

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Assignment of Security Interest
CONVEYING PARTY DATA	
Name	Execution Date
Eli S. Jacobs	08/05/2008
RECEIVING PARTY DATA	
Name:	STC Acquisition, LLC
Street Address:	1209 Orange Street
City:	Wilmington
State/Country:	DELAWARE
Postal Code:	19801
PROPERTY NUMBERS Total: 4	
Property Type	Number
Patent Number:	6311928
Patent Number:	6233920
Patent Number:	5884472
Patent Number:	5761900
CORRESPONDENCE DATA	
Fax Number:	(612)492-7077
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	(612) 492-7000
Email:	tcmasters@fredlaw.com
Correspondent Name:	Thomas L. McMasters/Fredrikson & Byron
Address Line 1:	200 South Sixth Street, Suite 4000
Address Line 4:	Minneapolis, MINNESOTA 55402
ATTORNEY DOCKET NUMBER:	43107.3
NAME OF SUBMITTER:	Thomas L. McMasters
Total Attachments: 14	

OP \$160.00 6311928

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ASSIGNMENT AGREEMENT

FOR PAYMENT OF \$120,000.00 (THE "PURCHASE PRICE") AND OTHER GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, as of the date hereof, **Eli S. Jacobs**, a resident of the state of New York ("Assignor"), hereby sells, assigns, transfers, grants, sets over and delivers to **STC Acquisition, LLC**, a Delaware limited liability company ("Assignee"), without representation or warranty except as specifically set forth herein, all of Assignor's right, title and interest in and to the indebtedness (the "Loan") evidenced by that certain Secured Demand Promissory Note dated January 10, 2008 of Stage III Technologies, LLC, a Delaware limited liability company ("Stage III"), made payable to Assignor ("Note") and the documents and instruments listed on Exhibit A attached hereto (collectively, the "Loan Documents").

In making this assignment, Assignor represents and warrants to Assignee that:

- (a) Stage III is indebted to Assignor under the Note in the aggregate amount of \$120,000.00, consisting of principal in the amount of \$115,000.00 and, at the date hereof, accrued interest in the amount of \$5,000.00;
- (b) Assignor has the power and authority to execute and deliver this assignment to Assignee and this assignment represents the legal, valid and binding obligation of the Assignor, enforceable against Assignor, in accordance with its terms;
- (c) Assignor has not previously sold, transferred, assigned, conveyed, pledged or endorsed any right, title or interest in the Loan or the Loan Documents to any person or entity;
- (d) Assignor's interest in the Loan and the Loan Documents is not subject to any claim, lien or encumbrance of any kind;
- (e) Assignor has full right and power to sell and assign its interest in the Loan and the Loan Documents to Assignee subject to no interest or participation of, or agreement with, any person or entity;
- (f) Assignor has delivered to Assignee true and complete executed originals of each of the Loan Documents and will deliver any and all loan files for the Loan. The Loan Documents have not been amended or otherwise modified, are in full force and effect, no party is in default thereunder and Assignor is not aware of any facts or events that would give rise to a default thereunder;
- (g) The security interests granted by the Loan Documents are valid and properly perfected security interests in the Collateral (as defined in the Loan Documents) superior in all respects to any other interest in the Collateral, there is no prohibition against Assignor or, after giving effect to this Assignment Agreement, Assignee making demand for payment on the Note or exercising the rights as a secured creditor under the Loan Documents, and, to the best of Assignor's knowledge, Stage III has no defenses to repayment of the Loan;
- (h) The Collateral securing the Loan does not secure any obligation owing to Assignor other than obligations pursuant to the Loan Documents; and

(i) Assignor does not collect any funds in connection with the Loan for payment of taxes, insurance or other charges.

As of the date hereof, the Loan shall become the Loan of Assignee of the same amount, terms, rate and maturity as set forth in the Loan Documents.

Assignor hereby authorizes Assignee to file a UCC financing statement amendment evidencing the transfer of the Loan Documents to Assignee. Assignor and Assignee both acknowledge that Stage III has ceased doing business. Assignor acknowledges that Assignee intends to exercise its rights under the Loan Documents and realize on the Collateral. Assignor agrees that he will not take, or cooperate with others, including Stage III, in taking, any action which would hinder, delay or prevent Assignee from realizing on the Collateral, including but not limited to, objecting to the retention of the Collateral or bidding in connection with any sale of the Collateral. Assignor will cause Stage III to execute any documents necessary to allow Assignee to realize on the Collateral.

In the event any of the representations made by Assignor in this Assignment Agreement are determined by Assignee to be incorrect, or, Assignor fails to observe or perform any covenant contained herein, Assignor, upon notice of same from Assignee, agrees to promptly return the Purchase Price to Assignee.

This Assignment Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns and shall be governed by and construed in accordance with the laws of the State of Delaware. Any dispute arising under or relating to the parties rights or obligations under this Assignment Agreement shall be adjudicated in the state or federal court located in Hennepin County, Minnesota. Each party consents to the exclusive jurisdiction of such court. This Assignment Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon the parties and their respective successors, heirs and assigns. The Assignment Agreement may be executed in any number of counterparts and may be transmitted via facsimile or other electronic communication, each of which shall be deemed to be an original, and all of which shall be deemed to be one and the same instrument. Assignor agrees to execute any and all other documents reasonably requested by Assignee to effectuate the transactions contemplated hereby.

(signature pages follow)

Dated: August 5, 2008

"ASSIGNOR"

Eli S. Jacobs
Eli S. Jacobs

STATE OF New York)
)ss.
COUNTY OF New York)

The foregoing instrument was acknowledged before me this 5th day of August, 2008 by Eli S. Jacobs (who is known to me personally or who produced a driver's license as identification).

DONNA J. MULVANY
Notary Public, State of New York
No. 41-4693032
Qualified in Queens County
Commission Expires March 30, 2011

Donna J. Mulvany
Notary Public

Assignee hereby assumes all of the Assignor's obligations relating to the Loan and the Loan Documents that arise after August 5th 2008, but does not assume any other liabilities of the Assignor.

"ASSIGNEE"

STC Acquisition, LLC,
a Delaware limited liability company

By: Gerald D. Deeney
Its: Vice President

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this 6th day of August __, 2008 by Gerald D. Deeney (who is known to me personally or who produced a driver's license as identification), the V.P. of STC Acquisition, LLC, a Delaware limited liability company on behalf of such company.

Kristin D. Shuldes
Notary Public

(acknowledgement follows)



ACKNOWLEDGMENT BY STAGE III

Stage III hereby acknowledges receipt of the foregoing Assignment Agreement and agrees that each of the representations in paragraphs (a) and (g) are true and correct, that it has no defenses to repayment of the Loan and the Loan Documents remain in full force and effect.

Dated: August 5, 2008

“STAGE III”

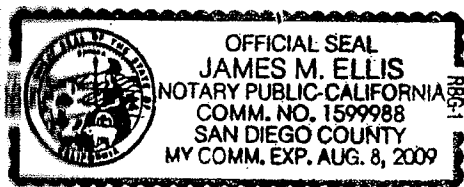
STAGE III TECHNOLOGIES, LLC

By:

Its:

STATE OF California)
COUNTY OF San Diego) ss.

The foregoing instrument was acknowledged before me this 5th day of August, 2008 by Wendell Openshaw (who is known to me personally or who produced a driver's license as identification), the chief financial officer of Stage III Technologies, LLC., a Delaware limited liability company, on behalf of such company.



Notary Public

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

EXHIBIT A

Loan Documents

1. Secured Demand Promissory Note, dated January 10, 2008, made by Stage III Technologies, LLC payable to the order of Eli S. Jacobs;
2. Intellectual Property Security Agreement dated March 16, 2006 from Stage III Technologies, LLC in favor of Eli S. Jacobs recorded with the United States Patent and Trademark Office on April 3, 2006;
3. Amended and Restated Intellectual Property Security Agreement dated April 6, 2006 from Stage III Technologies, LLC in favor of Eli S. Jacobs recorded with the United States Patent and Trademark Office on May 25, 2006;
4. UCC Financing Statement naming Stage III as debtor and Eli S. Jacobs as secured party, filed with the Delaware Department of State, UCC Filing Section on March 16, 2006 as Doc. No. 6090658 6 (the "Financing Statement").
5. UCC Financing Statement Amendment amending the Financing Statement, filed with the Delaware Department of State, UCC Filing Section on April 10, 2006 as Amendment Number 6119571 8.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made as of the 16th day of March, 2006, by Stage III Technologies, LLC, a Delaware limited liability company ("Pledgor"), in favor of Eli S. Jacoba, an individual ("Lender").

1. Recitals.

Pledgor is entering into that certain Secured Demand Promissory Note, dated as of March 16, 2006, with Lender (as the same may from time to time be amended, restated or otherwise modified, the "Note"), in connection with which Lender has agreed to extend a loan to Pledgor in accordance with the terms set forth therein (the "Loan").

Pledgor understands that Lender is willing to fund and grant the Loan to Pledgor only upon certain terms and conditions, one of which is that Pledgor grant to Lender a security interest in the Collateral (as defined below), and this Agreement is being executed and delivered in consideration of the Loan granted to Pledgor by Lender and for other valuable considerations.

2. Definitions. Except as specifically defined herein, terms that are defined in the U.C.C. are used herein as so defined. As used in this Agreement, the following terms shall have the following meanings:

"Collateral" shall mean, collectively, all of Pledgor's existing and future right, title and interest in, to and under (a) industrial designs, patents, patent registrations, patent applications, trademarks, trademark registrations, trademark applications, service marks, trade names, copyright registrations and other intellectual property or registrations, whether federal, state or foreign, including, but not limited to, those listed on Schedule 1 hereto (as such Schedule 1 may from time to time be amended, supplemented, restated or otherwise modified); (b) common law trademark rights, copyrights, improvements, confidential information and inventions; (c) renewals, continuations, extensions, reissues and divisions of any of the foregoing; (d) rights to sue for past, present and future infringements or any other commercial tort claims relating to any of the foregoing; (e) all licenses and all income, revenue and royalties with respect to any licenses, whether registered or unregistered and all other payments earned under contract rights relating to any of the foregoing; (f) all general intangibles and all intangible intellectual or similar property of Pledgor connected with and symbolized by any of the foregoing; (g) goodwill associated with any of the foregoing; (h) all payments under insurance, including the returned premium upon any cancellation of insurance (whether or not Lender is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing; and (i) Proceeds of any of the foregoing.

"Event of Default" shall have the meaning set forth in Section 8.1.

"Obligations" shall mean, collectively, (a) the Loan and other obligations incurred by Pledgor to Lender pursuant to the Note, and includes the principal of and interest on the Loan; and (b) each extension, renewal or refinancing of the foregoing, in whole or in part.

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, institution, trust, estate, government or other agency or political subdivision thereof or any other entity.

"Proceeds" shall mean (a) any proceeds, and (b) whatever is received upon the sale, exchange, collection, or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds includes, without limitation, moneys, checks, and deposit accounts. Except as expressly authorized in this Agreement, the right of Lender to Proceeds specifically set forth herein or indicated in any financing statement shall never constitute an express or implied authorization on the part of Lender to Pledgor's sale, exchange, collection, or other disposition of any or all of the Collateral.

"U.C.C." shall mean the Uniform Commercial Code, as in effect from time to time in New York.

"USPTO" shall mean the United States Patent and Trademark Office in Washington D.C.

3. Grant of Security Interest. In consideration of and as security for the full and complete payment of all of the Obligations, Pledgor hereby agrees that Lender shall at all times have, and hereby grants to Lender, a continuing security interest in and general lien on all of the Collateral, including (without limitation) all of Pledgor's future Collateral, irrespective of any lack of knowledge by Lender of the creation or acquisition thereof. All rights of Lender hereunder, the grant of the security interest in the Collateral and all obligations of the Pledgor hereunder shall be absolute and unconditional pending satisfaction and indefeasible payment in full of the Obligations, irrespective of: (a) any claim as to the validity, regularity or enforceability of the Note or any of this Agreement; (b) any change in the time, manner or place of payment of, or in any other term of, all of or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any agreement or instrument relating to any of the foregoing; (c) any change in the laws, rules or regulations of any jurisdiction; (d) the occurrence of any Event of Default; or any release or amendment or waiver of or consent to or departure from any guaranty, for all or any of the Obligations; or (e) any other circumstance that might otherwise constitute a defense available to, or a discharge of, Pledgor in respect of the Obligations or in respect of this Agreement. Pledgor expressly acknowledges that Lender shall record this Agreement with the USPTO.

4. Representations and Warranties. Pledgor hereby represents and warrants to Lender as follows:

4.1. Pledgor solely owns all of the Collateral and, as to all Collateral acquired by it from time to time after the date hereof, it will be owned solely by Pledgor, free and clear of any lien, except for the liens and the security interest created by this Agreement, and in each case whether the same are registered or unregistered, no such Collateral has been adjudged invalid or unenforceable; and

4.2. Pledgor has full power, authority and legal right to pledge the Collateral and enter into this Agreement and perform its terms.

5. Further Assignment Prohibited. Pledgor has not entered into and shall not enter into any agreement that is inconsistent with Pledgor's obligations under this Agreement and shall not otherwise sell or assign its interest in, or grant any license or sublicense with respect to, any of the Collateral without Lender's prior written consent. Absent such prior written consent, any attempted sale or license is null and void.

6. Right to Inspect. Pledgor hereby grants to Lender and its employees and agents the right, during regular business hours, to visit any location of Pledgor or, if applicable, any other location, and to inspect the products and quality control records relating thereto at Pledgor's expense.

7. Standard Patent and Trademark Use. Pledgor shall not use the Collateral in any manner that would jeopardize the validity or legal status thereof.

8. Event of Default.

8.1. Any of the following shall constitute an Event of Default under this Agreement: (a) if any amount due with respect to the Loan, including the principal and any interest thereon, shall not be paid in full when due and payable; (b) if the payment of any other fee or amount payable hereunder shall not be paid in full when due and payable or within five (5) days thereafter; (c) any representation, warranty or statement made by Pledgor in or pursuant to this Agreement or in any other writing received by Lender in connection with the Obligations shall be false or erroneous in any material respect; (d) Pledgor shall fail or omit to perform or observe any agreement made by Pledgor in or pursuant to this Agreement or in any other writing received by Lender pursuant hereto; or (e) an Event of Default, as defined in the Note, shall occur under the Note.

8.2. If an Event of Default shall occur, Pledgor irrevocably authorizes and empowers Lender to terminate Pledgor's use of the Collateral and to exercise such rights and remedies as allowed by law. Without limiting the generality of the foregoing, after any delivery or taking of possession of the Collateral, or any thereof, pursuant to this Agreement, then, with or without resort to Pledgor or any other Person or property, all of which Pledgor hereby waives, and upon such terms and in such manner as Lender may deem advisable, Lender, in its sole discretion, may sell, assign, transfer, license and deliver any of the Collateral, together with the associated goodwill, or any interest that Pledgor may have therein, at any time, or from time to time. No prior notice need be given to Pledgor or to any other Person in the case of any sale of Collateral that Lender determines to be declining speedily in value or that is customarily sold in any recognized market, but in any other case Lender shall give Pledgor no fewer than ten days prior notice of either the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made. Pledgor waives advertisement of any such sale and (except to the extent specifically required by the preceding sentence) waives notice of any kind in respect of any such sale. At any such public sale, Lender

may purchase the Collateral, or any part thereof, free from any right of redemption, all of which rights Pledgor hereby waives and releases. After deducting all related expenses, and after paying all claims, if any, secured by liens having precedence over this Agreement, Lender may apply the net proceeds of each such sale to or toward the payment of the Obligations, whether or not then due, in such order and by such division as Lender in its sole discretion may deem advisable. Any excess, to the extent permitted by law, shall be paid to Pledgor, and the obligors on the Obligations shall remain liable for any deficiency. In addition, Lender shall at all times have the right to obtain new appraisals of Pledgor or the Collateral, the cost of which shall be paid by Pledgor.

9. Maintaining Collateral: Attorneys' Fees, Costs and Expenses. Pledgor shall have the obligation and duty to perform all acts necessary to maintain or preserve the Collateral. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including, without limitation, the attorneys' fees and legal expenses incurred by Lender in connection with the amendment and enforcement of this Agreement, all renewals, required affidavits and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by Pledgor, upon demand by Lender, and, until so paid, shall be added to the principal amount of the Obligations.

10. Pledgor's Obligation to Prosecute. Except as otherwise agreed to by Lender in writing, Pledgor shall have the duty to prosecute diligently any patent, trademark, servicemark or copyright application pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to file and prosecute opposition and cancellation proceedings and to do any and all acts that are necessary or desirable to preserve and maintain all rights in the Collateral, including, but not limited to, payment of any maintenance fees. Any expenses incurred in connection with the Collateral shall be borne by Pledgor. Pledgor shall not abandon any Collateral without the prior written consent of Lender.

11. Lender's Right to Enforce. Pledgor shall have the right to bring any opposition proceeding, cancellation proceeding or lawsuit in its own name to enforce or protect the Collateral. Lender shall have the right, but shall have no obligation, to join in any such action. Pledgor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including attorneys' fees incurred by Lender in connection with the provisions of this Section 11, in the event Lender elects to join in any such action commenced by Pledgor.

12. Power of Attorney. Pledgor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, with the power to endorse, after the occurrence of an Event of Default, Pledgor's name on all applications, documents, papers and instruments necessary for Lender to use the Collateral, or to grant or issue any exclusive or nonexclusive license under the Collateral to any third party, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral, together with associated

goodwill to a third party or parties. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

13. Lender's Right to Perform Obligations. If Pledgor fails to comply with any of its obligations under this Agreement Lender may, but is not obligated to, do so in Pledgor's name or in the name of Lender, but at Pledgor's expense, and Pledgor hereby agrees to reimburse Lender, upon request, in full for all expenses, including attorneys' fees, incurred by Lender in protecting, defending and maintaining the Collateral.

14. Additional Documents. Pledgor shall, upon written request of Lender, enter into such additional documents or instruments as may be required by Lender in order to effectuate, evidence or perfect Lender's interest in the Collateral, as evidenced by this Agreement.

15. New Collateral. If, before the Obligations shall have been irrevocably paid in full, Pledgor shall obtain rights to any new Collateral, the provisions of this Agreement hereby shall automatically apply thereto as if the same were identified on Schedule 1 as of the date hereof and Pledgor shall give Lender prompt written notice thereof.

16. Modifications for New Collateral. Pledgor hereby authorizes Lender to modify this Agreement by amending Schedule 1 to include any future Collateral as contemplated by Sections 1 and 15 hereof and, at Lender's request, Pledgor shall execute any documents or instruments required by Lender in order to modify this Agreement as provided by this Section 16, provided that any such modification to Schedule 1 shall be effective without the signature of Pledgor.

17. Termination. At such time as the Obligations have been irrevocably paid in full and the Note cancelled, Pledgor shall have the right to terminate this Agreement. Upon written request of Pledgor, Lender shall execute and deliver to Pledgor all deeds, assignments, and other instruments as may be necessary or proper to release Lender's security interest in and assignment of the Collateral and to re-vest in Pledgor full title to the Collateral, subject to any disposition thereof that may have been made by Lender pursuant hereto.

18. No Waiver. No course of dealing between Pledgor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

19. Remedies Cumulative. All of the rights and remedies of Lender with respect to the Collateral, whether established hereby or by the Note, or by any other agreements or by law shall be cumulative and may be executed singularly or concurrently.

20. Severability. The provisions of this 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 thereof, 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 Agreement in any jurisdiction.

21. Modifications. This Agreement may be amended or modified only by a writing signed by Pledgor and Lender. In the event that any provision of this Agreement is deemed to be inconsistent with any provision of any other document, the provisions of this Agreement shall control.

22. Assignment and Successors. This Agreement shall not be assigned by Pledgor without the prior written consent of Lender. This Agreement shall bind the successors and permitted assigns of Pledgor and shall benefit the successors and assigns of Lender. Any attempted assignment or transfer without the prior written consent of Lender shall be null and void.

23. Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Pledgor, mailed or delivered to it, addressed to it at the address of Pledgor specified on the signature page of this Agreement, if to Lender, mailed or delivered to it, addressed to the address of Lender specified on the signature page of this Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or two Business Days after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that notices from Pledgor to Lender pursuant to any of the provisions hereof shall not be effective until received by Lender.

24. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York applicable to agreements made and to be performed within such State. Pledgor (a) hereby irrevocably submits to the jurisdiction of the courts of the State of New York and the jurisdiction of the United States District Courts in the County of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, or the subject matter hereof brought by Lender, (b) hereby waives and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or this Agreement or the subject matter hereof may not be enforced in any such court, and (c) hereby waives in any such action, suit, or proceeding any offsets or counterclaims. Pledgor hereby consents to service of process by certified mail at its address set forth herein and agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of Lender. Final judgment against Pledgor in any such action, suit or proceeding shall be conclusive, and may be enforced in other jurisdictions (i) by suit, action, or proceeding on the conclusive evidence of the fact and of the amount of any indebtedness or liability of Pledgor therein described or (ii) in any other manner provided by or pursuant to the laws of such other jurisdiction; provided, however, that Lender may at its option bring suit, or institute other judicial proceedings, against Pledgor or any of its assets in any state

or Federal court of the United States or of any country or place where Pledgor or Pledgor's property and assets may be found.

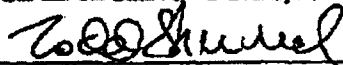
[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Intellectual Property Security Agreement as of the date first set forth above.

ELI S. JACOBS


Address: 570 Lexington Ave., 3d floor
New York, NY 10022

STAGE III TECHNOLOGIES, LLC

By: 
Name: Todd Stimmel
Title: President & CEO
Address: 6370 Nancy Ridge Drive, Suite 101
San Diego, CA 92121

Signature Page to
Intellectual Property Security Agreement

SCHEDULE 1

COLLATERAL

- | | |
|------------------|---|
| 1 U.S. 6,311,928 | Jet engine cascade thrust reverser for use with mixer/ejector noise suppressor |
| 2 U.S. 6,233,920 | Contoured thrust reverser and lobed nozzle noise suppressor for gas turbine engines |
| 3 U.S. 5,884,472 | Alternating lobed mixer/ejector concept suppressor |
| 4 U.S. 5,761,900 | Two-stage mixer ejector suppressor |
| 5 JP 350639/1998 | Alternating lobed mixer ejector concept suppressor design |