

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
Ralco Industries, Inc.	10/27/2009
RECEIVING PARTY DATA	
Name:	Mr. Ralph Cowie
Street Address:	1675 Kirkway Lane
City:	Bloomfield Hills
State/Country:	MICHIGAN
Postal Code:	48320
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7055353
CORRESPONDENCE DATA	
Fax Number:	(248)457-7001
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	2484577158
Email:	cthomas@gmhlaw.com
Correspondent Name:	Charles J. Thomas, III
Address Line 1:	101 West Big Beaver Road, 10th Floor
Address Line 4:	Troy, MICHIGAN 48084-5280
NAME OF SUBMITTER:	Charles J. Thomas, III
Total Attachments: 5 source=PSA #page1.tif source=PSA #page2.tif source=PSA #page3.tif source=PSA #page4.tif source=PSA #page5.tif	

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Agreement") is dated as of October 27, 2009, by and between RALCO INDUSTRIES, INC., a Michigan corporation with its principal place of business located at 2720 Auburn Court, Auburn Hills, MI 48326 ("Ralco") and RALPH COWIE, an individual residing at 1675 Kirkway Lane, Bloomfield Hills, MI 48320 (together with his heirs, executor and assigns, "Cowie").

WHEREAS, Cowie transferred to Ralco all of his right, title and interest in and to a certain progressive stamping die system and method of operation and an application for Letters Patent filed in the U.S. Patent and Trademark Office on July 28, 2004 having Serial No. 10/710,687 pursuant to a Patent Agreement dated December 28, 2004 (the "Patent Agreement"); and the patent was issued on June 6, 2006 under Patent No. 7,055,353 (the "Patent"); and

WHEREAS, Ralco issued a Secured Promissory Note to Cowie on December 28, 2004 (as it may be amended, the "Promissory Note") to set forth the terms regarding Ralco's payment obligations under the Patent Agreement; and

WHEREAS, the Promissory Note contains Ralco's grant of a security interest to Cowie of a first priority security interest and lien in, among other assets, the Patent;

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Assignment of Patent. To secure the complete and timely payment and satisfaction of all of the Obligations (as such term is defined below), Ralco hereby grants, assigns and conveys to Cowie a security interest in and to the Patent, including, without limitation, all rights owned by Ralco corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part and all proceeds thereof. For the purposes hereof, the term "**Obligations**" shall mean any obligation(s) of Ralco to Cowie of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, due or to become due, or now existing or hereafter arising or acquired and whether by way of loan, discount, lease, or otherwise, including without limitation those arising under the Promissory Note.

2. Warranties and Representations. Ralco hereby covenants and warrants that:

(a) The Patent is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(b) The Patent is valid and enforceable;

(c) Ralco is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patent, free and clear of any liens, charges and encumbrances (other than a security interest in favor of Hennessey Capital, LLC, which security interest is to be the subject of a subordination agreement) and subject only to existing licenses;

(d) Ralco has the unqualified right to enter into this Agreement and perform its terms; and

(e) There are no infringement actions filed and Ralco has not received any notice alleging that the Patent or the use thereof infringes any patents or other rights held by third parties, and Ralco shall, in any event indemnify and hold Cowie and his heirs, executor, assigns and agents (collectively, the "**Cowie Parties**") harmless from all losses, damages, costs and expenses, including reasonable legal costs and counsel fees, incurred by Cowie Parties as the result of any action, claim or demand, whether groundless or otherwise, alleging any such infringement.

3. Right to Benefits. If, before the Obligations shall have been satisfied in full, Ralco shall obtain rights for any reissue, division, continuation, renewal, extension, or continuation-in-part of the Patent or any improvement on the Patent, the provisions of Section 1 hereof shall automatically apply thereto, and Ralco shall give to Cowie prompt written notice thereof.

4. Future Patents. This Agreement shall not apply to any future patent applications or patents which are not related to the Patent.

5. Default. The term "**Default**," as used herein, shall mean: (a) any Event of Default under the Promissory Note; and (b) any violation by Ralco of any obligation, agreement, representation, warranty or covenant contained in this Agreement and any modification or amendment hereof which is not waived or cured and remedied within thirty (30) calendar days after notice thereof to Ralco.

6. Ralco's Right to Use Patent. Unless and until a Default shall occur and be continuing, Ralco shall retain the legal and equitable title to the Patent and shall have the right to use (including the right to license) the Patent in the ordinary course of its business but shall not be permitted to sell, assign, transfer or encumber the Patent or any part thereof.

7. Cowie's Rights As Secured Party. If a Default shall have occurred and be continuing, Cowie shall have, in addition to all other rights and remedies given him by this Agreement, the Promissory Note and any other agreement between Ralco and Cowie, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Michigan (whether or not such Uniform Commercial Code applies to security interests in patents) and, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Ralco, all of which are hereby expressly waived, may sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Patent, or any interest which Ralco may have therein, and after deducting from the proceeds of sale or other disposition of the Patent all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations. Notice of any sale or other disposition of the Patent shall be given to Ralco at least ten (10) calendar days before the time of any intended public or private sale or other disposition of the Patent is to be made, which Ralco hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Cowie may, to the extent permissible under applicable law, purchase the whole or any part of the Patent sold, free from any right of redemption on the part of Ralco, which right is hereby waived and released.

8. Power of Attorney. If a Default shall have occurred and be continuing, Ralco hereby authorizes and empowers Cowie to make, constitute and appoint any agent of Cowie as Cowie may select in his exclusive discretion, as Ralco's true and lawful attorney-in-fact, with the power to endorse Ralco's name on all applications, documents, papers and instruments necessary for Cowie to use and sell the invention disclosed and claimed in the Patent, or to grant or issue any exclusive or non-exclusive license under the Patent to any third person, or necessary for Cowie to assign, pledge, convey or otherwise transfer title in or dispose of the Patent to any third person. Ralco 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 term of this Agreement and coupled with an interest.

9. Termination. At such time as the Obligations shall have been completely satisfied, Cowie shall execute and deliver to Ralco all assignments and other instruments as may be necessary or proper to re-vest in Ralco the full unencumbered title to the Patent, subject to any disposition thereof which may have been made by Cowie pursuant hereto.

10. Fees and Expenses of Cowie. If a Default shall have occurred and be continuing, any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Cowie Parties in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Patent, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent, shall be borne and paid by Ralco on demand by Cowie and until so paid shall be added to the principal amount of the Obligations.

11. Protection of Patent. Ralco shall take all actions reasonably necessary to protect and defend the Patent and shall institute such proceedings to enforce the Patent and any licenses thereunder as it, in its reasonable business judgment, deems appropriate. Cowie shall, upon the reasonable request of Ralco, do any and all lawful acts and execute all proper documents in aid of such protection, defense and enforcement, and Ralco shall promptly, upon demand, reimburse and indemnify Cowie Parties for all costs and expenses incurred by Cowie Parties in connection therewith.

If a Default shall have occurred and be continuing, Cowie shall have the right but shall in no way be obligated to bring suit in his own name to enforce the Patent and any license thereunder, in which event Ralco shall at the request of Cowie do any and all lawful acts and execute any and all proper documents required by Cowie in aid of such enforcement, and Ralco shall promptly, upon demand, reimburse and indemnify Cowie Parties for all costs and expenses incurred by Cowie Parties in the exercise of Cowie's rights under this Section 0.

12. No Waiver. No course of dealing between Ralco and Cowie nor any failure to exercise, nor any delay in exercising, on the part of Cowie, any right, power or privilege hereunder or under the Promissory Note or any other agreement between Ralco and Cowie shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege.

13. Cumulative Rights. All of Cowie's rights and remedies with respect to the Patent, whether established hereby or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

14. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or 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.

15. Amendment. This Agreement is subject to modification only by a writing signed by the parties.

16. Successors and Assigns. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective heirs, executor, successors and assigns of the parties.

17. Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of Michigan.

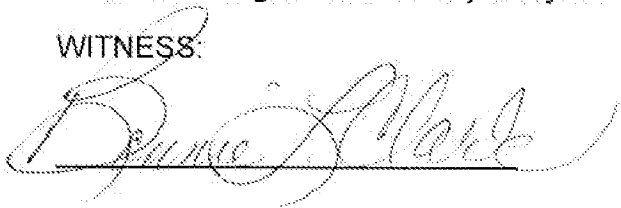
18. JUDICIAL PROCEEDINGS. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY SUIT, ACTION, OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT OR INSTITUTED BY ANY PARTY HERETO OR ANY HEIR, EXECUTOR, SUCCESSOR OR ASSIGN OF ANY PARTY, ON OR WITH RESPECT TO THIS AGREEMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, RALCO WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. RALCO ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS AGREEMENT.

19. Counterparts. This Agreement may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute one and the same instrument.


IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement the day and year first above written.

WITNESS:

RALCO INDUSTRIES, INC.



By:



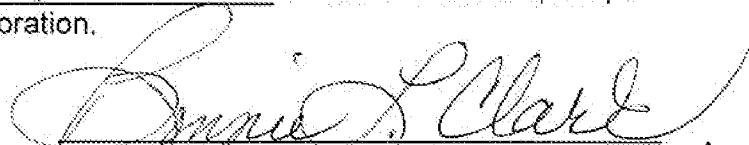
Thomas A. Gitter CEO
Name and Title

Acknowledged before me in Cochran County, Michigan, on Oct 27th 2009, by Thomas A. Gitter, the CEO of Ralco Industries, Inc., a Michigan corporation, on behalf of the corporation.



BONNIE L. CLARK
MY COMMISSION #DD753929
EXPIRES FEBRUARY 19, 2012
BONDED THRU WESTERN SURETY

Notary's Stamp


Notary's Signature
Notary Public, Cochran County, Michigan
Acting in Cochran County, Michigan Florida
My Commission Expires: _____



BONNIE L. CLARK
MY COMMISSION #DD753929
EXPIRES FEBRUARY 19, 2012
BONDED THRU WESTERN SURETY

WITNESS:

Bonnie L. Clark

Ralph Cowie
Ralph Cowie

Acknowledged before me in Collier Florida County, Michigan, on Oct. 27th
2009, by Ralph Cowie.



BONNIE L. CLARK
MY COMMISSION #DD733929
EXPIRES FEBRUARY 19, 2012
BONDED THRU WESTERN SURETY

Notary's Stamp

Bonnie L. Clark
Notary's Signature
Notary Public, Collier Florida County, Michigan
Acting in Collier Florida County, Michigan
My Commission Expires: _____



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