

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT2753346

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SETTLEMENT AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
BRANCH BANKING & TRUST COMPANY	02/14/2014
RECEIVING PARTY DATA	
Name:	DYNASPLINT
Street Address:	770 RITCHIE HIGHWAY
City:	SEVERNA PARK
State/Country:	MARYLAND
Postal Code:	21146
PROPERTY NUMBERS Total: 8	
Property Type	Number
Patent Number:	6942629
Patent Number:	6942631
Patent Number:	6908475
Patent Number:	6740051
Patent Number:	6506172
Patent Number:	6413231
Patent Number:	5558624
Patent Number:	5645521
CORRESPONDENCE DATA	
Fax Number:	(212)588-0500
Phone:	2125880800
Email:	memas@flhlaw.com
<i>Correspondence will be sent via US Mail when the email attempt is unsuccessful.</i>	
Correspondent Name:	ELLEN MARCIE EMAS
Address Line 1:	745 FIFTH AVENUE
Address Line 4:	NEW YORK, NEW YORK 10151

PATENT

ATTORNEY DOCKET NUMBER:	335004-1000
NAME OF SUBMITTER:	JEANMARIE SPRADLIN
Signature:	/Jeanmarie Spradlin/
Date:	03/05/2014

Total Attachments: 10

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SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is deemed made and entered into as of the 14th day of February, 2014 ("Effective Date"), by and among Dynasplint Systems, Inc. ("DSI"), Dynasplint Holdings, LLC ("DH"), Hepburn & Associates, P.A. ("HA"), George R. Hepburn, II ("G. Hepburn") and Karen M. Hepburn ("K. Hepburn") (jointly and severally, the "DSI Parties"), on the one hand and, on the other, Branch Banking and Trust Company, a North Carolina banking corporation ("Lender"). Unless otherwise required by the context, the DSI Parties and Lender will be referred to, collectively, as the "Parties."

RECITALS:

R-1. Lender is the holder of a Promissory Note dated November 8, 2007, made by DSI payable to the order of Lender in the principal amount of Nine Million Two Hundred Thousand and No/100 Dollars (\$9,200,000.00), modified by note modification instruments dated October 21, 2008 and April 21, 2009, and as further amended by a Master Loan Modification Agreement dated as of June 30, 2011, First Amended Master Loan Modification Agreement dated as of July 28, 2011, a Master Loan Modification and Forbearance Agreement dated as of August 31, 2011, a First Amended Master Loan Modification and Forbearance Agreement dated as of September 30, 2011, a Second Amended Master Loan Modification and Forbearance Agreement dated as of June 29, 2012, a Third Amended Master Loan Modification and Forbearance Agreement dated as of September 27, 2012, a Fourth Amended Master Loan Modification and Forbearance Agreement dated as of October 31, 2012, a Fifth Amended Master Loan Modification and Forbearance Agreement dated as of December 20, 2012, a Sixth Amended Master Loan Modification and Forbearance Agreement dated as of March 12, 2013, a Seventh Amended Master Loan Modification and Forbearance Agreement dated as of May 10, 2013, and an Eighth Amended Master Loan Modification and Forbearance Agreement dated June 20, 2013 (collectively, the "Forbearance Agreement") (the "Term Note" and the loan evidenced thereby, the "Term Loan"); and

R-2. Lender is also the holder of a Promissory Note dated March 31, 2010, made by DSI payable to the order of Lender in the principal amount of Nine Million Five Hundred Thousand and No/100 Dollars (\$9,500,000.00), as amended by the Forbearance Agreement (the "Revolving Note" and the loan evidenced thereby, the "Revolving Loan") (the two notes being hereafter referred to as the "DSI Notes," and the loans thereby evidenced being the "DSI Loans"); and

R-3. Lender is also the holder of a Promissory Note dated May 5, 2005, made by HA payable to the order of Lender in the principal amount of One Million One Hundred Fifty Thousand and No/100 Dollars (\$1,150,000.00), modified by note modification instruments dated December 11, 2006 and May 6, 2010, and as further amended from time to time through the Forbearance Agreement (the "HA Note," and the loan evidenced thereby, "HA Loan").

R-4. The DSI Loans are secured by, *inter alia*, (i) that certain Indemnity Deed of Trust and Security Agreement made by G. Hepburn and K. Hepburn for the benefit of Lender dated

November 8, 2007 and recorded December 18, 2007, in Liber 5035 at folio 716, among the Land Records of Worcester County, Maryland (the "Ocean City Deed of Trust") on property commonly known as 5801 Atlantic Avenue, Unit 309, Ocean City, Maryland 21842 (the "Ocean City Property"); (ii) that certain Second Lien Indemnity Deed of Trust and Security Agreement made by G. Hepburn and K. Hepburn for the benefit of Lender dated November 8, 2007 and recorded November 15, 2007, in Liber 19673 at folio 0255, among the Land Records of Anne Arundel County, Maryland (the "Cedar Point Road Deed of Trust") on property commonly known as 1 Cedar Point Road, Severna Park, Maryland 21146 (the "Cedar Point Road Property"); (iii) those certain Guaranty Agreements dated November 8, 2007 and March 31, 2010, respectively, executed by G. Hepburn and K. Hepburn that certain Guaranty Agreement dated August 8, 2011, executed by HA, and that certain Guaranty Agreement dated June 19, 2013, executed by DH (as amended from time to time, collectively, the "DSI Guaranty"); and (iv) certain security agreements, UCC filings and patent assignments against the personal property of DSI.

R-5. The HA Loan is secured by, *inter alia*, (i) that certain Indemnity Deed of Trust made by G. Hepburn and K. Hepburn for the benefit of Lender dated May 5, 2005 and recorded July 7, 2005 in Liber 16540 at folio 287, among the Land Records of Anne Arundel County, Maryland (the "Baltimore-Annapolis Road Deed of Trust") on property commonly known as 601 Baltimore-Annapolis Blvd., Severna Park, Maryland 21146 (the "Baltimore-Annapolis Road Property"); (ii) those certain Guaranty Agreements dated May 5, 2005 and May 6, 2010, respectively, executed by G. Hepburn and K. Hepburn (as amended from time to time, collectively, the "HA Guaranty"); (iii) the rents, issues and profits of the Baltimore-Annapolis Road Property; and (iv) certain security agreements and UCC filings against the personal property of HA. (Sometimes hereinafter, the DSI Notes and the HA Note are collectively referred to as the "Notes," the DSI Loans and the HA Loan are collectively referred to as the "Loans," and the DSI Guaranty and the HA Guaranty are referred to as the "Guaranty.") The Notes, Deed of Trust, Guaranty and all other documents evidencing and/or securing the Loans are referred to herein as the "Loan Documents."

R-6. The DSI Loans matured on June 15, 2013, and because the DSI Parties failed to perform their obligations at maturity, Lender declared the DSI Notes in default. On or about August 1, 2013, in accordance with the Loan Documents, Lender exercised its right to setoff DSI's accounts maintained at the bank on a daily basis, and applied the funds to DSI's outstanding indebtedness (the "Sweep").

R-7. On August 5, 2013, Lender obtained a confessed judgment in the amount of \$12,850,036.32, against the DSI Parties, jointly and severally, in the Circuit Court for Anne Arundel County, Maryland, docketed as Case No. C13-180508. On December 2, 2014, the Circuit Court for Anne Arundel County opened the judgment as to DSI only under Md. R. 2-611.

R-8. The default under the DSI Loans, among other things, triggered a default under the HA Loan, and on October 2, 2013, Lender obtained a judgment by confession in the amount

of \$971,885.51, against HA, G. Hepburn and K. Hepburn, jointly and severally, in the Circuit Court for Anne Arundel County, Maryland, docketed as Case No. C13-180507 (collectively, the "Judgments"). The DSI Parties have filed various motions contesting the validity and enforceability of the Judgments and the Parties are engaged in continuing litigation (the "Litigation").

R-9. In accordance with the terms of the Baltimore-Annapolis Deed of Trust, Lender commenced foreclosure proceedings in the Circuit Court for Anne Arundel County, Maryland, docketed as Case No. 02-C-13-184353, and a sale of the Baltimore-Annapolis Road Property was scheduled for February 13, 2014. On February 11th, Lender cancelled the sale in contemplation of this Agreement.

R-10. Lender believes that the DSI Parties have no defense to the Judgments based on the defaults that have occurred as described above, nor any defense that would hinder, delay or prevent enforcement of any of the collateral presently pledged to Lender. The DSI Parties dispute these contentions.

R-11. The Parties desire to settle and resolve the Litigation, provide for repayment of the DSI Loans and the HA Loan, release any security interest held by the Lender in collateral or property to secure the Loans, and resolve any other disputes between them in accordance with the terms and conditions of this Agreement;

R-12. The DSI Parties agree that each of them will benefit from the transaction described herein.

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

COVENANTS

1. Recitals. The recitals are incorporated herein by this reference as if fully restated. All capitalized words in this Agreement shall have the meaning or definition ascribed to them.

2. Closing. A closing at which the Parties shall perform their respective obligations in sections 3, 4, 5, 6, 7, 8, 9, 10 and 11 below, performance of which are mutually dependent and conditional upon each other, shall be held on or before February 20, 2014 ("Closing"), or on such other date to which the Parties mutually agree.

3. Settlement Payment. At Closing, the DSI Parties shall pay to Lender the sum of Three Million and No/100 Dollars (\$3,000,000.00), in full and complete satisfaction of, and as and for a settlement payment of all sums heretofore or hereafter due and payable under the Notes, the Loan Documents and all other documents and/or instruments evidencing or securing the Loans (including without limitation, the Guaranty), in consideration for the other terms, covenants and conditions set forth in this Agreement (the "Settlement

Payment"). The Settlement Payment shall be made by wire transfer per Lender's instructions, attached hereto. Lender shall credit against the Settlement Payment any amount received into any of the DSI accounts after February 14, 2014, minus the amount necessary to payoff in full the balance as of Closing on the credit card account referenced in Paragraph 4., below.

4. **Credit Card and Personal Line of Credit Balances.** At Closing, the DSI Parties shall be deemed to have paid off the balance on the DSI VISA credit card #4108939700014535, in the amount of \$27,882.73. That account shall be closed by Lender as of Closing.

5. **Release of Lender.** Effective upon Closing, the DSI Parties, on behalf of themselves, their agents, successors, or assigns ("DSI Releasing Parties"), hereby fully release and forever discharge Lender, its officers, employees, shareholders, agents, representatives, attorneys, trustees, substitute trustees, successors, predecessors, affiliates and assigns ("Lender Released Parties"), from all actions, causes of action, claims, demands, defenses, and offsets of any nature whatsoever (in law or in equity, in tort or in contract, or otherwise), known or unknown, present or contingent, including any right to consequential or punitive damages, that any of the DSI Releasing Parties now have, or ever had, against the Lender Released Parties, from the beginning of time through and including the date of Closing of this Agreement, in connection with the Loans, Notes, Deeds of Trust, Loan Documents or Judgments. This release is intended by the DSI Releasing Parties to waive any requirement of any statute or rule of law providing to the effect that a release shall not be construed to extend to unknown claims, it being the intention of the parties hereto that the DSI Releasing Parties release the Lender Released Parties from any and all claims, known and unknown, that exist as of the Closing. This provision shall survive the Closing, it being the express intent of the parties that the foregoing release shall stand on its own as a separate contractual undertaking, supported by independent consideration. Notwithstanding the foregoing, nothing in this Agreement shall operate to release the Lender of its obligations arising under this Agreement.

6. **Release of DSI Parties.** Effective upon Closing, the Lender, on behalf of itself, its agents, successors, or assigns ("Lender Releasing Party"), hereby fully releases and forever discharges the DSI Parties, their officers, employees, shareholders, agents, representatives, attorneys, trustees, substitute trustees, successors, predecessors, affiliates and assigns ("DSI Released Parties"), from all actions, causes of action, claims, demands, defenses, and offsets of any nature whatsoever (in law or in equity, in tort or in contract, or otherwise), known or unknown, present or contingent, including any right to consequential or punitive damages, that the Lender Releasing Party now has, or ever had, against the DSI Released Parties, and any one or more of them, from the beginning of time through and including the date of Closing of this Agreement, in connection with the Loans, Notes, Deeds of Trust, Loan Documents or Judgments; provided however, that this release shall not extend to, nor operate to impair or adversely affect any of Lender's rights and remedies under or

arising out of Paragraph 7(b), below. This release is intended by the Lender Releasing Party to waive any requirement of any statute or rule of law providing to the effect that a release shall not be construed to extend to unknown claims, it being the intention of the parties hereto that the Lender Releasing Party releases the DSI Released Parties from any and all claims, known and unknown, that exist as of the Closing, except with respect to the credit card and demand deposit account overdraft protection consumer indebtedness described in Paragraph 4 above and with respect to the consumer loan described in Paragraph 7 below. This provision shall survive the Closing, it being the express intent of the parties that the foregoing release shall stand on its own as a separate contractual undertaking, supported by independent consideration. Notwithstanding the foregoing, nothing in this Agreement shall operate to release the DSI Parties of their respective obligations arising under this Agreement.

7. Release of Deeds of Trust and other Security Interests. (a) Effective upon Closing, Lender shall release the Cedar Point Road Deed of Trust, the Baltimore-Annapolis Deed of Trust and the Ocean City Deed of Trust. Promptly upon Closing, Lender also shall release any and all other liens, encumbrances, or security interests which it holds on any other collateral or property of the DSI Parties, including but not limited to, inventory, bank accounts, cash, equipment, accounts receivables, general intangibles, and the proceeds thereof, and patents, except as set forth in sub-paragraph (b) herein.

(b) Nothing contained in this Agreement shall be construed as or be deemed to be an agreement of Lender to release or in any way compromise the Lender's rights with respect to a certain consumer loan made by Lender to G. Hepburn and K. Hepburn in the amount of \$3,000,000.00, which loan is secured by a certain Refinance Deed of Trust dated February 24, 2006 from G. Hepburn and K. Hepburn to Karen J. Glascock, Trustee for the benefit of Lender, recorded among the Land Records of Anne Arundel County, Maryland in Liber 17539 at folio 659, which encumbers the Cedar Point Road Property. G. Hepburn and K. Hepburn expressly reaffirm their indebtedness as aforesaid to Lender, and Lender hereby expressly reserves all rights and remedies with respect thereto, and such Refinance Deed of Trust shall be released only upon payment in full of all principal, interest, fees and other charges outstanding and due to Lender under the documents evidencing and/or securing such consumer loan.

8. Indemnification. Notwithstanding the releases, discharges, waivers and agreements not to sue set forth in Section 6, DSI and G. Hepburn, jointly and severally, hereby agree to indemnify and save harmless Lender from and against any and all claims, costs, expenses (including its actual and reasonable attorneys' fees), losses, damages, judgments, relating to or arising out of any claim made by any governmental unit or authority for the return or disgorgement of any sums swept from DSI's accounts and retained by Lender, the source of which is asserted to be a Medicare or Medicaid receivable, and which Lender received and applied to the balance of the Loans prior to the Effective Date. The amount of any such indemnification shall not exceed the aggregate amount of the Medicare or Medicaid payments retained by Lender. Lender shall have the right to select counsel of its choice and to direct the

defense of any such claim, and all such actual and reasonable costs of defense, shall immediately be reimbursed by DSI and G. Hepburn, upon presentment of a detailed bill or invoice therefor.

9. Pending Litigation. Effective upon Closing, the Parties shall file stipulations in Case Nos. C-13-180508 and C-13-180507, and in the matter captioned Richard L. Sugarman v. George R. Hepburn, et al., Case No. 02-C-13-184353, dismissing those actions and all claims and counterclaims, as the case may be, with prejudice.

10. Lender to Credit Settlement Payment. The total amount of any and all Sweeps made by Lender after the Effective Date will be credited against the Settlement Payment, and disbursed to the DSI Parties after Closing, in accordance with instructions provided by the DSI parties. The DSI Parties shall take all steps necessary to cause all deposits heretofore made to DSI's demand deposit accounts with Lender to be made to accounts at other institutions. Lender shall return and reject all ACH transfers received after the thirtieth day following the Effective Date unless alternate arrangements are made by DSI to compensate Lender for the receipt and retransmission of same to DSI.

11. Confidentiality. The Parties agree that the terms of this Agreement shall remain confidential and shall not be disclosed by any Party to any third party without the prior written consent of all other Parties, except that any Party may disclose this Agreement or its terms: (i) to its respective legal counsel, auditors, accountants, clients, joint venturers, lenders, vendors, or other parties with which such Party has a contractual relationship requiring disclosure in the exercise of that Party's reasonable business judgment, provided that any such recipient of the disclosed information agrees to keep the existence and terms of this Agreement confidential, (ii) as required by law or judicial process, provided that the Party required to make such a disclosure shall take all commercially reasonable measures to limit the extent of the disclosure, including, but not limited to, by providing notice to the other Parties that such disclosure is required and allowing the other Parties reasonable time to object to such disclosure to the appropriate authorities.

12. Notices. Any notices or other communications required or permitted to be given by this Agreement shall be given in writing and personally delivered or sent by facsimile or mailed by prepaid certified or registered mail or recognized overnight courier, to the Party to whom such notice or communication is directed, as follows:

If to Lender:

Branch Banking and Trust Company
13000 Deerfield Parkway
Suite 350
Alpharetta, Georgia 30004
Attn: Eric Hubbard
Facsimile: 770-410-6931

With a copy to:

Friedlander Mislner, PLLC
5335 Wisconsin Avenue, NW
Suite 600
Washington, DC 20015
Attn: Robert E. Greenberg, Esq.
Facsimile: 202-857-8343

If to the DSI Parties:
Dynasplint Systems, Inc.
770 Ritchie Highway
Severna Park, Maryland 21146
Attn: George R. Hepburn, II

Hepburn & Associates, P.A.
1 Cedar Point Road
Severna Park, Maryland 21146
Attn: George R. Hepburn, II

George R. Hepburn, II
Karen M. Hepburn
1 Cedar Point Road
Severna Park, Maryland 21146

With a copy to:
Zuckerman Spaeder LLP
100 East Pratt Street
Suite 2440
Baltimore, Maryland 21202-1031
Attn: Robert T. Shaffer
Facsimile: 410-659-0436

13. Counterparts. This Agreement may be executed in counterparts, each of which for all purposes shall be deemed an original. Each of the Parties shall have a fully executed original of this Agreement which bears the original signatures of all Parties. In making proof of this Agreement, it shall not be necessary to produce or account for all counterparts. The Parties agree that this Agreement represents a full and complete settlement between the Parties and is intended to avoid any litigation between the Parties.

14. Advice of Counsel. In making this Agreement, the Parties understand and agree that they have had the benefit of the advice of counsel of their own choosing, and have relied wholly upon their own judgment, belief and knowledge of the nature, extent, effect and duration of the damages they have allegedly suffered. The Parties make this Agreement without reliance upon any statements, representations, or lack of statements or representations by the other Parties or their representatives. This Agreement has been reviewed by the Parties with their respective legal counsel, and has been fully read and is understood and voluntarily accepted. Each of the Parties hereto has reviewed this Agreement and, accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against a party that has drafted it is of no application and is expressly waived.

15. JURY TRIAL WAIVER. UNLESS EXPRESSLY PROHIBITED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS OR CLAIMS DIRECTLY OR INDIRECTLY ARISING OUT OF OR OTHERWISE RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

16. Entire Agreement. All negotiations relating to this Agreement are hereby superseded. There are no promises, agreements, conditions, undertakings, warranties, or representations, oral or written, express or implied, among the Parties as to such matters that

are the subject of this Agreement other than as set forth herein. No other prior agreement, statement or promise made by any party hereto, which is not contained herein, shall be valid or binding. This Agreement shall bind and inure to the benefit of the Parties, and their respective estates, trustees, successors, and assigns and shall benefit only the foregoing.

17. **Modifications.** No waiver, change, or modification of this Agreement shall be valid unless the same is in writing and is signed by the party to be bound thereby with the same formality as this Agreement. The Parties agree that this Agreement is clear and unambiguous and was drafted by respective counsel for the Parties at arm's length, and that no parol or other evidence may be offered to explain, construe, contradict or clarify its terms, its intent or the circumstances under which it was made or executed, and that its terms are to be construed even-handedly as between the Parties.

18. **Invalidity or Illegality.** If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement nevertheless shall remain in full force and effect.

19. **Jurisdiction.** This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland, without regard to the procedural rules regarding choice of law.

20. **Execution.** This Agreement shall become binding only upon execution by all Parties hereto. Each individual signing this Agreement represents and warrants that he or she has full authority and capacity to sign this Agreement on behalf of himself or herself.

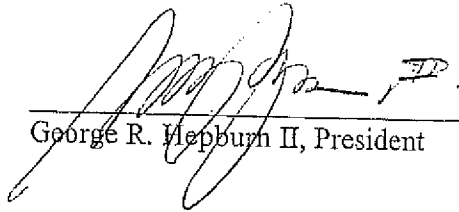
21. **Attorneys' Fees and Costs.** In the event any Party to this Agreement, brings a lawsuit to enforce the terms of this Agreement, the prevailing party shall be entitled to an award of its actual and reasonable attorneys' fees and costs incurred in connection with that litigation including but not limited to the attorneys' fees and expenses such Party incurs in connection with enforcing a judgment, if any, from the non-prevailing party.

IN WITNESS WHEREOF, the undersigned have duly executed this Settlement Agreement in the names and under the seals of the undersigned, as of the Effective Date.

THE DSI PARTIES:

DYNASPLINT SYSTEMS, INC.

By:

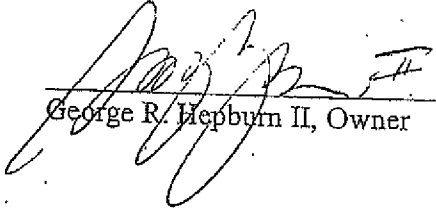

George R. Hepburn II, President

(Seal)

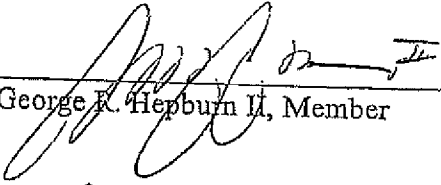
Continuation of signature pages for Settlement Agreement between
Dynasplint Systems, Inc., Dynasplint Holdings, LLC, Hepburn & Associates, P.A.,
George R. Hepburn, II, and Karen M. Hepburn, on the one hand and, on the other
Branch Banking and Trust Company

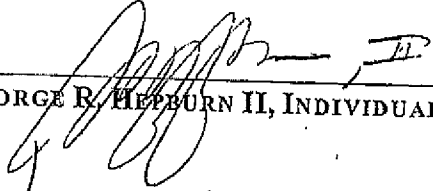
DSI PARTIES:

HEPBURN & ASSOCIATES, P.A.

By:  (Seal)
George R. Hepburn II, Owner

DYNASPLINT HOLDINGS LLC

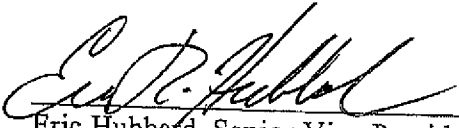
By:  (Seal)
George R. Hepburn II, Member

 (Seal)
GEORGE R. HEPBURN II, INDIVIDUALLY

 (Seal)
KAREN M. HEPBURN, INDIVIDUALLY

LENDER:

BRANCH BANKING AND TRUST COMPANY

By:  (Seal)
Eric Hubbard, Senior Vice President