

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT

**CONVEYING PARTY DATA**

Name	Execution Date
CPI Card Group -Minnesota, Inc.	09/30/2011

**RECEIVING PARTY DATA**

<b>Name:</b>	The Bank of Nova Scotia
<b>Street Address:</b>	720 King Street West, 2nd Floor
<b>Internal Address:</b>	c/o GWS Loan Operations, ATTN: US Agency Loan Operations
<b>City:</b>	Toronto
<b>State/Country:</b>	CANADA
<b>Postal Code:</b>	M5V2T3

**PROPERTY NUMBERS Total: 7**

Property Type	Number
Application Number:	13083178
Patent Number:	5223357
Patent Number:	5724891
Patent Number:	6619480
Patent Number:	6957737
Patent Number:	7000844
Patent Number:	7267284

**CORRESPONDENCE DATA**

Fax Number: (212)728-9673  
 Phone: 212-728-8673  
 Email: mhungate@willkie.com  
*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*  
 Correspondent Name: Meghan M. Hungate  
 Address Line 1: 787 7th Ave  
 Address Line 2: Willkie Farr & Gallagher LLP

**CH \$280.00 13083178**

**501679544**

**PATENT  
 REEL: 027009 FRAME: 0053**

Address Line 4: New York, NEW YORK 10019

ATTORNEY DOCKET NUMBER:

110467.00027/MMH

NAME OF SUBMITTER:

Meghan M. Hungate

**Total Attachments: 6**

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PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of September 30, 2011 (this "Agreement"), between The Bank of Nova Scotia, 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. (the "Grantor").

W I T N E S S E T H:

WHEREAS, CPI HOLDING CO., a Colorado corporation, CPI ACQUISITION, INC., a Delaware corporation, CPI CARD GROUP - COLORADO, INC., a Colorado corporation, CPI CARD GROUP - NEVADA, INC., a California corporation, CPI CARD GROUP - INDIANA, INC., an Indiana corporation, and Grantor, a Delaware corporation (collectively, the "Borrowers" and, individually, each a "Borrower"), CPI HOLDINGS I, INC., a Delaware corporation ("Holdings"), the financial institutions party thereto as lenders and the Collateral Agent have entered into the Credit Agreement, dated as of September 30, 2011 (as amended, supplemented, amended and restated or otherwise modified from time to time, 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 September 30, 2011 (as amended, supplemented, amended and restated or otherwise modified from time to time, 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 and to 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. Subject to the terms and conditions of the Security Agreement, 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 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; and

(x) 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.

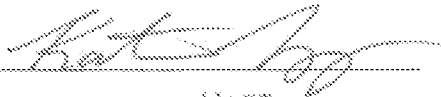
By: 


Name: Nicholas A. Peters

Title: Vice President and Treasurer

Accepted and acknowledged by:

THE BANK OF NOVA SCOTIA,  
as Collateral Agent

By:   
Name: Katherine HOGG  
Title: Associate

  
James J. Fhee  
Director

Schedule A  
to Patent Security Agreement

Registrations

**CPI Card Group – Minnesota, Inc.**

1. U.S. Patent Application No. 13/083,178 for “Ultrasecure Card Package” filed April 8, 2011; owned by CPI Card Group – Minnesota, Inc.; record owner is CPI Card Group, Inc.
2. U.S. Patent No. 5,223,357 for “Promotional Display Signage and Method of Manufacture,” filed February 3, 1992 and issued June 29, 1993; assigned to CPI Card Group – Minnesota, Inc. March 9, 2010.
3. U.S. Patent No. 5,724,891 for “Method for Manufacturing a Display” filed June 25, 1996 and issued March 10, 1998; assigned to CPI Card Group – Minnesota, Inc. March 9, 2010.
4. U.S. Patent No. 6,619,480 for “Methods and Apparatus for Point-of-Sale Packaging of Cards” filed October 27, 2001 and issued September 16, 2003; assigned to CPI Card Group – Minnesota, Inc. March 9, 2010.
5. U.S. Patent No. 6,957,737 for “Package for Activatable Point of Sale Cards” filed July 17, 2003 and issued October 25, 2005; assigned to CPI Card Group – Minnesota, Inc. March 9, 2010.
6. U.S. Patent No. 7,000,844 for “Detachable Protected Point of Sale Card” filed March 7, 2003 and issued February 21, 2006; assigned to CPI Card Group – Minnesota, Inc. March 9, 2010.
7. U.S. Patent No. 7,267,284 for “Detachable Protected Point of Sale Card” filed December 29, 2006 and issued September 11, 2007; assigned to CPI Card Group – Minnesota, Inc. March 9, 2010.