

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
Verdasys Inc.	09/23/2008

RECEIVING PARTY DATA

Name:	Orix Venture Finance LLC
Street Address:	245 Park Avenue
Internal Address:	19th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10167

PROPERTY NUMBERS Total: 13

Property Type	Number
Patent Number:	7409547
Patent Number:	7100047
Patent Number:	6947933
Application Number:	12011475
Application Number:	10706871
Application Number:	10716336
Application Number:	10738924
Application Number:	10995020
PCT Number:	US0540395
PCT Number:	US0401454
PCT Number:	US0401508
PCT Number:	US0401530
PCT Number:	US0401529

CORRESPONDENCE DATA

PATENT

500679215

REEL: 021701 FRAME: 0187

CH \$520.00 7409547

Fax Number: (703)415-1557

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Correspondent Name: Christopher E. Kondracki

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ATTORNEY DOCKET NUMBER:

8090808

NAME OF SUBMITTER:

Christopher E. Kondracki

Total Attachments: 14

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is entered into as of September 23, 2008 by and between **VERDASY INC.**, a Delaware corporation ("Grantor") and **ORIX VENTURE FINANCE LLC**, a Delaware limited liability company ("Lender"), with reference to the following facts:

A. Lender and Grantor are parties to that certain Loan and Security Agreement dated as of the date hereof (as such may be amended, modified, supplemented, or restated, the "Loan Agreement"). Capitalized terms used herein have the meaning assigned in the Loan Agreement.

B. Pursuant to the Loan Agreement, Grantor has granted to Lender a security interest in all of the Collateral to secure the Obligations. The Collateral includes without limitation all Intellectual Property (including the Intellectual Property described herein).

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged and intending to be legally bound, as collateral security for the prompt and complete payment when due of the Obligations, Grantor hereby represents, warrants, covenants and agrees as follows:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of the Obligations, Grantor hereby grants a security interest in all of Grantor's right, title and interest in, to and under all of the following (all of which shall collectively be called the "Intellectual Property Collateral"):

- (a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished, registered or unregistered, and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on EXHIBIT A attached hereto (collectively, the "Copyrights");
- (b) Any and all trade secret rights, including any rights to unpatented inventions, know-how, operating manuals, license rights and agreements, and Grantor confidential information, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;
- (c) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;
- (d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on EXHIBIT B attached hereto (collectively, the "Patents");
- (e) Any trademark and service mark rights, slogans, trade dress, and tradenames, trade styles, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on EXHIBIT C attached hereto (collectively, the "Trademarks");

(f) All mask works or similar rights, now owned or hereafter acquired, including, without limitation those set forth on EXHIBIT D attached hereto (collectively, the "Mask Works");

(g) Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(h) All licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights (collectively, the "Licenses");

(i) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and

(j) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Authorization and Request. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this Agreement, and any amendments thereto, or copies thereof.

3. Covenants and Warranties.

(a) The security interest granted to Lender in the Intellectual Property Collateral constitutes a first-priority lien and encumbrance, subject only to non-exclusive licenses granted to third parties in Grantor's ordinary course of business.

(b) Grantor represents and warrants to the Lender that (i) listed on EXHIBIT A are all existing filed or recorded (including, without limitation, all applications for registration) Copyrights owned by, controlled by, or licensed to Grantor; (ii) listed on EXHIBIT B are all existing filed or recorded (including, without limitation, all applications for registration) Patents owned by, controlled by, or licensed to Grantor; (iii) listed on EXHIBIT C are all existing filed or recorded (including, without limitation, all applications for registration) Trademarks owned by, controlled by, or licensed to Grantor; and (iv) listed on EXHIBIT D are all existing filed or recorded (including, without limitation, all applications for registration) Mask Works owned by, controlled by, or licensed to Grantor.

(c) Grantor shall, in connection with any future registration of any Copyrights or Mask Works with the United States Copyright Office (i) concurrently with the application for registration, provide Lender with written notice and a copy of such application for registration, and (ii) execute and file such other instruments, and taking such further actions as Lender may reasonably request from time to time to perfect or continue the perfection of Lender's interest in such Copyrights or Mask Works.

4. Power of Attorney. The Grantor hereby irrevocably makes, constitutes and appoints the Lender (and all officers, employees or agents designated by Lender) as and for the Grantor's true and lawful agent and attorney-in-fact in accordance with Section 6.5 of the Loan Agreement:

(a) To supplement and amend from time to time EXHIBITS A, B, C, and D of this Agreement to include any newly developed, applied for, registered, or acquired Intellectual Property of the Grantor (and Lender agrees to use reasonable efforts to notify Grantor of any such supplements).

(b) During the continuance of an Event of Default, to execute all such instruments, documents, and papers as the Lender reasonably determines to be necessary or desirable in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Intellectual Property Collateral.

5. Intent. This Agreement is being executed and delivered by the Grantor in conjunction with the security interest granted to Lender under the Loan Agreement and for the purpose of recording and confirming the grant of the security interest of the Lender in the Intellectual Property Collateral with the United States Patent and Trademark Office and/or the United States Copyright Office, as applicable. It is intended that the security interest granted pursuant to this Agreement is granted in conjunction with, and not in addition to or limitation of, the security interest granted to the Lender under the Loan Agreement. Lender's rights hereunder and under the Loan Agreement are cumulative. In the event of any conflict between the terms of this Agreement and the terms of the Loan Agreement, the terms of the Loan Agreement shall control.

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Address of Grantor:

404 Wyman Street, Suite 320
Waltham, MA 02451

VERDASYS INC.

By 

Name: Stephen Gregorio

Title: Senior Vice President, Chief
Financial Officer and Treasurer

Address of Lender:

245 Park Avenue, 19th Floor
New York, New York 10167

ORIX VENTURE FINANCE LLC

By _____

Name:

Title:

Signature Page - IP Security Agreement

Address of Grantor:

404 Wyman Street, Suite 320
Waltham, MA 02451

VERDASYS INC.

By _____
Name:
Title:

Address of Lender:

245 Park Avenue, 19th Floor
New York, New York 10167

ORIX VENTURE FINANCE LLC

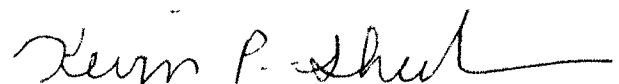
By 
Name: Kevin P. Sheehan
Title: President & CEO
ORIX Venture Finance LLC

EXHIBIT "A"

COPYRIGHTS

Description	Registration / Application Number	Registration / Application Date
NONE.		

EXHIBIT "B"

PATENTS

Description	Patent Number / Publication / Application Number	Registration / Application Date
ENSURING TRUST TRANSACTIONS WITH COMPROMISED CUSTOMER MACHINES	20080184358 / 12/011,475	07/31/2008 / 01/25/2008
ADAPTIVE TRANSPARENT ENCRYPTION	7409547/ 20060294373 / 11/510,891	12/28/2006 / 08/28/2006
MANAGED DISTRIBUTION OF DIGITAL ASSETS	20050060537 /10/706,871	03/17/2005 / 11/12/2003
DIGITAL ASSET USAGE ACCOUNTABILITY VIA EVENT JOURNALING	20040255160 / 10/716,336	12/16/2004 / 11/18/2003
IDENTIFYING HISTORY OF MODIFICATION WITHIN LARGE COLLECTIONS OF UNSTRUCTURED DATA	20040167921 / 10/738,924	08/26/2004 / 12/17/2003
(A1) ADAPTIVE TRANSPARENT ENCRYPTION (B2) ADAPTIVE TRANSPARENT ENCRYPTION	7100047 /20040221172 / 10/750,321	08/29/2006 / 11/04/2004
(A1) IDENTIFYING SIMILARITIES WITHIN LARGE COLLECTIONS OF UNSTRUCTURED DATA (B2) IDENTIFYING SIMILARITIES WITHIN LARGE COLLECTIONS OF UNSTRUCTURED DATA	6947933 / 20040172394 / 10/738,919	09/20/2005 / 09/02/2004
APPLICATION INSTRUMENTATION AND MONITORING	20060123101 / 10/995,020	06/08/2006 / 11/22/2004

FOREIGN PATENTS

Description	Patent Number / Application Number	Registration / Filing Date	Country
APPLICATION INSTRUMENTATION AND MONITORING	1839180 / 2005824846	10/03/2007 / 11/09/2005	European Patent Office
APPLICATION INSTRUMENTATION AND MONITORING	2008522282 / 2007543113	06/26/2008 / 11/09/2005	Japan
APPLICATION INSTRUMENTATION AND MONITORING	2006057806 / 2005US40395	11/01/2007 / 11/09/2005	Patent Cooperation Treaty
DIGITAL ASSET USAGE ACCOUNTABILITY VIA EVENT JOURNALING	2553429 / 2553429 2553601 / 2553601 2553648 / 2553648 2553654 / 2553654	08/05/2004 / 01/21/2004	Canada
DIGITAL ASSET USAGE ACCOUNTABILITY VIA EVENT JOURNALING	1590735 / 2004704027 1590763 / 2004704057 1590748 / 2004704049 1590916 / 2004704069 1590748 / 2004704049	11/02/2004 / 01/21/2004	European Patent Office
DIGITAL ASSET USAGE ACCOUNTABILITY VIA EVENT JOURNALING	2006516775 / 2006501066 2006518893 / 2006401056 2006525562 / 2006501062 2007524878 / 2006501065	07/06/2006 / 01/21/2004 08/17/2006 / 01/21/2004 11/09/2006 / 01/21/2004 08/30/2007 / 01/21/2004	Japan
DIGITAL ASSET USAGE ACCOUNTABILITY VIA EVENT JOURNALING	2004066082 / 2004US1454 2004066085 / 2004US1508 2004066086 /	08/05/2004 / 01/21/2004 08/05/2004 / 01/21/2004 08/05/2004 /	Patent Cooperation Treaty

Description	Patent Number / Application Number	Registration / Filing Date	Country
	2004US1530 2004066541 / 2004US1529 2004066086 / 2004US1530 2004066082 / 2004US1454 2004066085 / 2004US1508 2004066541 / 2004US1529	01/21/2004 08/05/2004 / 01/21/2004 01/20/2005 / 01/21/2004 03/10/2005 / 01/21/2004 03/10/2005 / 01/21/2004 06/30/2005 / 01/21/2004	
ACTIVITY CONTROL MEATHOD FOR REGULATING APPLICATION PROCESS ACTIVITY, INVOLVES CONTROLLING PERMITTED APPLICATION LEVEL ACTIVITIES BASED ON RULES ASSOCIATED WITH APPLICATION PROFILE WITHOUT MODIFYING PROGRAM LOGIC OF APPLICATION PROCESS	2006057806 / 2005US40395	06/01/2006 / 11/09/2005 11/01/2007 / 11/09/2005	Patent Cooperation Treaty
ACTIVITY CONTROL MEATHOD FOR REGULATING APPLICATION PROCESS ACTIVITY, INVOLVES CONTROLLING PERMITTED APPLICATION LEVEL ACTIVITIES BASED ON RULES ASSOCIATED WITH APPLICATION PROFILE WITHOUT MODIFYING PROGRAM LOGIC OF APPLICATION PROCESS	1839180 / 2005824846	10/03/2007 / 11/09/2005	European Patent Office
ACTIVITY CONTROL METHOD FOR REGULATING APPLICATION PROCESS ACTIVITY, INVOLVES CONTROLLING PERMITTED APPLICATION LEVEL	2008522282 / 2007543113	06/26/2008 / 11/09/2005	Japan

Description	Patent Number / Application Number	Registration / Filing Date	Country
ACTIVITIES BASED ON RULES ASSOCIATED WITH APPLICATION PROFILE WITHOUT MODIFYING PROGRAM LOGIC OF APPLICATION PROCESS			
DIGITAL ASSET ACCESS CONTROL METHOD IN DATA PROCESSING ENVIRONMENT, INVOLVES ASSERTING ENCRYPTION POLICY FOR ENCRYPTING ASSET ACCESS EVENTS, IF AGGREGATED EVENT MATCHES WITH PREDEFINED DIGITAL ASSET USAGE RISK POLICY	2004066541 / 2004US1529	08/05/2004 / 01/21/2004	Patent Cooperation Treaty
DIGITAL ASSET ACCESS CONTROL METHOD IN DATA PROCESSING ENVIRONMENT, INVOLVES ASSERTING ENCRYPTION POLICY FOR ENCRYPTING ASSET ACCESS EVENTS, IF AGGREGATED EVENT MATCHES WITH PREDEFINED DIGITAL ASSET USAGE RISK POLICY	1590916 / 2004704069	11/02/2005 / 01/21/2004	European Patent Office
DIGITAL ASSET ACCESS CONTROL METHOD IN DATA PROCESSING ENVIRONMENT, INVOLVES ASSERTING ENCRYPTION POLICY FOR ENCRYPTING ASSET ACCESS EVENTS, IF AGGREGATED EVENT MATCHES WITH PREDEFINED DIGITAL ASSET USAGE RISK POLICY	2007524878 / 2006501065	08/30/2007 / 01/21/2004	Japan
METHOD FOR MAINTAINING REPRESENTATION OF OPERATIONS PERFORMED ON DOCUMENTS IN ENTERPRISE DATA PROCESSING SYSTEM, INVOLVES CREATING NEW ENTRY IN DOCUMENT DISTRIBUTION PATH	2004066086 / 2004US1530	08/05/2004 / 01/21/2004	Patent Cooperation Treaty

Description	Patent Number / Application Number	Registration / Filing Date	Country
REPRESENTATION, IN RESPONSE TO USER'S ACCES TO DOCUMENTS			
METHOD FOR MAINTAINING REPRESENTATION OF OPERATIONS PERFORMED ON DOCUMENTS IN ENTERPRISE DATA PROCESSING SYSTEM	1590748 / 2004704049	11/02/2005 / 01/21/2004	European Patent Office
METHOD FOR MAINTAINING REPRESENTATION OF OPERATIONS PERFORMED ON DOCUMENTS IN ENTERPRISE DATA PROCESSING SYSTEM	2006516775 / 2006501066	07/06/2006 / 01/21/2004	Japan
METHOD FOR CONTROLLING ACCESS TO DIGITAL ASSETS E.G. COMPUTER FILE, INVOLVES INSERTING POLICY VIOLATION PREDICATE, IF OCCURRENCE OF AGGREGATED SYSTEM EVENT VIOLATING PREDEFINED ASSET USAGE POLICY IS JUDGED	2004066085 / 2004US1508	08/05/2004 / 01/21/2004	Patent Cooperation Treaty
METHOD FOR CONTROLLING ACCESS TO DIGITAL ASSETS E.G. COMPUTER FILE, INVOLVES INSERTING POLICY VIOLATION PREDICATE, IF OCCURRENCE OF AGGREGATED SYSTEM EVENT VIOLATING PREDEFINED ASSET USAGE POLICY IS JUDGED	1590736 / 2004704057	11/02/2005 / 01/21/2004	European Patent Office
METHOD FOR CONTROLLING ACCESS TO DIGITAL ASSETS E.G. COMPUTER FILE, INVOLVES INSERTING POLICY VIOLATION PREDICATE, IF OCCURRENCE OF AGGREGATED SYSTEM EVENT VIOLATING PREDEFINED ASSET USAGE POLICY IS JUDGED	2006525562 / 2006501062	11/09/2006 / 01/21/2004	Japan
UNAUTHORIZED USER ACTIVITY MONITORING SYSTEM FOR DATA PROCESSING SYSTEM, GENERATES ABNORMAL	2004066082 / 2004US1454	08/05/2004 / 01/21/2004	Patent Cooperation Treaty

Description	Patent Number / Application Number	Registration / Filing Date	Country
EVENT, WHEN AGGREGATED ATOMIC-LEVEL EVENTS ASSOCIATED WITH USER, CONFORMS TO PREDETERMINED PATTERN INDICATIVE OF UNAUTHORIZED USER ACTIVITY			
UNAUTHORIZED USER ACTIVITY MONITORING SYSTEM FOR DATA PROCESSING SYSTEM, GENERATES ABNORMAL EVENT, WHEN AGGREGATED ATOMIC-LEVEL EVENTS ASSOCIATED WITH USER, CONFORMS TO PREDETERMINED PATTERN INDICATIVE OF UNAUTHORIZED USER ACTIVITY	1590735 / 2004704027	11/02/2005 / 01/21/2004	European Patent Office
UNAUTHORIZED USER ACTIVITY MONITORING SYSTEM FOR DATA PROCESSING SYSTEM, GENERATES ABNORMAL EVENT, WHEN AGGREGATED ATOMIC-LEVEL EVENTS ASSOCIATED WITH USER, CONFORMS TO PREDETERMINED PATTERN INDICATIVE OF UNAUTHORIZED USER ACTIVITY	2006518893 / 2006501056	08/17/2006 / 01/21/2004	Japan

EXHIBIT "C"

TRADEMARKS

Description	Registration / Serial Number	Registration / Filing Date
VERDASYS	2,968,543 / 78-291716	07/12/2005 / 08/25/2003
DIGITAL GUARDIAN	78-227169	03/18/2003
SITETRUST (Block letters)	77-274303	09/07/2007

FOREIGN TRADEMARKS

Description	Registration Number / Serial Number	Registration / Filing Date	Country
VERDASYS	TMA695824 / 118876600	09/07/2007 / 09/10/2003	Canada
DIGITAL GUARDIAN	TMA628113 / 118858900	12/10/2004 / 09/09/2003	Canada
DIGITAL GUARDIAN	4,752,237 / 2003 081,074	02/27/2004 / 09/18/2003	Japan
VERDASYS	842042 / 643067	07/16/2004 / 02/20/2004	Mexico
VERDASYS	840505 / 643068	07/02/2004 / 02/20/2004	Mexico
VERDASYS	4,808,516 / 2003 081075	10/08/2004 / 09/18/2003	Japan
DIGITAL GUARDIAN	833190 / 643066	05/26/2004 / 02/20/2004	Mexico
VERDASYS	3370798 / 3370798	11/19/2004 / 09/22/2003	Community Trademarks
DIGITAL GUARDIAN	3357341 / 3357341	12/19/2005 / 09/15/2003	Community Trademarks
VERDASYS	990680 / 990680	02/25/2004 / 02/25/2004	Australia

EXHIBIT "D"

MASK WORKS

Description	Registration/ Application Number	Registration/ Application Date

1097173.3

A/72626761.5