

6.4.01

06-08-2001

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
Tab settings ⇌ ⇌ ⇌ ▼



U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

101744567

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

EPIC SOLUTIONS, INC.

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State California
- Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Western States Investment Corporation

Internal

Address: _____

Street Address: 9191 Towne Centre Dr. #310

City: San Diego State: CA Zip: 92122

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State California
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other _____

Execution Date: 01-08-2001

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) (75925971)

B. Trademark Registration No.(s) 2006791 and 2272271

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Peter K. Hahn

Internal Address: _____

Street Address: 600 West Broadway, #2600

City: San Diego State: CA Zip: 92101

6. Total number of applications and registrations involved: _____

3

7. Total fee (37 CFR 3.41).....\$ 90.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

William Patch
Name of Person Signing

William Patch
Signature

5/16/01
Date

Total number of pages including cover sheet, attachments, and document: _____

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

SECURITY AGREEMENT

This SECURITY AGREEMENT is made on this 8th day of January, 2001 between EPIC Solutions, Inc., a California Corporation ("Debtor"), and Western States Investment Corporation ("Secured Party").

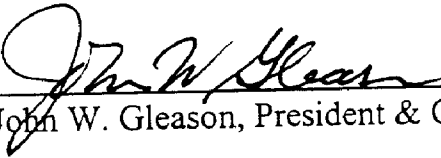
1. **SECURITY INTEREST.** Debtor grants to Secured Party a security interest in all personal property of the Debtor whether presently existing or hereafter created, written, produced or acquired, including, but not limited to: (i) all accounts receivable, accounts, chattel paper, contract rights (including, without limitation, royalty agreements, license agreements and distribution agreements), documents, instruments, money deposit accounts and general intangibles; (ii) all software, computer source codes and other computer programs (collectively, the "Software Products"), and all common law and statutory copyrights and copyright registrations, applications for registration, now existing or hereafter arising, United States of America and foreign, obtained or to be obtained on or in connection with the Software Products, or any parts thereof or any underlying or component elements of the Software Products together with the right to copyright and all rights to renew or extend such copyrights and the right (but not the obligation) of Secured Party to sue in their own names and/or in the name of the Debtor for past, present, and future infringements of copyright; (iii) all goods including, without limitation, equipment and inventory; (iv) all trademarks, service marks, trade names and service names and the goodwill associated therewith; and (v) all products and proceeds including, without limitation, insurance proceeds, of any of the foregoing. The Security Interest shall secure the payment and performance of Debtor's promissory note of even date herewith in the cumulative principal amount of one hundred seventy-two thousand five hundred forty-six dollars and 50 cents (\$172,546.50) and the payment and performance of all other liabilities and obligations of Debtor to Secured Party of every kind and description, direct or indirect, absolute or contingent, due or to become due now existing or hereafter arising.

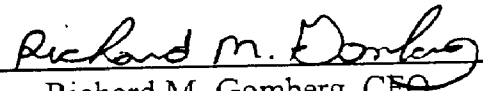
2. **COVENANTS.** Debtor hereby warrants and covenants that: (a) the Debtor will immediately notify Secured Party in writing of any change in or discontinuance of Debtor's business; (b) the parties intend that the collateral is and will at all times remain personal property despite the fact and irrespective of the manner in which it is attached to realty; (c) the Debtor will not sell, dispose, or otherwise transfer the collateral or any interest therein without the prior written consent of Secured Party, and the Debtor shall keep the collateral free from unpaid charges (including rent), taxes, and liens; (d) the Debtor shall execute alone or with Secured Party any Financing Statement or other document or procure any document, in all public offices wherever filing is deemed by Secured Party to be necessary; (e) Debtor shall maintain insurance at all times with respect to all collateral against risks of fire, theft, and other such risks and in such amounts as Secured Party may require; (f) the Debtor shall make all repairs, replacements, additions, and improvements necessary to maintain any equipment in good working order and condition. At its option, Secured Party may discharge taxes, liens, or other encumbrances at any time levied or placed on the collateral, may pay rent or insurance due on the collateral and may pay for the maintenance and preservation of the collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization.

3. **DEFAULT.** The Debtor shall be in default under this Agreement upon the happening of any of the following: (a) any misrepresentation in connection with this Agreement on the part of the Debtor; (b) any noncompliance with or nonperformance of the Debtor's obligations under the Note or this Agreement; (c) Debtor is involved in financial difficulty as evidenced by (i) an assignment for the benefit of creditors, or (ii) an attachment or receivership of assets not dissolved within thirty (30) days, or (iii) the institution of Bankruptcy proceedings, whether voluntary or involuntary, which is not dismissed within thirty (30) days from the date on which it is filed. Upon default or at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code. No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. This Agreement shall inure to the benefit of and bind the heirs, executors, administrators, successors, and assigns of the Secured Party. This Agreement shall have the effect of an instrument under seal.

4. **SUBORDINATION.** Secured Party acknowledges that Debtor currently has outstanding debt obligations to Imperial Bank ("Imperial"). Any and all indebtedness owing at any time to Imperial is hereby defined as "Senior Debt"; such term shall include but not be limited to the principal amount of all such indebtedness, interest accruing thereon, facility, commitment, prepayment or other fees, commissions, and attorneys' fees and costs of enforcement. Secured Party hereby agrees that all rights and remedies available under this Agreement shall, upon receipt by the Debtor of a written notice by Imperial of a default under any Senior Debt, be subordinated to the rights and remedies of Imperial.

EPIC Solutions, Inc.

By: 
John W. Gleason, President & CEO

By: 
Richard M. Gomberg, CFO

Attachment A

Debtor
Epic Solutions, Inc.

Secured Party
Western States Investment
Corporation

Debtor grants to Secured Party a security interest in all personal property of the Debtor whether presently existing or hereafter created, written, produced or acquired, including, but not limited to: (i) all accounts receivable, accounts, chattel paper, contract rights (including, without limitation, royalty agreements, license agreements and distribution agreements), documents, instruments, money deposit accounts and general intangibles; (ii) all software, computer source codes and other computer programs (collectively, the "Software Products"), and all common law and statutory copyrights and copyright registrations, applications for registration, now existing or hereafter arising, United States of America and foreign, obtained or to be obtained on or in connection with the Software Products, or any parts thereof or any underlying or component elements of the Software Products together with the right to copyright and all rights to renew or extend such copyrights and the right (but not the obligation) of Secured Party to sue in their own names and/or in the name of the Debtor for past, present, and future infringements of copyright; (iii) all goods including, without limitation, equipment and inventory; (iv) all trademarks, service marks, trade names and service names and the goodwill associated therewith; and (v) all products and proceeds including, without limitation, insurance proceeds, of any of the foregoing. The Security Interest shall secure the payment and performance of Debtor's promissory notes of even date herewith in the cumulative principal amount of one hundred seventy-two thousand five hundred forty-six dollars and fifty cents (\$172,546.50) and the payment and performance of all other liabilities and obligations of Debtor to Secured Party of every kind and description, direct or indirect, absolute or contingent, due or to become due now existing or hereafter arising.

(