

PATENT ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Patent Security Agreement

CONVEYING PARTY DATA

Name	Execution Date
CPI Card Group - Minnesota, Inc.	03/09/2010

RECEIVING PARTY DATA

Name:	Jefferies Finance LLC, as the Collateral Agent
Street Address:	520 Madison Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10022

PROPERTY NUMBERS Total: 10

Property Type	Number
Patent Number:	4933218
Patent Number:	5223357
Patent Number:	5724891
Patent Number:	5802979
Patent Number:	6619480
Patent Number:	6957737
Patent Number:	7000844
Patent Number:	7267284
Application Number:	60510889
Application Number:	12017227

CORRESPONDENCE DATA

Fax Number: (212)755-7306

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 212-326-3717

Email: nazoubek@jonesday.com

501117715

PATENT  
REEL: 024066 FRAME: 0619

CH \$400.00 4933218

Correspondent Name:	Nancy A. Zoubek, Esq., Jones Day
Address Line 1:	222 East 41st Street
Address Line 4:	New York, NEW YORK 10017

ATTORNEY DOCKET NUMBER:	175274-635018
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NAME OF SUBMITTER:	Nancy A. Zoubek
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**Total Attachments: 5**

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**PATENT SECURITY AGREEMENT**

PATENT SECURITY AGREEMENT, dated as of March 9, 2010 (this "Agreement"), between Jefferies Finance LLC, as the Collateral Agent under the Security Agreement referred to below (together with its successors and assigns, the "Collateral Agent"), and CPI CARD GROUP - MINNESOTA, INC., a Delaware corporation (the "Grantor").

W I T N E S S E T H:

WHEREAS, CPI HOLDINGS I, INC., a Delaware corporation ("Holdings"), and the Grantor, CPI ACQUISITION, INC., a Delaware corporation, CPI HOLDING CO., a Colorado corporation, CPI CARD GROUP - COLORADO, INC., a Colorado corporation, CPI CARD GROUP - NEVADA, INC., a California corporation, and CPI CARD GROUP - INDIANA, INC., an Indiana corporation (collectively, the "Borrowers" and, individually, each a "Borrower"), the financial institutions party thereto as lenders and the Collateral Agent have entered into the Credit Agreement, dated as of June 28, 2007 (as amended by Amendment No. 1, dated as of January 15, 2008, Amendment No. 2, dated as of August 4, 2008, Amendment No. 4, dated as of October 27, 2008, Amendment No. 5, dated as of March 20, 2009 and Amendment No. 6, dated as of March 9, 2010, and as may from time to time be further amended, amended and restated, supplemented or otherwise modified, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Grantor, Holdings and the other Borrowers have entered into the Security Agreement, dated as of June 28, 2007 (as supplemented by assumption agreements, dated as of January 15, 2008 and the date hereof, and as may from time to time be further amended, amended and restated, supplemented or otherwise modified, the "Security Agreement") in favor of the Collateral Agent for the benefit of the Secured Parties (as defined therein);

WHEREAS, pursuant to the Security Agreement, the Grantor granted to the Collateral Agent for the benefit of the Secured Parties, a security interest in certain collateral, including but not limited to all right, title and interest of the Grantor in its Patents; and

WHEREAS, the Collateral Agent and the Grantor have agreed to execute and deliver this Agreement in order to perfect the security interest of the Collateral Agent in the Grantor's Patents.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Defined Terms. All capitalized terms not defined herein shall have the meaning ascribed to them in, or incorporated by reference in, the Security Agreement, and the rules of interpretation set forth in Section 1.2 of the Security Agreement shall be applicable hereto.

SECTION 2. Grant of Security Interest. As security for the prompt payment and performance of the Obligations, the Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in, a general lien upon and/or a right of set off against (whether now owned or hereafter acquired by the Grantor and whether acquired in the United States or elsewhere in the world) all right, title and interest of the Grantor in and to the following, whether now existing or hereafter acquired:

- (i) all of the Patents issued by the United States Patent and Trademark Office owned or filed on behalf of the Grantor or in which the Grantor has rights (including, without limitation, those listed on Schedule A hereto);

- (ii) all applications for Patents to be issued by the United States Patent and Trademark Office owned by or filed on behalf of the Grantor (including, without limitation, those listed on Schedule A to this Agreement);
- (iii) all Patents owned or filed on behalf of the Grantor or in which the Grantor has rights issued by any other country or any office, agency or other governmental authority thereof;
- (iv) all applications for Patents owned or filed on behalf of the Grantor or in which the Grantor has rights to be issued by any office, agency or other governmental authority referred to in clause (iii) above;
- (v) all registrations and recordings with respect to any of the foregoing;
- (vi) all reissues, continuations, continuations-in-part, extensions and divisions of any of the foregoing;
- (vii) all licenses, including Patent Licenses, and other agreements relating in whole or in part to any Patents, inventions, processes, production methods, proprietary information or know-how covered by any of the foregoing, including all rights to payments in respect thereof;
- (viii) all rights to sue for past, present or future infringements of any of the foregoing;
- (ix) all good will relating to any of the foregoing;
- (x) to the extent not included above, all general intangibles (as defined in the UCC) of the Assignor related to the foregoing; and
- (xi) all proceeds of any and all of the foregoing.

SECTION 3. Reference to Security Agreement. This Agreement has been entered into by the Grantor and the Collateral Agent primarily for recording purposes as contemplated by the Security Agreement. In the event of any inconsistency between any of the terms or provisions hereof and the terms and provisions of the Security Agreement, the terms and provisions of the Security Agreement shall govern.

SECTION 4. Governing Law. This Agreement and the rights of the parties hereunder shall be construed and interpreted in accordance with the law of the State of New York, without application of the rules regarding conflicts of laws (other than section 5-1401 of the New York General Obligations Law).

SECTION 5. JURY TRIAL WAIVER. THE ASSIGNOR HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

(Signature page follows.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first set forth above.

CPI CARD GROUP - MINNESOTA, INC.

By: 

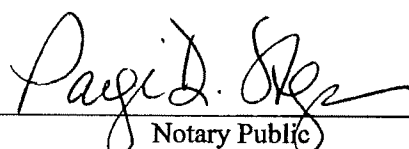
Name: Nicholas A. Peters

Title: Vice President and Treasurer

STATE OF Illinois )  
COUNTY OF Cook ) ss:

On this 9<sup>th</sup> day of March, 2010, before me personally appeared Nicholas A. Peters, to me known who, being by me duly sworn, did depose and say that he/she is VP and Treasurer of CPI CARD GROUP - MINNESOTA, INC., the institution described herein, and which executed the foregoing instrument, and that he/she signed his/her name thereto pursuant to the authority granted by CPI CARD GROUP - MINNESOTA, INC.



  
Notary Public

Patent Security Agreement

PATENT  
REEL: 024066 FRAME: 0623

Accepted and acknowledged by:

JEFFERIES FINANCE LLC,  
as Collateral Agent

By: E. Joseph Hess  
Name: E. Joseph Hess  
Title: Managing Director

On this 8 day of March, 2010, before me personally appeared E. Joseph Hess, to me known who, being by me duly sworn, did depose and say that he/she is Managing Director of JEFFERIES FINANCE LLC, the institution described herein, and which executed the foregoing instrument, and that he/she signed his/her name thereto pursuant to the authority granted by JEFFERIES FINANCE LLC.

Melissa Adamo  
Notary Public

MELISSA ADAMO  
NOTARY PUBLIC, STATE OF NEW YORK  
No. 01AD6114342  
QUALIFIED IN QUEENS COUNTY  
MY COMMISSION EXPIRES AUG. 9, 2012

*Patent Security Agreement*

**PATENT**  
**REEL: 024066 FRAME: 0624**

Schedule A  
to Patent Security Agreement

<b>Grantor</b>	<b>U.S. Patent Patent No.</b>	<b>Country</b>	<b>Issue Date</b>
CPI Card Group – Minnesota, Inc.	4,933,218	U.S.	June 12, 1990
CPI Card Group – Minnesota, Inc.	5,223,357	U.S.	June 29, 1993
CPI Card Group – Minnesota, Inc.	5,724,891	U.S.	March 10, 1998
CPI Card Group – Minnesota, Inc.	5,802,979	U.S.	September 8, 1998
CPI Card Group – Minnesota, Inc.	6,619,480	U.S.	September 16, 2003
CPI Card Group – Minnesota, Inc.	6,957,737	U.S.	October 25, 2005
CPI Card Group – Minnesota, Inc.	7,000,844	U.S.	February 21, 2006
CPI Card Group – Minnesota, Inc.	7,267,284	U.S.	September 11, 2007

<b>Grantor</b>	<b>U.S. Patent Application Patent Application No.</b>	<b>Country</b>	<b>Issue Date</b>
CPI Card Group – Minnesota, Inc.	60/510,889	U.S.	October 14, 2003
CPI Card Group – Minnesota, Inc.	12/017,227	U.S.	January 21, 2008

*Patent Security Agreement*