

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
OpSec Security Group, Inc.	07/12/2010
RECEIVING PARTY DATA	
Name:	Orca Holdings Limited
Street Address:	Cricket Square, PO Box 1111
Internal Address:	c/o Paget Brown Trust Company Limited, Boundary Hall
City:	Grand Cayman
State/Country:	CAYMAN ISLANDS
Postal Code:	KY1-1102
PROPERTY NUMBERS Total: 27	
Property Type	Number
Patent Number:	4998989
Patent Number:	5137208
Patent Number:	5370763
Patent Number:	5595624
Patent Number:	5704652
Patent Number:	5716482
Patent Number:	5763052
Patent Number:	5913543
Patent Number:	5948555
Patent Number:	6129975
Patent Number:	6226127
Patent Number:	6266187
Patent Number:	6361889
Patent Number:	6364994

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PATENT
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Patent Number:	6533180
Patent Number:	6632533
Patent Number:	6764571
Patent Number:	6837960
Patent Number:	7074478
Patent Number:	7204909
Application Number:	12196366
Application Number:	10433887
Application Number:	10491652
Application Number:	11188100
Application Number:	11425224
Application Number:	11671754
Application Number:	12536888

CORRESPONDENCE DATA

Fax Number: (212)355-3333

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

Phone: 212-813-8800

Email: NY-TM-Admin@goodwinprocter.com, jnici@goodwinprocter.com

Correspondent Name: GOODWIN PROCTER LLP/Attn: Janis Nici

Address Line 1: 620 Eighth Avenue

Address Line 4: New York, NEW YORK 10018

ATTORNEY DOCKET NUMBER:	125843198786
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NAME OF SUBMITTER:	Janis Nici
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Total Attachments: 8

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PATENT SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of July 12 2010 (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), by and between ORCA HOLDINGS LIMITED a private limited company incorporated in Cayman Islands whose registered office is at c/o Paget Brown Trust Company Limited, Boundary Hall, Cricket Square, PO Box 1111, Grand Cayman, KY1-1102 ("Creditor") and OPSEC SECURITY GROUP, INC., a corporation existing under the laws of the State of Colorado ("Obligor").

Pursuant to the terms of a Facilities Agreement, dated as of 1 February 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Facilities Agreement"), by and between Creditor and OpSec Security Group plc ("Borrower"), Creditor has made credit facilities (the "Credit Facilities") available to the Borrower, which is the ultimate parent of Obligor. Pursuant to the terms of an Unlimited Inter-Company Composite Guarantee, dated as of 8 March 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee"), by and among Creditor, Borrower, Obligor and the other obligors party thereto, Obligor has guaranteed the obligations of Borrower under the Facilities Agreement. In order to induce Creditor to make the Credit Facilities available to Borrower, Obligor has agreed to grant to Creditor a continuing lien and security interest in and to the Collateral (hereinafter defined) in order to secure the Obligations (hereinafter defined) in a manner acceptable to Creditor.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Obligor agrees with Creditor as follows:

1. DEFINITIONS. As used herein:

- 1.1 "Collateral" has the meaning set for in Section 2.
- 1.2 "PTO" means the United States Patent and Trademark Office.
- 1.3 "Security Agreement" means that certain Security Agreement, dated as of the date hereof, between Obligor and Creditor.
- 1.4 "Security Interest" has the meaning set forth in Section 2.
- 1.5 "UCC" means the Uniform Commercial Code as in effect in the State of New York.

Other capitalized terms used herein, but not otherwise defined herein or in the UCC, shall have the meanings ascribed to such terms in the Facilities Agreement and the Guarantee.

2. GRANT OF SECURITY INTEREST. To secure the punctual payment and performance of the Obligations when due (whether at the stated maturity, by acceleration or otherwise), Obligor hereby grants to Creditor a security interest in and to, and a lien upon (the "Security Interest"), all right, title and interest of Obligor in and to the following property, whether now owned and existing or hereafter acquired or arising, and wherever located (collectively, the "Collateral"):

- (a) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents and patent applications as described in Schedule A), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(b) all general intangibles and all intangible intellectual or other similar property of Obligor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(c) all Proceeds of any of such property in whatever form (including license royalties, rights to payment, accounts and proceeds of infringement suits), whether derived from voluntary or involuntary disposition, all products of any of such property, all renewals, replacements, substitutions, additions, accessions, rents, issues and profits of, to or from any such property and all other income therefrom, and, to the extent not otherwise included, all payments under insurance (whether or not Creditor is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect therefrom.

3. SUPPLEMENT TO SECURITY AGREEMENT. This Agreement has been entered into in conjunction with the security interests granted to Creditor under the Security Agreement or other security documents referred to therein. The rights and remedies of Creditor with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

4. REPRESENTATIONS AND WARRANTIES. Obligor represents and warrants to Creditor that a true and correct list of all of the existing Collateral consisting of U.S. patents and patent applications or registrations owned by Obligor, in whole or in part, is set forth in Schedule A.

5. COVENANTS AND AGREEMENTS OF THE OBLIGOR. The Obligor covenants and agrees as follows:

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

5.2 Continuing Security Interest. Obligor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 8.

6. AUTHORIZATION TO SUPPLEMENT. If Obligor 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. Obligor shall give prompt notice in writing to Creditor with respect to any such new patent rights. Without limiting Obligor's obligations under this Section 6, Obligor authorizes Creditor 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 Creditor's continuing security interest in all Collateral, whether or not listed on Schedule A.

7. SEVERABILITY. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

8. TERMINATION. Upon payment in full and performance of all Obligations owned by Obligor to Creditor pursuant to the Finance Documents (including payment in full and performance of all indebtedness, obligations and liabilities of other persons guaranteed by Obligor) and the termination of all obligations of Creditor to extend credit under the Finance Documents, this Agreement shall be terminated and the security interests and liens created herein shall be released; otherwise, this Agreement shall remain in full force and effect.

9. NOTICES. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Security Agreement.

10. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the UCC (or, to the extent made applicable by the UCC to the attachment, perfection, priority or enforcement of the Security Interest in any Collateral, the Uniform Commercial Code of any other state) as applied to contracts made and to be performed within said State, without regard to principles of conflicts of law.

11. MISCELLANEOUS.

11.1 Binding on Successors. This Agreement shall be binding upon Obligor, the heirs, executors, administrators, successors and assigns of Obligor, and shall inure to the benefit of and be enforceable by Creditor, its successors, transferees and assigns.

11.2 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 subject matter hereof 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, Creditor unilaterally may re-execute this Agreement or modify, amend or supplement the Schedule 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 Creditor 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 Creditor under the Security Agreement.

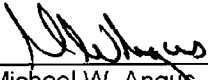
11.3 No Inconsistent Requirements. Obligor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Obligor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

[signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

OBLIGOR:

OPSEC SECURITY GROUP, INC.

By: 
Name: Michael W. Angus
Title: Vice President and Chief Financial Officer

CREDITOR:

ORCA HOLDINGS LIMITED

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

OBLIGOR:

OPSEC SECURITY GROUP, INC.

By: _____
Name: Michael W. Angus
Title: Vice President and Chief Financial Officer

CREDITOR:

ORCA HOLDINGS LIMITED

By: Sydney J. Coleman
Name: The Director Ltd.
Title: Director

SCHEDULE A

Obligor: OPSEC SECURITY GROUP, INC

Issued U.S. Patents of Obligor

NUMBER	COUNTY	TITLE OF PATENT	NAME HELD IN	DATE FILED
4998989	USA	Tamper Evident Closure and Associated Method	OpSec Security Group, Inc.	03/12/1991
5137208	USA	Tamper Evident Package	OpSec Security Group, Inc.	06/29/1990
5370763	USA	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	OpSec Security Group, Inc.	03/16/1994
5595624	USA	Method of Making Tamper Evident and Counterfeit Resisting Informational Article	OpSec Security Group, Inc.	11/17/1994
5704652	USA	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	OpSec Security Group, Inc.	7/16/1993
5716482	USA	Informational Article and Associated Method	OpSec Security Group, Inc.	04/25/1996
5763052	USA	Informational Article and Associated Method	OpSec Security Group, Inc.	08/22/1995
5913543	USA	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	OpSec Security Group, Inc.	07/29/1996
5948555	USA	Tamper Resistant Vehicular Validation Tab Having Differential Adhesive Properties	OpSec Security Group, Inc.	05/21/1996
6129975	USA	Tamper Resistant Vehicular Validation Tab and Associated Method	OpSec Security Group, Inc.	05/12/1997
6226127	USA	Optical Images	OpSec Security Group, Inc.	06/07/1999
6266187	USA	Substrate Producing Three - Dimensional Images	OpSec Security Group, Inc.	02/16/1999

NUMBER	COUNTY	TITLE OF PATENT	NAME HELD IN	DATE FILED
6361889	USA	Tamperproof Window Securable Informational Article	OpSec Security Group, Inc.	12/08/1999
6364994	USA	Tamper Evident and Counterfeit Resisting Informational Article and Associated Method	OpSec Security Group, Inc.	09/30/1996
6533180	USA	Security Label and Method of Use	OpSec Security Group, Inc.	11/12/1999
6632533	USA	Informational Article and an Associated Method	OpSec Security Group, Inc.	02/01/2002
6764571	USA	Informational Article and an Associated Method	OpSec Security Group, Inc.	04/08/2003
6837960	USA	Informational Article and an Associated Method	OpSec Security Group, Inc.	06/25/2003
7074478	USA	Optical Encoding	OpSec Security Group, Inc.	12/19/2002
7204909	USA	Informational Article and an Associated Method	OpSec Security Group, Inc.	07/21/2004

SCHEDULE A

Obligor: OPSEC SECURITY GROUP, INC

Pending U.S. Patent Applications of Obligor

NUMBER	COUNTY	TITLE OF PATENT	NAME HELD IN	DATE FILED
20090050253	USA	Reprocess Indicating Device	OpSec Security Group, Inc.	08/22/2008
20060162840	USA	Method of forming substrates with visual features	OpSec Security Group, Inc.	07/31/2003
20050005122	USA	Optical encoding	OpSec Security Group, Inc.	04/01/2004
20060018021	USA	Diffraction-based optical grating structure and method of creating the same	OpSec Security Group, Inc.	07/22/2005
20070291362	USA	Optically Variable Device with Diffraction-Based Micro-Optics, Method of Creating the Same, and Article Employing the Same	OpSec Security Group, Inc.	06/20/2006
20080186186	USA	Apparatus and Method for Selectively Permitting and Resisting Reading of Radio Frequency Chips	OpSec Security Group, Inc.	02/06/2007
20100035027	USA	Tear and Sew Garment label and Method of Producing	OpSec Security Group, Inc.	08/06/2009

PATENT**RECORDED: 07/23/2010****REEL: 024733 FRAME: 0135**