamper Evident Closure & Associated Method	OpSec Security Group, Inc.	3/12/91
5028290	United States	Method of Applying a Tamper Evident Label to a Package and Associated Apparatus	OpSec Security Group, Inc.	7/2/91
5137208	United States	Tamper Evident Package	OpSec Security Group, Inc. (assigned 09/14/06)	8/12/92
5291317	United States	Holographic Diffraction Grating Patterns and Methods for Creating the Same	Applied Holographics Corporation	7/11/91
5370763	United States	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	OpSec Security Group, Inc.	12/6/94
5595624	United States	Method of Making Tamper Evident & Counterfeit Resisting Informational Article	OpSec Security Group, Inc.	1/21/97
5704652	United States	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	OpSec Security Group, Inc.	1/6/98
5716482	United States	Informational Article and an Associated Method	OpSec Security Group, Inc.	2/10/98
5763052	United States	Informational Article and an Associated Method	OpSec Security Group, Inc.	6/9/98
5913543	United States	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	OpSec Security Group, Inc.	6/22/99
5948555	United	Tamper Resistant Vehicular	OpSec Security	9/7/99

	States	Validation Tab and Associated Method	Group, Inc.	
6129975	United States	Tamper Resistant Vehicular Validation Tab and Associated Method	OpSec Security Group, Inc.	10/10/00
6361889	United States	Tamperproof Window Securable Informational Article	Applied OpSec, Inc.	3/26/02
6364994	United States	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	Applied OpSec, Inc.	4/2/02
6533180	United States	Security Label, Associated Package & Associated Methods	Applied OpSec, Inc.	3/18/03
6632533	United States	An Improved Informational Article and an Associated Method	Applied Optical Technologies Holdings, Inc.	10/14/03
6764571	United States	Informational Article and an Associated Method	Applied Optical Technologies Holdings	7/20/04
6837960	United States	An Improved Informational Article and an Associated Method	Applied Optical Technologies Holdings	1/4/05
7204909	United States	An Improved Informational Article and an Associated Method	Optical Security Group, Inc.	7/21/04
7269123	United States	Wavelength selective coatings for optical disc security	OpSec Security Group, Inc.	9/11/07

Pending U.S. Patent Applications of Obligor

NUMBER	COUNTRY	PENDING PATENT TITLE	NAME HELD IN	DATE FILED OR PUBLISHED
11188100 200600180 21	United States	Diffraction Based Optical Grating Structure and Method of Creating the Same	OpSec Security Group, Inc.	July 22, 2005
11425224	United States	Optically Variable Device	OpSec Security Group, Inc.	Unknown
Unknown	United States	Color Changing	OpSec Security Group, Inc.	Unknown
Unknown	United States	Method of Integral Imaging and Image Magnification	OpSec Security Group, Inc.	Unknown