

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
U.S. Ethernet Innovations, LLC	06/24/2010

RECEIVING PARTY DATA

Name:	HLC Sentinel LLC
Street Address:	46 Weastchester Ave
City:	Pound Ridge
State/Country:	NEW YORK
Postal Code:	10576

PROPERTY NUMBERS Total: 11

Property Type	Number
Application Number:	09488942
Patent Number:	5299313
Patent Number:	5307459
Patent Number:	5732094
Patent Number:	5434872
Patent Number:	5530874
Patent Number:	5319752
Patent Number:	5872920
Patent Number:	6112252
Patent Number:	5485584
Patent Number:	5412782

CORRESPONDENCE DATA

Fax Number: (877)881-6166

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

Phone: 212-430-3161

OP \$440.00 09488942

501215612

PATENT
REEL: 024588 FRAME: 0592

Email: dsharrow@gunder.com
Correspondent Name: David P. Sharrow
Address Line 1: 220 West 42nd Street, 21st Floor
Address Line 2: Gunderson Dettmer Stough Villeneuve
Address Line 4: New York, NEW YORK 10036

NAME OF SUBMITTER:

David P. Sharrow

Total Attachments: 8

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PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of June 24, 2010 (the "**Agreement**"), by U.S. ETHERNET INNOVATIONS, LLC, a Texas limited liability company, located at 719 West Front Street, Suite 122, Tyler, Texas 75702 ("**Debtor**"), in favor of HLC SENTINEL LLC, located at 46 Westchester Ave., Pound Ridge NY 10576 ("**Secured Party**").

Debtor and Secured Party hereby agree as follows:

SECTION 1. *Definitions; Interpretation.*

(a) *Terms Defined in Security Agreement.* All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Security Agreement.

(b) *Certain Defined Terms.* As used in this Agreement, the following terms shall have the following meanings:

"**3Com**" means 3Com Corporation, a Delaware corporation.

"**3Com Patents**" means the existing and pending patents purchased by Parallel from 3Com pursuant to the Patent Sale Agreement.

"**Collateral**" has the meaning set forth in Section 2.

"**Parallel**" means Parallel Technology, LLC, a Delaware limited liability company.

"**Patents**" means all of the following, now owned or hereafter acquired by Debtor: (a) all patents (including letters patent) of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for patents of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the PTO (or any successor or any similar offices in any other country), including the USEI Patents, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"**Patent Rights**" shall mean and include with respect to the Patents: (a) the exclusive and sole right to license and sublicense, to collect royalties and license fees, and to sue, collect damages and seek injunctive or other relief for infringement; (b) the exclusive and sole right to exclude others from making, having made, using, selling, offering for sale, distributing, importing and doing such other things that the owner of a patent is entitled to exclude others from doing; (c) all rights, claims, demands, licenses, covenants, or causes of action that 3Com has or may have by reason of any infringement of the 3Com Patents prior to the Effective Date (as defined in the Patent Sale Agreement) of the Patent Sale Agreement, including the right to sue and collect damages for such past infringement in the name of Debtor; (d) all rights, claims, demands, licenses, covenants, or causes of action that Debtor has or may have by reason of any infringement of the Patents other than the 3Com Patents, (e) the exclusive and sole right to assign any or all of the Patents and the Patent Rights; and (f) all other rights relating to the Patents; provided however, with respect to the 3Com Patents, except as otherwise provided in the Patent Sale Agreement.

"**Patent Sale Agreement**" means that certain Patent Sale Agreement, dated as of May 29, 2009, by and between 3Com and Parallel.

"**PTO**" means the United States Patent and Trademark Office.

"Security Agreement" means that certain Security Agreement, dated as of the date hereof, by and between Debtor and Secured Party.

"Subordination Agreement" means that certain Subordination Agreement, dated as of June 24, 2010 (as amended, restated, supplemented or otherwise modified from time to time), among Parallel, Debtor, Protection Capital LLC, as First Lien Party (as defined therein), and Secured Party, as Second Lien Party (as defined therein).

"UCC" means the Uniform Commercial Code as in effect in the State of New York.

"USEI Patents" means all the patents transferred by Parallel to Debtor pursuant to the USEI Transaction Documents and listed on Schedule A attached hereto and made a part hereof.

"USEI Transaction Documents" means all documents entered into by and between Parallel and Debtor that relate to the transfer of the USEI Patents to USEI.

(c) *Terms Defined in UCC.* Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) *Construction.* In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to "proceeds" in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor; (ii) "includes" and "including" are not limiting; (iii) "or" is not exclusive; and (iv) "all" includes "any" and "any" includes "all." To the extent not inconsistent with the foregoing, the rules of construction and interpretation applicable to the Security Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2. *Security Interest.*

(a) *Grant of Security Interest.* As security for the payment and performance of the Obligations, Debtor hereby assigns, transfers, conveys and grants to Secured Party a security interest in and mortgage upon all of Debtor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Debtor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the **"Collateral"**):

- (i) The Patents, including the USEI Patents;
- (ii) The Patent Rights;
- (iii) all general intangibles and all intellectual or other intangible property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and
- (iv) all proceeds of any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) *Continuing Security Interest.* Debtor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 11.

SECTION 3. **Supplement to Security Agreement.** This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Security Agreement. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference.

SECTION 4. **Representations and Warranties.** Debtor represents and warrants to Secured Party that a true and correct list of all of the existing Collateral consisting of United States patents and patent applications or registrations owned by Debtor, in whole or in part, is set forth in Schedule A.

SECTION 5. **Further Acts.** On a continuing basis, Debtor 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 advisable or may be requested by Secured Party 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 Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO and any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO and any applicable state office, at the expense of Debtor. In addition, Debtor authorizes Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Secured Party. If Debtor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, Debtor shall immediately notify Secured Party in a writing signed by Debtor of the brief details thereof and grant to Secured Party 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 Secured Party.

SECTION 6. **Authorization to Supplement.** If Debtor 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. Debtor shall give prompt notice in writing to Secured Party with respect to any such new patent rights. Without limiting Debtor's obligations under this Section 6, Debtor authorizes Secured Party 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 Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule A.

SECTION 7. **Binding Effect.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Security Agreement.

SECTION 8. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of New York, except to the extent that the UCC provides for the application of the law of a jurisdiction other than New York.

SECTION 9. **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 grant of any security interests 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, Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement Schedule A 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 Secured Party 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 Secured Party under the Security Agreement.

SECTION 10. **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 11. **Termination.** Upon payment and performance in full of all Obligations, the security interests created by this Agreement shall terminate and Secured Party (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO and any other applicable state filing office.

SECTION 12. **No Inconsistent Requirements.** Debtor 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 Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 13. **Severability.** Should any provision of this Agreement be found to be void, invalid or unenforceable by a court or panel of arbitrators of competent jurisdiction, that finding shall only affect the provisions found to be void, invalid or unenforceable and shall not affect the remaining provisions of this Agreement.

SECTION 14. **Notices.** All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Security Agreement.

SECTION 15. **Subordination Agreement.** Notwithstanding anything herein to the contrary, the lien and security interest granted to Secured Party pursuant to this Agreement and the exercise of any right or remedy by Secured Party hereunder are subject to the provisions of the Subordination Agreement. In the event of any conflict or inconsistency between the provisions of the Subordination Agreement and this Agreement, the provisions of the Subordination Agreement shall control.

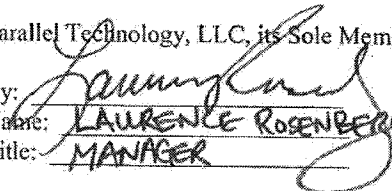
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IN WITNESS WHEREOF, Debtor and Secured Party have duly executed this Security Agreement as of the date first above written.

"Debtor"

U.S. ETHERNET INNOVATIONS, LLC,
a Texas limited liability company

By: Parallel Technology, LLC, its Sole Member and Manager

By: 
Name: LAURENCE ROSENBERG
Title: MANAGER

Address of Debtor:
719 West Front Street, Suite 122
Tyler, Texas 75702
Attn: David Kennedy
Phone: (903) 526-3354
Fax: (678) 566-3596
Email address: dkennedy@parallel-technology.com

"Secured Party"

HLC SENTINEL LLC,
A New York limited liability company

By: _____
Name: _____
Title: _____

Address of Secured Party:
46 Westchester Ave.
Pound Ridge, NY 10576
Attn: Keith Hamlin
Phone: (917) 279-6530
Fax: (212) 837-4896
Email address: kinh@hammerlinecapital.com

IN WITNESS WHEREOF, Debtor and Secured Party have duly executed this Patent Security Agreement as of the date first above written.

"Debtor"

U.S. ETHERNET INNOVATIONS, LLC,
a Texas limited liability company

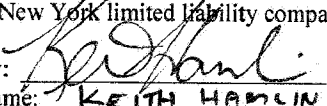
By: Parallel Technology, LLC, its Sole Member and Manager

By: _____
Name: _____
Title: _____

Address of Debtor:
719 West Front Street, Suite 122
Tyler, Texas 75702
Attn: David Kennedy
Phone: (903) 526-3354
Fax: (678) 566-3596
Email address: dkennedy@parallel-technology.com

"Secured Party"

HLC SENTINEL LLC,
A New York limited liability company

By: 
Name: KEITH HAMLIN
Title: MANAGER

Address of Secured Party:
46 Westchester Ave.
Pound Ridge, NY 10576
Attn: Keith Hamlin
Phone: (917) 279-6530
Fax: (212) 837-4896
Email address: kmh@hammerlinecapital.com

**SCHEDULE A
TO THE PATENT SECURITY AGREEMENT**

USEI PATENTS

Country	Patent Number	Issue Date	Title
United States of America	5299313	29-Mar-1994	NETWORK INTERFACE WITH HOST INDEPENDENT BUFFER MANAGEMENT
United States of America	5307459	26-Apr-1994	NETWORK ADAPTER WITH HOST INDICATION OPTIMIZATION
United States of America	5732094	24-Mar-1998	METHOD FOR AUTOMATIC INITIATION OF DATA TRANSMISSION
United States of America	5434872	18-Jul-1995	APPARATUS FOR AUTOMATIC INITIATION OF DATA TRANSMISSION
United States of America	5530874	25-Jun-1996	NETWORK ADAPTER WITH AN INDICATION SIGNAL MASK AND AN INTERRUPT SIGNAL MASK
United States of America	5319752	07-Jun-1994	DEVICE WITH HOST INDICATION COMBINATION
United States of America	5872920	16-Feb-1999	PROGRAMMED I/O ETHERNET ADAPTER WITH EARLY INTERRUPTS FOR ACCELERATING DATA TRANSFER
United States of America	6112252	29-Aug-2000	PROGRAMMED I/O ETHERNET ADAPTER WITH EARLY INTERRUPTS FOR ACCELERATING DATA TRANSFER
United States of America	5485584	16-Jan-1996	APPARATUS FOR SIMULATING A STACK STRUCTURE USING A SINGLE REGISTER AND A COUNTER TO PROVIDE TRANSMIT STATUS IN A PROGRAMMED I/O ETHERNET ADAPTER WITH EARLY INTERRUPTS
United States of America	5412782	02-May-1995	PROGRAMMED I/O ETHERNET ADAPTER WITH EARLY INTERRUPTS FOR ACCELERATING DATA TRANSFER

Pending Patents

Status	Application Number	Filing Date	Country	Title
Pending	09/488,942	21-Jan-2000	United States of America	PROGRAMMED I/O ETHERNET ADAPTER WITH EARLY INTERRUPTS FOR ACCELERATING DATA TRANSFER