

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT																				
NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY																				
CONVEYING PARTY DATA																					
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CORRESPONDENCE DATA																					

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PATENT
 REEL: 029039 FRAME: 0112

CH \$40.00 13142994

Fax Number: 3472265470
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 212-888-8200
Email: lmiller@fedkas.com, acantu@fedkas.com
Correspondent Name: Larry Miller
Address Line 1: 845 Third Ave.
Address Line 2: 11th Floor
Address Line 4: New York, NEW YORK 10022

ATTORNEY DOCKET NUMBER:	RELEASE OF COLLATERAL HIR
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NAME OF SUBMITTER:	Larry Miller
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	This document serves as an Oath/Declaration (37 CFR 1.63).
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Total Attachments: 7

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PARTIAL RELEASE OF COLLATERAL

THIS PARTIAL RELEASE OF COLLATERAL, dated as of March __, 2012 (this "Release"), by and among (a) Citala Ltd., an Israeli company (the "Company") and Citala US, Inc., a California corporation ("Citala US"); (b) the individuals and entities who have executed this Release in counterpart in their capacity as lenders under the 2007 Investor Documents, as herein defined (the "Consenting Investors"); (c) Andana Fund, Inc., Richard T. Weiss and Tendler Beretz LLC in their capacities as MFN Lenders, as herein defined; (d) Jerry Labowitz, Richard T. Weiss and Andana Fund, Inc. in their capacities as 2010 Investors, as herein defined; and (e) Andana Fund Inc., Jerry Labowitz, Richard T. Weiss, David Tendler and Ivan Lisa Kaufman Fund, in their capacities as 2011 Investors, as defined herein. Capitalized terms used herein have the meanings assigned to such terms in the Collateral Documents (defined below).

WHEREAS, the Company and Citala US are parties to that certain Note Purchase Agreement, dated as of August 21, 2007, as amended (the "2007 Note Purchase Agreement"), and various other agreements and instruments executed and delivered in connection therewith, as amended (collectively, with the 2007 Note Purchase Agreement, the "2007 Investor Documents"), pursuant to which the lenders named therein extended certain secured loans to the Company in 2007 (the "2007 Loans"), evidenced by convertible secured notes issued by the Company in the aggregate amount of \$3,940,000 of which \$3,540,000 are currently outstanding (the "2007 Notes"); and

WHEREAS, Andana Fund, Inc., Richard T. Weiss and Tendler Beretz LLC (in such capacity, the "MFN Lenders") extended certain secured loans to the Company in 2009 and 2010 (the "MFN Loans"), evidenced by convertible secured notes issued by the Company in the aggregate amount of \$8,130,573 (the "MFN Notes"); and

WHEREAS, Andana Fund, Inc., Richard T. Weiss and Jerry Labowitz (in such capacity, the "2010 Investors") extended certain secured loans to the Company in 2010 (the "2010 Loans"), evidenced by convertible secured notes issued by the Company in the aggregate amount of \$1,500,000 (the "2010 Notes"); and

WHEREAS, Andana Fund Inc., Jerry Labowitz, Richard T. Weiss, David Tendler and Ivan Lisa Kaufman Fund (in such capacity, the "2011 Investors") extended certain secured loans to the Company in 2011 (the "2011 Loans"), evidenced by convertible secured notes issued by the Company in the aggregate amount of \$500,000 (the "2011 Notes"); and

WHEREAS, the 2007 Investor Documents, the 2007 Notes, the MFN Notes, the documents, instruments and agreements executed and delivered in connection with the MFN Loans, the 2010 Notes, the documents, instruments and agreements executed and delivered in connection with the 2010 Loans, the 2011 Notes and the documents, instruments and agreements executed and delivered in connection with the 2011 Loans are collectively referred to herein as the "Collateral Documents"; and

WHEREAS, the Consenting Investors, the MFN Lenders, the 2010 Investors and the 2011 Investors are collectively referred to herein as the "Secured Investors"; and

WHEREAS, Section 12.3 of the 2007 Note Purchase Agreement provides that changes in or additions to the 2007 Investor Documents may be made, and/or compliance with any term, covenant, agreement, condition or provision set forth in any such agreements or documents may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively), upon the written consent of the Company and the 2007 Investors representing the majority of the Obligation (as defined therein); and

WHEREAS, the Consenting Investors hold a majority of the Obligations and accordingly the Consenting Investors have all of the aforesaid powers and authority under said Section 12.3 to bind all of the 2007 Investors to the changes provided for in this Agreement; and

WHEREAS, the Company desires to sell, transfer and assign to Powered Card Solutions, LLC ("PCS") its entire world-wide right, title and interest in and to the technology and proprietary know-how identified and described in the patents and patent applications identified as:

TITLE	COUNTRY	APPLICATION NO. / PATENT NO.	FILING DATE / ISSUE DATE
ON CARD DISPLAY OF DATA FROM SECURED CHIP	PCT	PCT/IL.2010/000014	January 7, 2010
ON CARD DISPLAY OF DATA FROM SECURED CHIP	U.S.	US-2012-0024961-A1 13/142,994	January 7, 2010

and such other corresponding patents and patent applications filed in any other jurisdiction (the "Patent Properties").

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

Capitalized terms used herein shall have the meanings assigned to such terms in the Security Agreement (defined below).

1. Reference is hereby made to the Collateral Documents, and specifically to any and all parts of them which grant a security interest in any of the assets of the Company and Citala US (collectively, the "Debtors"), including without limitation to the Patent Properties (the "Security Documents").

2. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Secured Investors, and with respect to the holders of the 2007 Notes, the Consenting Investors, effective as of the date hereof, each hereby releases and discharges its security interest in, and lien upon, the Patent Properties (the "Released Assets").

3. The Released Assets shall no longer constitute "Collateral" subject to the terms and provisions of the Security Documents, and shall no longer secure any of the Debtors' indebtedness or other obligations to the Secured Investors under the Security Documents or otherwise. Except as otherwise provided herein, the Security Documents shall remain in full force and effect including, without limitation, with respect to the Debtors' assets, properties and agreements constituting "Collateral" thereunder, but excluding the Released Assets.

4. At the request and sole cost and expense of the Debtors, each of the Secured Investors agrees to execute such lien releases and other instruments as may reasonably be requested by the Debtors or PCS to evidence the release and discharge of its security interest in, and lien upon, the Released Assets.

5. This Release may be relied upon by PCS, as purchaser of the Patent Properties. This Release is without representation or warranty by the Secured Investors. Any reference in this Release to the purchase of the Patent Properties by PCS is for informational purposes only, and the Secured Investors are not subject to, or charged with any knowledge of, the terms and conditions of the acquisition and any related purchase documents.

6. This Release may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument, and any party hereto may execute this Release by signing any such counterpart. Facsimile and signatures sent electronically via PDF shall be deemed equivalent to original signatures.

7. This Release shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

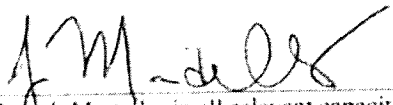
IN WITNESS WHEREOF, the undersigned, if individuals, have executed this Release or, if an entity, caused this Release to be executed by their duly authorized officers, as of the date first above written.

CITALA LTD.

By: _____

Name: Erez Baron

Title: CFO



Joseph Martello, in all relevant capacities

IVAN KAUFMAN GRANTOR RETAINED
ANNUITY TRUST, as a Consenting Investor

By: _____

Name: 

Title:


David Tendler, as Consenting Investor and 2011 Investor

ANDANA FUND, INC., as Consenting Investor,
MFN Lender, 2010 Investor and 2011 Investor

By: _____

Name: 

Title:

CITALA US, INC.

By: _____

Name: Ronen Lin

Title: Director

Richard T. Weiss, as Consenting Investor, MFN
Lender, 2010 Investor and 2011 Investor

Hal Beretz, as Consenting Investor and MFN
Lender

Jerry Labowitz, Consenting Investor, MFN
Lender, 2010 Investor and 2011 Investor

TENDLER BERETZ, LLC, as a MFN Lender

By: _____

Name: 

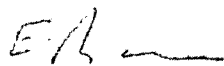
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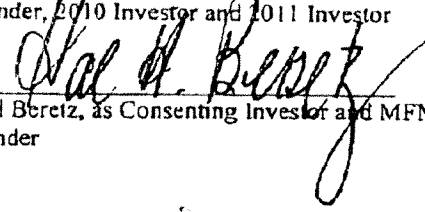
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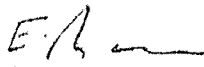
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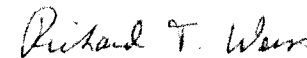
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By: _____
Name:
Title:

By: _____
Name:
Title:

IVAN LISA KAUFMAN FUND, as 2011 Investor

By:

Name:

Title:

J. Muller Trustee