

04-10-2001



101658617
RECORDATION COVER SHEET
TRADEMARKS ONLY

4/10/01

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
 - Security Agreement
 - Merger
 - Change of Name
 - Other
 - License
 - Nunc Pro Tunc Assignment
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

- Individual
 - General Partnership
 - Limited Partnership
 - Corporation
 - Association
 - Other
- If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

04/10/2001 00000084 76006196
1 FC:481
02 FC:482

40.00 OP
875.00 OP

FOR OFFICE USE ONLY

Additional Receiving Parties:

Oak IX Affiliates Fund, L.P.

Oak IX Affiliates Fund-A, L.P.

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

(415) 442-1325

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="76006116"/>	<input type="text" value="76006112"/>	<input type="text" value="75766827"/>	<input type="text" value="2398670"/>	<input type="text" value="2428549"/>	<input type="text"/>
<input type="text" value="76066851"/>	<input type="text" value="75766831"/>	<input type="text" value="75766826"/>	<input type="text" value="2394280"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="76006111"/>	<input type="text" value="75766830"/>	<input type="text" value="76128808"/>	<input type="text" value="2307974"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Gerald Rita

Gerald Rita

07/09/2001

Name of Person Signing

Signature

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

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Trademark Application Number(s)

Registration Number(s)

76080219	76110860	76197162
76080218	75766832	76197171
76006115	76110859	76197170
76006114	76164834	76197167
76006113	76197172	76197166
76006109	76197173	76197164
76006110	76197163	76197165

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**RECORDATION FORM COVER SHEET
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Trademark Application Number(s)

Registration Number(s)

76197168	<input type="text"/>	<input type="text"/>
76197169	<input type="text"/>	<input type="text"/>
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SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Security Agreement") is entered into on March 30, 2001, by Securant Technologies, Inc., a California corporation (the "Debtor") in favor of Oak Investment Partners IX, L.P., Oak IX Affiliates Fund, L.P. and Oak IX Affiliates Fund-A, L.P. (each individually a "Secured Lender" and collectively the "Secured Lenders"), and Oak Investment Partners IX, L.P., as agent for the Secured Lenders hereunder (in such capacity, the "Agent"). Certain capitalized terms used herein are defined on Exhibit A hereto.

RECITALS

WHEREAS, each Secured Lender has made a loan to Debtor pursuant to that certain Convertible Subordinated Promissory Note, dated as of February 26, 2001 issued by the Debtor in favor of such Secured Lender (the "Original Note");

WHEREAS, each Secured Lender made an additional loan to Debtor pursuant to that certain Amended and Restated Convertible Secured Promissory Note, dated March 13, 2001, which amended and restated the Original Note for such Secured Lender (the "First Restated Note")

WHEREAS, each Secured Lender made an additional loan to Debtor pursuant to that certain Amended and Restated Convertible Secured Promissory Note, dated March 30, 2001, which amends and restates the First Restated Note for such Secured Lender (the "Second Restated Note"); and

WHEREAS, as a condition to the loan made pursuant to the Second Restated Note, the Debtor agreed to grant a security interest in certain assets as follows:

SECURITY AGREEMENT

NOW, THEREFORE, in consideration of the benefits accruing to the Debtor, the receipt and sufficiency of which is hereby acknowledged, the Debtor hereby covenants and agrees as follows:

1. Grant of Security Interest. Debtor grants Agent, for the ratable benefit of each Secured Lender, a security interest in all rights, title and interests of Debtor in and to the Collateral to secure the following (the "Obligations"): the obligation to pay all principal of, and interest on, the Notes.

2. Representations and Warranties. Debtor represents and warrants to Agent and the Secured Lenders that (a) Debtor is the owner of the Collateral (or, in the case of after-acquired Collateral, at the time Debtor acquires rights in the Collateral, will be the owner thereof) and that no other Person has (or, in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) any right, title, claim or interest (by way of Lien or otherwise) in, against or to the Collateral, other than Permitted Liens; (b) Agent has (or in the case of after-acquired Collateral, at the time Debtor acquires rights therein, will have) a first priority perfected security interest in the Collateral, except for Permitted Liens and except that (i)

certain Uniform Commercial Code and United States Patent & Trademark Office filings are necessary to be filed, (ii) the notice attached as Exhibit C must be given and (iii) certain other filings, notices or actions may be required under, in each case, applicable law including, without limitation, the Uniform Commercial Code as in effect from time to time in California, for the perfection of a security interest in a specific category of Collateral, upon such filings and notices, Agent shall have first perfected security interest in the relevant Collateral; (c) all Inventory (other than Inventory produced by any party other than Debtor) has been (or, in the case of hereafter produced Inventory, will be) produced in compliance with applicable laws, including the Fair Labor Standards Act; (d) each account receivable is genuine and enforceable against the party obligated to pay the same (an "Account Debtor"); (e) neither this Security Agreement (including all exhibits and schedules hereto), nor any other written statements or written certificates delivered by or on behalf of the Debtor to the Agent or any Secured Lender in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they were made and (f) all information set forth in Exhibit B hereto is true and correct.

3. Covenants

(a) Relating to Collateral. Debtor hereby agrees (i) to perform all acts that may be necessary to maintain, preserve, protect and perfect the Collateral, the Lien granted to Secured Lender therein and the first priority of such Lien; (ii) not to use or permit any Collateral to be used (A) in violation of any provision of this Security Agreement or the Notes, (B) in violation of any applicable law, rule or regulation other than violations that, individually or in the aggregate, would not have a material adverse effect on the Debtor's financial condition, business, prospects or operations (a "Material Adverse Effect"), or (C) in violation of any policy of insurance covering the Collateral other than violations that, individually or in the aggregate, would not have a Material Adverse Effect; (iii) to pay promptly when due all taxes and other governmental charges, all Liens and all other charges (collectively, "Charges") now or hereafter imposed upon or affecting any Collateral except for Charges that are being contested in good faith; (iv) without 30 days' written notice to Agent, (A) not to change Debtor's name or place of business (or, if Debtor has more than one place of business, its chief executive office), or the office in which Debtor's records relating to Accounts are kept, (B) not to keep Collateral consisting of chattel paper at any location other than its chief executive office set forth in item 1 of Exhibit B hereto, and (C) not to keep Collateral consisting of equipment or Inventory at any location other than the locations set forth in item 6 of Exhibit B hereto, (v) to deposit, or cause to be deposited, all remittances and checks received with respect to Accounts to an account of Debtor at a bank or other depository institution which has been given notice of the Secured Lenders' security interest in such account in substantially the form of the Notice of Security Interest which is attached hereto as Exhibit C, and in which account Secured Lenders have a perfected first-priority security interest; (vi) to use its commercially reasonable efforts without material expenditure to cause the bank or other depository institution at which an account referred to in clause (v) of this Section 3(a) is maintained to execute an Acknowledgment and Agreement in substantially the form set forth in the Notice of Security Interest; (vii) to procure, execute and deliver from time to time any endorsements, assignments, financing statements and other writings reasonably deemed necessary or appropriate by Agent to perfect, maintain and protect its Lien hereunder and the priority thereof and to deliver promptly to Agent all originals

of Collateral consisting of instruments; (viii) to appear in and defend any actions or proceedings which, individually or in the aggregate, may affect to a material extent its title to or Secured Lenders' interest in the Collateral; (ix) to keep separate, accurate and complete records of the Collateral and to provide Secured Lenders or Agent with such records and such other reports and information relating to the Collateral as Secured Lenders or Agent may reasonably request from time to time; (x) except as permitted under the terms hereof, not to surrender or lose possession of (other than to Agent), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein, and to keep the Collateral free of all Liens except Permitted Liens; (xi) to type, print or stamp conspicuously on the face of all original copies of all Collateral consisting of chattel paper a legend satisfactory to Agent indicating that such chattel paper is subject to the security interest granted hereunder; (xii) to collect, enforce and receive delivery of the Accounts in accordance with past practice or in accordance with the Debtor's ordinary course of business until otherwise notified by Agent; (xiii) to comply with all material requirements of law relating to the production, possession, operation, maintenance and control of the Collateral (including the Fair Labor Standards Act); (xiv) promptly after execution of this Security Agreement (and in any event within seven (7) Business Days) deliver to Agent completed and accurate copies of Exhibit B and Exhibit C hereto; and (xv) assist Agent in perfecting Agent's security interest in after-acquired Collateral.

(b) Negative Covenants. Debtor hereby agrees that, without the prior written consent of the Requisite Secured Lenders, Debtor shall not: (i) except as provided herein, create, incur, assume or permit to exist any Indebtedness except trade credit in the ordinary course of business and loans to employees for travel expenses and the like in the ordinary course of business; (ii) except as otherwise provided herein, create, incur, assume, or permit to exist any Lien on or with respect to any Collateral except for Permitted Liens; (iii) sell, lease, transfer, license or otherwise dispose of (collectively, a "Transfer") any of its assets or properties except Transfers in the ordinary course of its business; (iv) consolidate with or merger into any other entity or permit any other entity to merge into it or acquire all or substantially all of the assets or capital stock of any other entity; (v) make any Investment except for Permitted Investments; (vi) (A) pay any dividends or make any distributions on its equity securities, (B) purchase, redeem, retire, defease or otherwise acquire for value any of its equity securities, (C) make any distribution of assets, equity securities, obligations or securities to any holder of its equity securities, in its capacity as an equity holder (excluding the payment of salaries, the grant of stock options or the like to employees, consultants and directors of Debtor in the ordinary course of business), or (D) set apart any sum for any such purpose, provided that Debtor may repurchase at cost shares of its capital stock issued to or held by employees or consultants of Debtor upon termination of their employment or services pursuant to agreements providing for a right of repurchase; (vi) (A) prepay, redeem, purchase, defease or otherwise satisfy in any manner prior to the scheduled repayment thereof any Indebtedness for borrowed money in existence on the date hereof (other than in connection with the transactions contemplated hereby) or lease obligations in existence on the date hereof, (B) amend, modify or otherwise change the terms of any Indebtedness for borrowed money or lease obligations so as to accelerate the scheduled repayment thereof or (C) repay any notes to officers, directors or shareholders; (vii) enter into any contractual obligation with any Affiliate or engage in any other transaction with any Affiliate except in connection with the transactions contemplated hereby; (viii) take any action that results in an adjustment of the Series C Conversion Price or the Series C Conversion Rate (as such terms are defined in the Fourth Amended & Restated Articles of Incorporation of Debtor) in

effect as of the date hereof; (ix) subdivide, combine or recapitalize (by stock split, reverse stock split or otherwise) the outstanding shares of Debtor's Series C Preferred Stock; or (x) agree with any third party to take any of the foregoing actions.

4. Events of Default. Any one or more of the following shall constitute an Event of Default under this Security Agreement:

(a) Failure to Pay. Debtor shall fail to pay any principal of or interest on any Note when due and such payment shall not have been made within five (5) Business Days after the receipt by Debtor of notice of such failure to pay from Agent or any of its Affiliates which is a Secured Lender at such time; or

(b) Representations and Warranties. Any representation or warranty set forth herein shall prove to be incorrect in any material respect when made; or

(c) Breaches of Covenants. Debtor (i) shall fail to observe or perform in any material respect any other covenant, obligation, condition or agreement contained in this Security Agreement or any Notes, and (ii) except in the case of those specified in paragraph (a) above (and the corresponding repayment obligation under the Notes) and Sections 3(a)(vii), 3(a)(viii), 3(a)(x) and 3(b) above and Section 3(e) of the Notes, such failure shall continue for thirty (30) days;

(d) Voluntary Bankruptcy or Insolvency Proceedings. Debtor shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian, for itself or of all or a material part of its property, (ii) be unable, or admit in writing its inability, to pay its debts generally as they mature, (iii) make a general assignment for the benefit of creditors by, or the commencement of any proceeding by or against Debtor under any reorganization, of creditors, (iv) be dissolved or liquidated, (v) become insolvent (as such term may be defined or interpreted under any applicable statute), (vi) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, now or in the future in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against Debtor, or (vii) take any corporate action for the purpose of effecting any of the foregoing; or

(e) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of Debtor or any of its subsidiaries or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to Debtor or any of its subsidiaries or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within sixty (60) days of commencement; or

(f) Transaction Documents. Except, in each case, to the extent resulting from the negligent or willful failure of the Agent or any Secured Lender, any of the Notes, the Warrants or this Security Agreement or any material term thereof shall cease to be, or

be asserted by Debtor not to be, a legal, valid and binding obligation of Debtor enforceable in accordance with its terms or if the Liens of the Secured Lenders in any of the assets of Debtor shall cease to be or shall not be valid, first priority perfected Liens or Debtor shall assert that such Liens are not valid, first priority and perfected Liens.

5. Remedies.

(a) Remedies. Upon the occurrence and during the continuance of any Event of Default, Agent may (at its option), and at the written request of the Requisite Secured Lenders shall, do any one or more of the following, by notice to Debtor (except in the case of an Event of Default discussed in Sections 4(d) and 4(e), in which case no notice shall be required) and as may be required by law: (a) accelerate and declare the Notes to be immediately due, payable, and performable; (b) take possession of any or all of the Collateral wherever it may be found, and for that purpose Debtor hereby authorizes Agent to enter Debtor's premises without interference to search for, take possession of, keep, store, or remove any of the Collateral, and remain on the premises or cause a custodian to remain on the premises in exclusive control thereof, without charge by Debtor for so long as Agent reasonably deems it necessary in order to complete the enforcement of its rights under this Security Agreement or any other agreement; provided, however, that should Agent seek to take possession of any of the Collateral by court process, Debtor hereby waives: (i) any bond and any surety or security relating thereto; (ii) any demand for possession prior to the commencement of any suit or action to recover possession thereof, and (iii) any requirement that Agent retain possession of, and not dispose of, any such Collateral until after trial or final judgment; (c) require Debtor to assemble any or all of the Collateral and make it available to Agent at places designated by Agent which are reasonably convenient to Agent and Debtor, and to remove the Collateral to such locations as Agent may reasonably deem advisable; (d) complete the processing, manufacturing or repair of any Collateral prior to a disposition thereof and, for such purpose and for the purpose of removal, Agent shall have the right to use Debtor's premises, equipment and all other property without charge by Debtor; (e) sell, lease or otherwise dispose of any of the Collateral, at one or more public or private sales, in lots or in bulk, for cash, exchange or other property, or on credit, and to adjourn any such sale from time to time without notice other than oral announcement at the time scheduled for sale and Agent shall have the right to conduct such disposition on Debtor's premises without charge, for such time or times as Agent deems reasonable, or on Agent's premises, or elsewhere and the Collateral need not be located at the place of disposition; and (f) demand payment of, and collect any Accounts or other Collateral and, in connection therewith, Debtor irrevocably authorizes Agent to endorse or sign Debtor's name on all collections, receipts, instruments and other documents, and, in Agent's good faith business judgment, to grant extensions of time to pay, compromise claims and settle accounts, general intangibles and the like for less than face value.

(b) Application of Proceeds. All proceeds realized as the result of any sale or other disposition of the Collateral shall be applied by Agent first to the reasonable costs, expenses, liabilities, obligations and attorneys' fees incurred by Agent in the exercise of its rights under this Security Agreement, second to the interest due upon any of the Obligations, and third to the principal of the Obligations. Any surplus shall be paid to Debtor or other persons legally entitled thereto; Debtor shall remain liable to the Secured Lenders for any deficiency. If Agent, in its good faith business judgment, directly or indirectly enters into a deferred payment or other

credit transaction with any purchaser at any sale of Collateral, Agent shall have the option, exercisable at any time, in its sole discretion, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Agent of the cash therefor.

(c) Remedies Cumulative. In addition to the rights and remedies set forth in this Security Agreement, Agent shall have all the other rights and remedies accorded a secured party under the California Uniform Commercial Code and under all other applicable laws, and under any other instrument or agreement now or in the future entered into between Agent, Secured Lenders and Debtor, and all of such rights and remedies are cumulative and none is exclusive. Exercise or partial exercise by Agent of one or more of its rights or remedies shall not be deemed an election, nor bar Agent from subsequent exercise or partial exercise of any other rights or remedies. The failure or delay of Agent or any Secured Lender to exercise any rights or remedies shall not operate as a waiver thereof, but all rights and remedies shall continue in full force and effect until all of the Obligations have been fully paid and performed.

(d) Power of Attorney. After the occurrence and during the continuance of an Event of Default, Debtor irrevocably appoints Agent (and any of Agent's designated employees or agents) as Debtor's true and lawful attorney in fact to: endorse Debtor's name on any checks or other forms of payment which constitutes the Collateral; make, settle and adjust all claims under and decisions with respect to Debtor's policies of insurance respecting the Collateral; settle and adjust disputes and claims respecting Accounts and other Collateral; execute and deliver all notices, instruments and agreements in connection with the perfection of the security interest granted in this Security Agreement; sell, lease or otherwise dispose of all or any part of the Collateral; and take any other action or sign any other documents required to be taken or signed by Debtor, or reasonably necessary to enforce Agent's rights or remedies or otherwise carry out the purposes of this Security Agreement. The appointment of Agent as Debtor's attorney in fact, and each of Agent's rights and powers, being coupled with an interest, are irrevocable until all Obligations owing to the Secured Lenders have been paid and performed in full.

6. Waivers and Amendments.

(a) The failure of Agent or Secured Lenders at any time or times to require Debtor to strictly comply with any of the provisions of this Security Agreement or any other present or future agreement between Debtor and Agent and Secured Lenders shall not waive or diminish any right of Agent or Secured Lenders later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar.

(b) No amendment, modification, termination, or waiver of any provision of this Security Agreement, nor consent to any departure by the Debtor from this Security Agreement, shall in any event be effective unless the same shall be in writing and signed by the Requisite Secured Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given, provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Secured Lenders, do any of this following: (i) reduce the principal of, or interest on, the Notes; (ii) change any date

fixed for any payment of principal of, or interest on, the Notes; (iii) change the percentage of the unpaid principal amount of the Notes which shall be required for the Secured Lenders or any of them to take action hereunder; or (iv) amend, modify or waive any provision of this Section, and provided further than no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to the Secured Lenders required above to take such action, affect the rights or duties of the Agent or any Secured Lender any of the Loan Documents.

(c) Debtor waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of Collateral at any time held by Agent or any Secured Lender on which Debtor is or may in any way be liable, and notice of any action taken by Agent or any Secured Lender, unless expressly required by this Security Agreement.

7. Confidentiality. In handling any confidential non-public information provided to Agent or the Secured Lenders by Debtor, Agent and the Secured Lenders shall exercise the same degree of care that they exercise with respect to their own proprietary information of the same types to maintain the confidentiality of the same, except that disclosure of such information may be made (i) to subsidiaries or Affiliates of Agent or Secured Lenders, (ii) to prospective transferees or purchasers of any interest in the Obligations, provided that they have entered into a comparable confidentiality agreement with respect thereto, (iii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iv) as may be required in connection with the examination, audit or similar investigation of Agent or any Secured Lender, and (v) as Agent or any Secured Lender may deem appropriate in connection with the exercise of any remedies hereunder. Confidential information hereunder shall not include information that either: (a) is in the public domain, or becomes part of the public domain, after disclosure to Agent or any Secured Lender through no fault of their own; (b) is disclosed to Agent or any Secured Lender by a third party, provided Agent or such Secured Lender does not have actual knowledge that such third party is prohibited from disclosing such information; (c) was lawfully in possession of Agent or any Secured Lender prior to disclosure by Debtor; or (d) was independently developed by another party without reference to Debtor's confidential information.

8. Agency Provisions.

(a) Authorization and Action. Each Secured Lender hereby irrevocably appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Security Agreement as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. The duties of the Agent shall be mechanical and administrative in nature and the Agent shall not be reason of this Security Agreement be a trustee or fiduciary for any Secured Lender. The Agent shall have no duties or responsibilities except those expressly set forth herein. As to any matters not expressly provided for by this Security Agreement, the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or so refraining from acting) upon the instructions of the Requisite Secured Lenders, and such instructions shall be binding upon all Secured Lenders and all holders of Notes; provided, however, that the Agent shall not be required to take any action which, in

Agent's good faith judgment, exposes the Agent to personal liability or which is contrary to this Security Agreement or applicable law.

(b) Liability of Agent. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Security Agreement in the absence of its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent (1) may treat the payee of any Note as the holder thereof until the Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (2) may consult with legal counsel (including counsel for the Debtor), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, or experts; (3) makes no warranty or representation to any Secured Lender and shall not be responsible to any Secured Lender for any statements, warranties, or representations made in or in connection with this Security Agreement; (4) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants, or conditions of this Security Agreement on the part of the Debtor, or to inspect the Collateral (including the books and records) of the Debtor; (5) shall not be responsible to any Secured Lender for the due execution, legality, validity, enforceability, genuineness, perfection, sufficiency, or value of this Security Agreement or any other instrument or document furnished pursuant thereto; and (6) shall incur no liability under or in respect to this Security Agreement by acting upon any notice, consent, certificate, or other instrument or writing (which may be sent by telegram, telex, or facsimile transmission) believed by it to be genuine and signed or sent by the proper party or parties.

(c) Rights of Agent as a Secured Lender. With respect to the loans made by it under Note(s) issued to it, the Agent shall have the same rights and powers under this Security Agreement as any other Secured Lender and may exercise the same as though it were not the Agent; and the term "Secured Lender" or "Secured Lenders" shall, unless otherwise expressly indicated, include the Agent in its individual capacity. The Agent and its Affiliates may accept deposits from, lend money to, act as trustee Secured Lender indentures of, and generally engage in any kind of business with, the Debtor, and any Person who may do business with or own securities of the Debtor, all as if the Agent were not the Agent and without any duty to account therefor to the Secured Lenders.

(d) Independent Credit Decisions. Each Secured Lender acknowledges that it has, independently and without reliance upon the Agent or any other Secured Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Security Agreement. Each Secured Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Secured Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Security Agreement. Except for notices, reports and other documents and information expressly required to be furnished to the Secured Lenders by the Agent hereunder, the Agent shall have no duty or responsibility to provide any Secured Lender with any credit or other information concerning the affairs, financial condition or business of the Debtor or any of its Affiliates which may come into the possession of the Agent or any of its Affiliates.

(e) Indemnification. The Secured Lenders agree to indemnify the Agent (to the extent not reimbursed by the Debtor), ratably according to the respective amounts of the original principal amount of the Notes issued to them pursuant to this Security Agreement, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Security Agreement or any action taken or omitted by the Agent under this Security Agreement, provided that no Secured Lender shall be liable for any portion of any of the foregoing resulting from the Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Secured Lender agrees to reimburse the Agent (to the extent not reimbursed by the Debtor) promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preparation, administration, or enforcement of, or legal advice in respect of rights or responsibilities under, this Security Agreement.

(f) Successor Agent. The Agent may resign at any time by giving at least sixty (60) days' prior written notice thereof to the Secured Lenders and the Debtor. Upon any such resignation, the Requisite Secured Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Requisite Secured Lenders, and shall have accepted such appointment, within thirty (30) days after the resigning Agent's giving notice of resignation, then the resigning Agent may, on behalf of the Secured Lenders, appoint a successor Agent, which shall be mutually acceptable to the Requisite Secured Lenders and the Debtor. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent, and the resigning Agent shall be discharged from its duties and obligations under this Security Agreement. After any resigning Agent's resignation, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Security Agreement.

9. Notices. All notices under this Security Agreement shall be in writing and shall be deemed to have been given (a) upon receipt, when delivered by hand or by electronic facsimile transmission, or (b) upon receipt, when delivered by overnight courier, or (c) three days after mailing by regular first-class mail or certified mail return receipt requested, addressed to each party at the addresses indicated below their signatures below.

10. Amendments and Waivers. This Security Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by Debtor, Agent and the Requisite Secured Lenders. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

11. Assignments. This Security Agreement shall be binding upon and inure to the benefit of Agent and the Secured Lenders and Debtor and their respective successors and assigns; provided, however, that Debtor may not sell, assign or delegate rights and obligations hereunder without the prior written consent of Requisite Secured Lenders and Agent.

12. Cumulative Rights, etc. The rights, powers and any remedies of any Secured Lender under this Security Agreement shall be in addition to all rights, powers and

remedies given to any Secured Lender by virtue of any applicable law, rule or regulation of any governmental authority, this Security Agreement or the Notes, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing any Secured Lender's rights hereunder. Debtor waives any right to require Agent to proceed against any Person or to exhaust any Collateral or to pursue any remedy in any Secured Lender's power.

13. Payments Free of Taxes, Etc. All payments made by Debtor under this Security Agreement shall be made by Debtor free and clear of and without deduction for any and all present and future taxes, levies, charges, deductions and withholdings (other than taxes on income to Agent or any Secured Lender). In addition, Debtor shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of this Security Agreement. Upon request by Agent, Debtor shall furnish evidence satisfactory to Agent that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

14. Expenses. Debtor shall pay on demand the reasonable fees and expenses, including reasonable attorneys' fees and expenses, incurred by any Secured Lender or Agent in connection with establishing this Security Agreement or custody, preservation or sale of, or other realization on, any of the Collateral or the enforcement or attempt to enforce any of the Obligations which is not performed as and when required by this Security Agreement.

15. Construction. Each of this Security Agreement and the Notes is the result of negotiations among, and has been reviewed by, Debtor, each Secured Lender, Agent and their respective counsel. Accordingly, this Security Agreement and the Notes shall be deemed to be the product of all parties hereto, and no ambiguity shall be construed in favor of or against Debtor or each Secured Lender or Agent.

16. Other Interpretive Provisions. References in this Security Agreement and each of the Notes and the Warrants to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Security Agreement or any other Notes or the Warrants shall refer to this Security Agreement, such other Notes or the Warrants, as the case may be, as a whole and not to any particular provision of this Security Agreement or such other Notes or Warrants, as the case may be. The words "include" and "including" and words of similar import when used in this Security Agreement or any other Notes or Warrants shall not be construed to be limiting or exclusive.

17. Governing Law; Dispute Resolution. This Security Agreement and all acts and transactions hereunder and all rights and obligations of Agent, Secured Lenders and Debtor shall be governed by the internal laws (and not the conflict of laws rules, except to the extent governed by the UCC) of the State of California. Except for the rights of the Agent and the Requisite Holders to seek such equitable and statutory remedies as are available to such

parties to protect their respective rights under the Notes, Warrants and Security Agreement, all disagreements and misunderstandings related to the parties' respective rights and obligations under the Notes, Warrants and Security Agreement will be mediated by a mutually-acceptable mediator to be chosen by the parties within five (5) days after written notice by one or more of the parties demanding mediation. No party may unreasonably withhold consent to the selection of a mediator. If the dispute remains unresolved after five (5) days, the parties will submit such dispute to binding arbitration before a single arbitrator reasonably acceptable to the parties, conducted in San Francisco, California pursuant to the commercial rules of the American Arbitration Association for a determination to be rendered as soon as possible thereafter but in no event more than ten (10) days following such submission. The determination of the arbitrator shall be conclusive and binding upon the parties. Costs and expenses incurred in connection therewith shall be paid as determined by the arbitrator. The parties acknowledge and agree that any dispute subject to this Section 9(a), including without limitation the mere existence of such dispute and the subject matter thereof, shall remain confidential between the parties and shall be treated in accordance with Section 7 of the Security Agreement. The parties acknowledge and agree that any dispute subject to this Section 17, including without limitation the mere existence of such dispute and the subject matter thereof, shall remain confidential between the parties and shall be treated in accordance with Section 7 of this Security Agreement. Notwithstanding the foregoing, in the event that Agent or the Requisite Holders elects to seek the remedies referenced in the first clause of the second sentence of this Section 17, each of the parties hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Superior Court of the State of California sitting in San Francisco for such purposes.

18. General. Should any provision of this Security Agreement be held by any court of competent jurisdiction to be void or unenforceable, such defect shall not affect the remainder of this Security Agreement, which shall continue in full force and effect. This Security Agreement, the Notes, the Warrants and such other written agreements, documents and instruments as may be executed in connection herewith are the final, entire and complete agreement between Debtor, Secured Lenders and Agent with respect to the subject matter of this Security Agreement, the Notes and the Warrants and supersede all prior and contemporaneous negotiations and oral representations and agreements, all of which are merged and integrated in this Security Agreement. There are no oral understandings, representations or agreements between the parties which are not set forth in this Security Agreement or in other written agreements signed by the parties in connection herewith. No Secured Lender may assign all or any part of its interest in the Notes, the Warrants and this Security Agreement and the Obligations to any person or entity, or grant a participation in, or security interest in, any interest in this Security Agreement, the Notes or the Warrants, except in compliance with provisions on transfer set forth in the Notes or Warrants, as applicable. Following such compliance, a Secured Lender may assign its rights under this Security Agreement to the transferee of the Notes. Debtor may not assign any rights under or interest in this Security Agreement without the Requisite Secured Lenders' prior written consent. This Security Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one agreement.

19. Mutual Waiver of Jury Trial. DEBTOR, SECURED LENDERS AND AGENT EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO,

THIS SECURITY AGREEMENT OR ANY CONDUCT, ACTS OR OMISSIONS OF AGENT, SECURED LENDERS OR DEBTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH THEM, IN ALL OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

20. Additional Secured Lenders. In the event the Debtor issues a Note to any Person which is not a party to this Security Agreement at the time of issuance, such Person may become a party to this Security Agreement by executing a signature page counterpart hereto and, upon such execution, shall be deemed a "Secured Lender" for purposes of this Security Agreement.

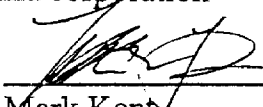
21. Termination. Upon payment in full of the Obligations (whether by conversion of the Notes, repayment in cash or otherwise), the security interest granted hereunder and this Security Agreement shall be terminated and of no further force and effect. Upon such termination, Agent and the Secured Lenders shall promptly execute and deliver to Debtor such documents and instruments as shall be necessary to evidence such termination.

(This space intentionally left blank)

IN WITNESS WHEREOF, the undersigned parties have executed this Security Agreement as of the date first set forth above.

"Debtor"


SECURANT TECHNOLOGIES, INC., a
California corporation

By: 
Name: Mark Kent
Title: Chief Financial Officer

Address: 345 California St., 23rd Floor
San Francisco, CA 94104

"Secured Lenders"

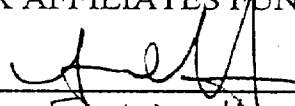
OAK INVESTMENT PARTNERS IX, L.P.

By: 
Name: Fredric Harman
Title: General Partner

Address: 525 University Ave., Ste. 1300
Palo Alto, CA 94301

Loan Amount: \$4,846,481.15

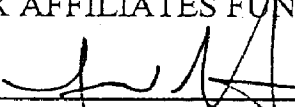
OAK IX AFFILIATES FUND, L.P.

By: 
Name: Fredric Harman
Title: General Partner

Address: 525 University Ave., Ste. 1300
Palo Alto, CA 94301

Loan Amount: \$51,656.32

OAK IX AFFILIATES FUND-A, L.P.

By: 
Name: Fredric Harman
Title: General Partner

Address: 525 University Ave., Ste. 1300
Palo Alto, CA 94301

Loan Amount: \$116,330.34

EXHIBIT A

CERTAIN DEFINITIONS

As used in this Security Agreement, the following terms have the following meanings:

1. Collateral Related Definitions.

1.1 "Collateral" means all right, title and interest of Debtor in and to the following,

- (a) All goods and equipment now owned or hereafter acquired, including, without limitation, all laboratory equipment, computer equipment, office equipment, machinery, fixtures, vehicles, and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;
- (b) All inventory now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Debtor's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Debtor's books relating to any of the foregoing (collectively, "Inventory");
- (c) All contract rights, general intangibles, health care insurance receivables, payment intangibles and commercial tort claims, now owned or hereafter acquired, including, without limitation, all patents, patent rights (and applications and registrations therefor), trademarks and service marks (and applications and registrations therefor), inventions, copyrights, mask works (and applications and registrations therefor), trade names, trade styles, software and computer programs, trade secrets, methods, processes, know how, drawings, specifications, descriptions, and all memoranda, notes, and records with respect to any research and development, goodwill, license agreements, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, infringements, claims, computer programs, computer disks, computer tapes, literature, reports, catalogs, design rights, income tax refunds, payments of insurance and rights to payment of any kind and whether in tangible or intangible form or contained on magnetic media readable by machine together with all such magnetic media;
- (d) All now existing and hereafter arising accounts, contract rights, royalties, license rights and all other forms of obligations owing to Debtor arising out of the sale or lease of goods, the licensing of technology or the

rendering of services by Debtor (subject, in each case, to the contractual rights of third parties to require funds received by Debtor to be expended in a particular manner), whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Debtor and Debtor's books relating to any of the foregoing (collectively, "Accounts");

- (e) All documents, cash, deposit accounts, letters of credit, letter of credit rights, supporting obligations, certificates of deposit, instruments, chattel paper, electronic chattel paper, tangible chattel paper and investment property, including, without limitation, all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts, and all financial assets held in any securities account or otherwise, wherever located, now owned or hereafter acquired and Debtor's books relating to the foregoing; and
- (f) Any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof, including, without limitation, insurance, condemnation, requisition or similar payments and the proceeds thereof.

Notwithstanding the foregoing, the term "Collateral" shall not include (x) any general intangible of Debtor (whether owned or held as a licensee or lessee or otherwise) including, without limitation, any intellectual property right licensed to the Debtor, to the extent that an assignment or encumbrance thereof, or a grant of a security interest therein, would violate any term of the license, lease or other agreement applicable thereto (if consent for such assignment, encumbrance or security interest has not been obtained from the licensor, lessor or other applicable party), and (y) any property leased by the Debtor as to which an assignment or encumbrance thereof, or a grant of a security interest therein, would violate any term of the lease pursuant to which the Debtor leases such property; provided, however, that in the case of (x) and (y), Debtor shall use commercially reasonable efforts without material expenditure to obtain any consent to such assignment and encumbrance promptly upon request of Agent.

2. Other Definitions.

- 2.1 "Affiliate" means as to any Person, any other Person who directly or indirectly controls, is under common control with, is controlled by or is a director or officer of such Person and includes, with respect to Debtor, all directors and officers of Debtor. As used in this definition, "control" (including its correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise), provided that, in any event, any Person who owns directly or indirectly twenty percent (20%) or more of the securities having ordinary voting power for the election of the members of the board of directors or

other governing body of a corporation or twenty percent (20%) or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation, partnership or other Person.

- 2.2 "Business Day" means any day other than a Saturday, Sunday or any other day on which commercial banks in San Francisco, California are required or permitted by law to close.
- 2.3 "Notes" means those certain Amended and Restated Convertible Secured Promissory Notes, dated on or after March 30, 2001, issued by the Debtor in favor of each Secured Lender.
- 2.4 "Person" means any individual, sole proprietorship, partnership, joint venture, limited liability company, trust, unincorporated organization, joint stock company, association, corporation, institution, entity, party or government (including any division, agency or department thereof) or any other legal entity, whether acting in an individual, fiduciary or other capacity, and, as applicable, the successors, heirs and assigns of each.
- 2.5 "Requisite Secured Lenders" means at any time Secured Lenders holding at least two thirds (2/3) of the then aggregate unpaid principal amount of the Notes held by all Secured Lenders.
- 2.6 "Lien" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including, without limitation, the interest of a vendor or lessor under a conditional sale agreement, capital lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the Uniform Commercial Code or comparable law of any jurisdiction.
- 2.7 "Permitted Liens" shall mean and include: (i) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith and for which adequate reserves have been set aside on its books; (ii) Liens of carriers, warehousemen, mechanics, materialmen, repairmen, vendors, and landlords incurred in the ordinary course of business for sums not overdue by more than sixty (60) days or being contested in good faith and for which adequate reserves have been set aside on its books; (iii) deposits under workers' compensation, unemployment insurance and social security laws or to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, or to secure statutory obligations or surety, appeal bonds or performance or to secure indemnity, performance or other similar bonds in the ordinary course of business; (iv) Liens securing obligations under a capital lease if such lease is permitted under this Security Agreement and such Liens do not extend to property other than the property leased under such capital lease; (v) Liens upon any equipment acquired or held by

Debtor to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, so long as such Lien extends only to the equipment financed, and any accessions, replacements, substitutions and proceeds (including insurance proceeds) thereof or thereto and any extension, renewal or replacement thereof; (vi) easements, zoning restrictions, reservations, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances affecting real property in a manner not materially or adversely affecting the value or use of such property; and (vii) Liens in favor of Agent and any Secured Lender; (viii) judgement liens in respect of judgements; (ix) liens arising solely by virtue of any statutory provisions related to banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or the funds maintained with a creditor depository institution; (x) any reversionary interest or title of a lessor under any lease entered into by Debtor (other than leases not permitted by this Security Agreement); or (xi) liens existing on any asset prior to the acquisition thereof.

- 2.8 "Indebtedness" shall mean all obligations, contingent and otherwise, that should, in accordance with Generally Accepted Accounting Principals consistently applied, be classified upon Debtor's balance sheet as liabilities, but in any event including, without limitation, liabilities secured by any mortgage on property owned or acquired subject to such mortgage, whether or not the liability secured thereby shall have been assumed, and also including, without limitation, (i) all guaranties, endorsements and other contingent obligations, in respect of Indebtedness of others, whether or not the same are or should be so reflected in said balance sheet, except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business and (ii) the present value of any lease payments due under leases required to be capitalized in accordance with applicable Statements of Financial Accounting Standards, determined in accordance with applicable Statements of Financial Accounting Standards.
- 2.9 "Investment" shall mean any loan or advance of funds by Debtor to any other partnership, corporation, business trust, joint stock company, limited liability company, unincorporated association, joint venture or other entity, governmental authority or individual (other than advances to employees of Debtor for moving and travel expense, drawing accounts and similar expenditures in the ordinary course of business) (each, a "Person"), any purchase or acquisition of any equity securities or indebtedness of any Person, any capital contribution by Debtor to, or any other investment by Debtor in, any Person (including, without limitation, any obligations for borrowed money or obligations evidenced by bonds, debentures, notes or other similar interests incurred by Debtor on behalf of any Person); provided, however, that Investment shall not include any accounts receivable or other indebtedness owed by customers of Debtor which are current assets and arose from sales or non-exclusive licensing in Debtor's ordinary course of business.

- 2.10 "Permitted Investments" shall mean (i) deposits accounts of Debtor with commercial banks organized under the laws of the United States or a state thereof to the extent such deposits are fully insured by the Federal Deposit Insurance Corporation, (ii) other Investments aggregating not in excess of one hundred thousand dollars (\$100,000) at any time, and (iii) investments made in cash or cash equivalents.
- 2.11 "Warrants" shall mean those certain Amended & Restated Warrants dated as of March 30, 2001, issued by Debtor to each Secured Lender.

EXHIBIT B

TO SECURITY AGREEMENT

DEBTOR PROFILE

1. The legal name of Debtor is and its the address of its chief executive office is:
Securant Technologies, Inc., 345 California St., 23rd Floor, San Francisco, California
94104.

2. Debtor was incorporated on _____, 19__ in the state of _____. Since
its incorporation Debtor has had the following legal names (other than its current legal
name):

Table with 2 columns: Prior Name, Date Debtor's Name Was Changed From Such Name

Sirrus Internet Solutions, Inc.

3. Debtor does business under the following trade names:

Table with 4 columns: Trade Name, Is This Name Registered?, Registration No., Registration Date

4. Since Debtor's incorporation the following companies have been merged into Debtor
(provide names, dates and brief description of transactions):

Not applicable.

5. The following assets of Debtor were acquired in a bulk sale or another transaction not in
the ordinary course of business of the seller (provide description of collateral, date and
description of transaction, and name of seller):

6. Debtor has the following places of business:

Table with 3 columns: Address, Owner of Location, Brief Description of Assets and Value

345 California St., 23rd Floor,
San Francisco, California
201 Mission St., San
Francisco, California

345 California L.P.
EOP-Mission Street, L.L.C.

7. Debtor has assets at the following other locations that are not places of business of Debtor:

<u>Address</u>	<u>Owner of Location</u>	<u>Brief Description of Assets and Value</u>
----------------	--------------------------	--

8. The following locations listed in items 6 and 7 are public warehouses issuing warehouse receipts:

9. Debtor had the following other locations within the past four months:

<u>Address</u>	<u>Owner of Location</u>	<u>Brief Description of Assets and Value</u>
----------------	--------------------------	--

10. Debtor imports assets from outside the United States through the following ports of entry (list location by state and county):

11. The following Persons have possession of inventory of Debtor for the purpose of processing or finishing it:

<u>Name and Address</u>	<u>Processing Services</u>	<u>Description of inventory</u>
-------------------------	----------------------------	---------------------------------

12. Debtor is qualified to do business in the following states:
13. Does Debtor regularly receive letters of credit from customers to secure payments of sums owed to Debtor? Yes _____. No _____.
14. Debtor holds notes payable from the following persons:

Name of Obligor	Amount
_____	_____

15. Does Debtor regularly have accounts receivable due from, or contracts with, the United States government or any agency or department thereof? Yes _____. No _____.

If yes, indicate the percentage of Debtor's total outstanding accounts receivable that are due from the United States government or such agency or department: _____%

16. Does Debtor regularly receive advance deposits from customers for goods not yet delivered to such customers? Yes _____. No _____.
17. Debtor's federal employer identification number is: _____

18. Debtor's assets are subject to the following security interest of Persons other than the Secured Lender or Agent:

Assets	Name of Secured Lender
_____	_____

19. The following tax assessments are currently outstanding and unpaid:

<u>Assessing Authority</u>	<u>Amount and Description</u>
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20. Debtor has directly or indirectly guaranteed the following obligations of third parties:

<u>Secured Lender</u>	<u>Amount</u>	<u>Debtor</u>
-----------------------	---------------	---------------

21. 21. Debtor owns the following material intellectual property rights (including patents, trademarks and copyrights, whether or not registered):

22. 22. The following is a list of all software or other copyrighted material which is licensed to third parties and generates accounts receivable:

23. 23. Debtor has the following subsidiaries (list jurisdiction and date of incorporation, federal employer identification number, type and value of assets):

EXHIBIT C
TO SECURITY AGREEMENT

NOTICE OF SECURITY INTEREST
IN
DEPOSIT ACCOUNT

April __, 2001

[Name of Depositary Bank]
[Address of Depositary Bank]

Securant Technologies Inc., a California corporation ("Debtor"), Oak Investment Partners IX, L.P., Oak IX Affiliates Fund, L.P. and Oak IX Affiliates Fund-A, L.P. (each individually a "Secured Lender" and collectively the "Secured Lenders"), and Oak Investment Partners, as agent for the Secured Lenders (in such capacity, the "Agent"), under that certain Security Agreement dated as of March 30, 2001 (the "Security Agreement"), executed by Debtor in favor of Secured Lenders, hereby notify you that Debtor has granted to Agent, for the ratable benefit of each Secured Lender, a security interest in all deposit accounts maintained by Debtor with you including, without limitation, the deposit accounts described below:

Account Number	Depositor's Name	Account Type
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Debtor and Agent authorize you to continue to allow Debtor to make deposits to, draw checks upon and otherwise withdraw funds from such deposit accounts (the "Deposit Accounts") without the consent of Secured Lenders or Agent until Agent shall instruct you otherwise.

Debtor has authorized Agent to inform you when an Event of Default (as defined in the Security Agreement) has occurred and is continuing and at such time instruct you to cease to permit any further payments or withdrawals from the Deposit Accounts by Debtor and/or to pay any or all amounts in the Deposit Accounts to Party Agent. Debtor authorizes and directs you to comply with all such instructions received by you from Agent without further inquiry on your part.

SECURANT TECHNOLOGIES, INC.

By: _____
Name:
Title:

Oak Investment Partners

By: _____
Name:
Title:

**ACKNOWLEDGMENT AND AGREEMENT
OF DEPOSITARY BANK**

The undersigned depositary bank hereby acknowledges receipt of the above notice and agrees with Debtor and Secured Lenders and Agent to comply with any instruction it may receive from Agent in accordance therewith. The undersigned confirms to Agent that the information set forth above regarding the Deposit Accounts is accurate, that such Deposit Accounts are currently open and that the undersigned has no prior notice of any other security interest, lien or interest in such Deposit Accounts.

By: _____
Name:
Title: