

05-13-2002

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

1. Name of conveying Party(ies):
Eli Research, Inc.

- Individual(s)
- General partnership
- Corporation-State NC
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: March 29, 2002

2. Name and address of receiving Party(ies)

Name: MCG Capital Corporation

Internal Address: Suite 800

Street Address: 1100 Wilson Boulevard

City: Arlington State: VA ZIP: 22209

- Individual(s) Citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State DE
- 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

OFFICE OF INFORMATION RECORDS
FINANCE SECTION
2002 APR 25 AM 9:44

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

A. Trademark Application No.(s)

- 75/718521 (Rehab Report)
- 75/824737 (Daily Analysis Everything You Need to Know By 11 AM)
- 78/079046 (Medical Newswire)

B. Trademark Registration No's

- 1,530,814 (Medicine & Health)
- 2,260,998 (Eli Research)
- 2,264,772 (Miscellaneous Design)
- 2,456,535 (Daily Analysis)

Additional numbers attached? Yes No

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

Name: MCG Capital Corporation

Internal Address: Suite 800

Street Address:
1100 Wilson Boulevard

City: Arlington State: VA ZIP: 22209

6. Total Number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41):.....\$ 190.00

- 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. State 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.

Dana E. Stern

April 16, 2002 Date

Name of Person Signing

Signature

Date

Total number of pages including this cover sheet and any attachments: 18

OMB No. 0651-0011 (exp. 4/94)

05/10/2002 LMIJELLER 00000101 75718521

Do not detach this portion

01 FC:481
02 FC:482

40.00 OP
150.00 OP

Mail documents to be recorded with required cover sheet information to:

**Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231**

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (as may be amended, supplemented and otherwise modified from time to time, "IP Security Agreement") is made and effective as of March 29, 2002, by **ELI RESEARCH, INC.** (including any successor or permitted assignee thereof, "Grantor"), in favor of **MCG CAPITAL CORPORATION** (including any successor, participant, assignee or transferee thereof, "Administrative Agent"), as administrative agent for itself and the Lenders (as defined in the Credit Agreement referred to below).

RECITALS

WHEREAS, Grantor (a "Borrower") desires and have applied to Administrative Agent and the Lenders for a credit facility consisting of a term loan pursuant to which up to \$9.70 million can be borrowed from time to time; and

WHEREAS, pursuant to that certain Credit Facility Agreement by and among Borrowers, Lenders and Administrative Agent dated as of March 29, 2002 (as may be amended from time to time, "Credit Agreement"), a condition precedent to the obligation of the Administrative Agent or any Lender to execute and perform under the Credit Agreement is that Borrowers shall have executed and delivered that certain Master Security Agreement, Collateral Assignment and Equity Pledge executed by Borrowers in favor of Administrative Agent for the benefit of Administrative Agent and the Lenders dated as of March 29, 2002 (as may be amended from time to time, "Security Agreement") encumbering all of Borrowers' tangible and intangible personal property assets in favor of Administrative Agent for the benefit of Administrative Agent and the Lenders; and

WHEREAS, under the terms of the Security Agreement, Grantor has agreed to assign certain intellectual property to Administrative Agent for purposes of securing the obligations to Administrative Agent and the Lenders under the Credit Agreement and related Loan Documents; and

WHEREAS, Grantor has determined that it is in its best interest to execute this IP Security Agreement inasmuch as Grantor will derive substantial direct and indirect benefits from the funding of the Advances by Administrative Agent pursuant to the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantor and Administrative Agent hereby agree as follows:

1. **Grant.** Grantor hereby grants to Administrative Agent an absolute, present, unconditional, continuing first priority security interest in and to Grantor's entire right, title and interest in and to the following property and rights (collectively, the "Collateral"):

(a) The U.S., state and foreign copyrights, associated copyright registrations and applications for copyright registration, and copyright licenses set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

(b) The U.S., state and foreign patents and patent applications, and patent licenses set forth on Schedule B attached hereto, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"); and

(c) The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications, and trademark and service mark licenses set forth on Schedule C attached hereto (including all associated goodwill, collectively, the "Trademarks"); and

(d) Any and all claims and causes of action for past, present or future infringement of any of the Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Collateral; and

(e) Any and all licenses or rights granted under any of the Collateral, and all license fees and royalties arising from such licenses or rights, to the extent permitted by such licenses or rights; and

(f) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Collateral; and

(g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authorities to which this IP Security Agreement is submitted) to file and record this IP Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect Administrative Agent's interest in the Collateral.

3. Assignment. Upon the occurrence of an Event of Default (as defined in the Security Agreement), Grantor shall execute and deliver to Administrative Agent an absolute assignment transferring its entire right, title, and interest in and to the Collateral to Administrative Agent.

4. Power of Attorney. Grantor hereby irrevocably grants Administrative Agent a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Administrative Agent's discretion regardless of whether a Default or Event of Default is occurring:

(a) To modify or amend (in Administrative Agent's sole discretion and without first obtaining Grantor's approval of or signature thereto) Schedule A, Schedule B, and/or Schedule C hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by Grantor after the execution hereof or to

delete any reference to any Collateral in which Grantor no longer has or claims any right, title or interest; **and**

(b) To execute, file and pursue (in Administrative Agent's sole discretion and without first obtaining Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect Administrative Agent's interest or Grantor's rights in the Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) **and** to pay any fees and taxes in connection therewith or otherwise; **and**

To execute any assignment or other document required to acknowledge, register or perfect Administrative Agent's interest in any part of the Collateral without the signature of Grantor unless prohibited by applicable law.

Grantor also hereby irrevocably grants Administrative Agent a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Administrative Agent's discretion after the occurrence and during the continuance of a Default or an Event of Default, to take any other action and to execute any other instrument which Administrative Agent may deem reasonably necessary or advisable to accomplish the purposes of the Security Agreement or this IP Security Agreement.

The foregoing power of attorney is coupled with an interest and is irrevocable.

5. **Release.** The security interest granted herein will terminate (and all rights to the Collateral will revert to Grantor, as applicable) upon satisfaction of the following conditions: (a) payment and performance in full of all the obligations secured hereby (unconditionally and indefeasibly) **and** (b) the termination of the Credit Agreement (and the Facilities thereunder). Upon any such termination, Administrative Agent (at a Grantor's request and sole expense) will execute and deliver to Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as Grantor may reasonably request and provide to Administrative Agent to evidence such termination.

6. **Miscellaneous.** This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to Administrative Agent under the Security Agreement. The rights and remedies of Grantor and Administrative Agent with respect to the security interest granted herein are in addition and without prejudice to those set forth in the Security Agreement and the Credit Agreement, all terms and provisions of which are hereby incorporated herein by reference. This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts together will constitute one and the same instrument. In the event that any provisions of this IP

Security Agreement are deemed to conflict with the Security Agreement or the Credit Agreement, the provisions of the Security Agreement or Credit Agreement shall govern.

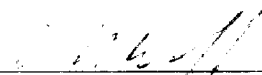
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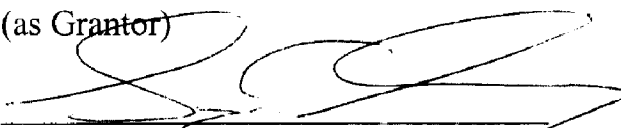
IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

WITNESS:

ELI RESEARCH, INC.

(as Grantor)

By: 
Name: William H. Wofford
Title: Assistant Secretary

By: 
Name: Greg E. Lindberg
Title: President

[CORPORATE SEAL]

Address: 2327 Englert Drive, Suite 202
Durham, NC 27713


Telephone: (919) 544-0362

Facsimile: (919) 544-5622

[SIGNATURES CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through their duly authorized officers, as of the date first written above.

WITNESS: 7

By: 

MCG CAPITAL CORPORATION

(as Administrative Agent)

By: 

Name: Andrew Jacobson

Title: Managing Director

Address: 1100 Wilson Boulevard
Suite 800
Arlington, VA 22209

Telephone: (703) 247-7500

Facsimile: (703) 247-7505

Legal/EliResearch/ipsa

ACKNOWLEDGMENT

STATE OF North Carolina :
 : SS
COUNTY OF Wake :

Before me, the undersigned, a Notary Public, on this 28th day of March, 2002, personally appeared Greg E. Lindberg to me known personally, who, being by me duly sworn, did say that he is the President of **ELI RESEARCH, INC.**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said **ELI RESEARCH, INC.** by authority of its board of directors, and the said ~~Chief Executive Officer~~ Assistant Secretary acknowledged said instrument to be his free act and deed.

Leah P. Ball

Notary Public

My Commission Expires: 11/08/06

Notary Public, North Carolina
County of Wake
LEAH P. BALL
My Commission Expires 11-08-06.

ACKNOWLEDGEMENT

STATE OF VIRGINIA :
 : SS
COUNTY OF ARLINGTON :

Before me, the undersigned, a Notary Public, on this 29th day of MARCH, 2000, personally appeared Andrew Jacobson to me known personally, who, being by me duly sworn, did say that he is a Managing Director of **MCG CAPITAL CORPORATION**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said MCG Capital Corporation by authority of its Board of Directors, and the said Managing Director acknowledged said instrument to be his free act and deed.


Notary Public

My Commission Expires January 31 200

My Commission Expires: _____

SCHEDULE A

COPYRIGHT COLLATERAL

I. Registered Copyrights

Copyright		Registration	Registration
<u>Title</u>	<u>Grantor</u>	<u>Number</u>	<u>Date</u>
Clinical Laboratory Compliance Alert	Eli Research, Inc	TX 4-796-877	October 23, 1998
		TX 4-796-878	October 23, 1998
		TX 4-796-875	October 23, 1998
		TX 4-796-876	October 23, 1998

II. Pending Copyright Applications

Copyright	Application	Filing	Date of	Date of
<u>Title</u>	<u>Number</u>	<u>Date</u>	<u>Creation</u>	<u>Publication</u>

II. Unregistered Copyrights

Copyright Title	Date of First	Original	Grantor	Date of Expected Registration (if applicable)
	<u>Publication</u>	<u>Author/Owner</u>	<u>Grantor</u>	
A. Clinical Lab Compliance Alert	1998	Eli Research, Inc	Eli Research, Inc.	
B. Home Care Week	1991	Eli Research, Inc	Eli Research, Inc.	
C. Rehab Report	1993	Eli Research, Inc	Eli Research, Inc.	
D. Managed Care Compliance Alert	1997	Eli Research, Inc	Eli Research, Inc.	

E. Medicare Risk Report/Managed Medicare Report	1993	Eli Research, Inc	Eli Research, Inc.
F. Long Term Care Compliance Alert	1997	Eli Research, Inc	Eli Research, Inc.
G. Eli's Senior Housing Report/Assisted Living Business News/Assisted Living Business Week	1997	Eli Research, Inc	Eli Research, Inc.
H. Eli's Physician Practice Compliance Alert	1998	Eli Research, Inc	Eli Research, Inc.
I. Hospital Compliance Alert	1997	Eli Research, Inc	Eli Research, Inc.
J. Home Care Compliance Alert	1997	Eli Research, Inc	Eli Research, Inc.
K. Long Term Care Survey Alert	1998	Eli Research, Inc	Eli Research, Inc.
M. Internet Banking Compliance Alert	1998	Eli Research, Inc	Eli Research, Inc.
Q. LTCR Long Term Care Report	1998	Eli Research, Inc	Eli Research, Inc.
T. Medicare Compliance Daily Analysis	1999	Eli Research, Inc	Eli Research, Inc.
Y. LTC Survey & Cert. Guide (SCG)	1999	Eli Research, Inc	Eli Research, Inc.
1S. Clinical Laboratory Compliance Answer Book (CAB)	1999	Eli Research, Inc	Eli Research, Inc.
2S. Physician Practice CAB	1999	Eli Research, Inc	Eli Research, Inc.
3S. Hospital CAB	1999	Eli Research, Inc	Eli Research, Inc.
4S. Long-Term Care CAB	1999	Eli Research, Inc	Eli Research, Inc.
5S. Rehab CAB	1999	Eli Research, Inc	Eli Research, Inc.
6S. Home Care CAB	1999	Eli Research, Inc	Eli Research, Inc.
7S. Medicare Compliance Week	2000	Eli Research, Inc	Eli Research, Inc.
11S. HICA (Health Information Compliance Alert	2001	Eli Research, Inc	Eli Research, Inc.
13S. Clinical Laboratory Directory – LABD	2000	Eli Research, Inc	Eli Research, Inc.
14S. DMCA (Drug Marketing Compliance Alert)	2001	Eli Research, Inc	Eli Research, Inc.

15S. ICCA (Internet Copyright Compliance Alert)	2001	Eli Research, Inc	Eli Research, Inc.
16S. Mortgage Lending Compliance Alert (MLCA)	2001	Eli Research, Inc	Eli Research, Inc.
17S. Medicine and Health (MH)	1947	Faulkner & Gray	Eli Research, Inc.
18S. Diagnostic Testing (DTR)	2001	Eli Research, Inc	Eli Research, Inc.
19S. Medicare Legislation and Regulation (MLR)	1974	Faulkner & Gray	Eli Research, Inc.
20S. Health Law and Litigation Report (HLLR)	1978	Faulkner & Gray	Eli Research, Inc.
22S. E-Commerce Compliance Alert/Privacy Compliance Alert (PCA)	2000	Eli Research, Inc	Eli Research, Inc.
23S. Medicare Compliance Answer Book (MCAB)	2001	Eli Research, Inc	Eli Research, Inc.
24S. Clinical Laboratories Directory (CD-ROM version)	2001	Eli Research, Inc	Eli Research, Inc.
27S. Eli's Report on Patient Safety and Evidence Based Medicine	2001	Eli Research, Inc	Eli Research, Inc.
28S. Managed Care Report (MCR)	1986	Faulkner & Gray	Eli Research, Inc.
29S. Pharmaceutical Law and Litigation Report	2001	Eli Research, Inc	Eli Research, Inc.
30S. Nursing Home law and Litigation Report	2001	Eli Research, Inc	Eli Research, Inc.
31S. Genomics Report	2001	Eli Research, Inc	Eli Research, Inc.
32S. Long Term Care Payment Report	2001	Eli Research, Inc	Eli Research, Inc.
33S. Health Trends	2001	Eli Research, Inc	Eli Research, Inc.
34S. Broker Dealer Compliance Alert	2001	Eli Research, Inc	Eli Research, Inc.
35S. OASIS alert	2001	Eli Research, Inc	Eli Research, Inc.
37S. Medical Benefits	2001	Eli Research, Inc	Eli Research, Inc.

38S. State Health Care Alert	2001	Eli Research, Inc	Eli Research, Inc.
39S. HIPAA Training Tools	2002	Eli Research, Inc	Eli Research, Inc.
40S. Bankruptcy Law and Litigation Report	2002	Eli Research, Inc	Eli Research, Inc.
41S. HIPAA Training Alert	2002	Eli Research, Inc	Eli Research, Inc.
43S. Home Care Directory (on CD-ROM)	2001	Eli Research, Inc	Eli Research, Inc.
44S. Health Care Analyst Report	2002	Eli Research, Inc	Eli Research, Inc.
45S. Health Care Business Report	2002	Eli Research, Inc	Eli Research, Inc.
46S. Investment Advisor Alert	2002	Eli Research, Inc	Eli Research, Inc.
L1W: AME Alternative and Complementary Medicine Book	Prior to 2001	Faulkner & Gray	Eli Research, Inc.
L2W: GCR Physician Practice Guidelines	Prior to 2001	Faulkner & Gray	Eli Research, Inc.
L3W: GMC: Guide to Managed Care Strategies	Prior to 2001	Faulkner & Gray	Eli Research, Inc.
L4W: DSM Disease State Management	Prior to 2001	Faulkner & Gray	Eli Research, Inc.
L5W: MOS Medical Outcomes Source Book	Prior to 2001	Faulkner & Gray	Eli Research, Inc.
L6W: HAL HealthCare Almanac	Prior to 2001	Faulkner & Gray	Eli Research, Inc.
L7W: BOS Behavioral Health Outcomes Source Book	Prior to 2001	Faulkner & Gray	Eli Research, Inc.

IV. Copyright Licenses

Copyright	Licensors	Licensee	Effective Date	Expiration Date	Subject Matter
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SCHEDULE B

PATENT COLLATERAL

I. Patents

<u>Patent Number</u>	<u>Country</u>	<u>Issue Date</u>	<u>Title</u>
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II. Pending Patent Applications

<u>Patent Title</u>	<u>Atty. Docket Number</u>	<u>Country</u>	<u>Serial Filing Number</u>	<u>Filing Date</u>	<u>Status</u>
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III. Patent Licenses

<u>Patent No.</u>	<u>Country</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
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SCHEDULE C

TRADEMARK COLLATERAL

I. United States Registered Trademarks

<u>I. Trademark</u>		<u>Registration</u>	<u>Registration</u>
<u>II. (description)</u>	<u>Grantor</u>	<u>Number</u>	<u>Date</u>
MEDICINE & HEALTH (word mark)	Eli Research, Inc.	1,530,814	March 21, 1989
ELI RESEARCH (stylized word mark)	Eli Research, Inc.	2,260,998	July 13, 1999
(miscellaneous design) (logo mark)	Eli Research, Inc.	2,264,772	July 27, 1999
DAILY ANALYSIS (stylized word mark)	Eli Research, Inc.	2,456,535	May 29, 2001

II. United States Pending Trademark Applications

<u>III. Trademark</u>		<u>Serial</u>	<u>Filing</u>	
<u>(description)</u>	<u>Grantor</u>	<u>Number</u>	<u>Date</u>	<u>Status</u>

REHAB REPORT
(stylized word mark)

Eli Research, Inc. 75/718521 June 1, 1999 Abandoned

DAILY ANALYSIS EVERYTHING
YOU NEED TO KNOW BY 11AM
(logo mark)

Eli Research, Inc. 75/824737 October 15, 1999 Abandoned

MEDICAL NEWSWIRE
(stylized word mark)

Eli Research, Inc. 78/079046 August 14, 2001 Pending

III. Trademark Licenses

Registration					Effective	Expiration
<u>Number</u>	<u>Mark</u>	<u>Country</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Date</u>	<u>Date</u>

SCHEDULE C

TRADEMARK COLLATERAL

I. United States Registered Trademarks

I. Trademark	Grantor	Registration Number	Registration Date
II. (description)			
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ELI RESEARCH (stylized word mark)	Eli Research, Inc.	2,260,998	July 13, 1999
(miscellaneous design) (logo mark)	Eli Research, Inc.	2,264,772	July 27, 1999
DAILY ANALYSIS (stylized word mark)	Eli Research, Inc.	2,456,535	May 29, 2001

II. United States Pending Trademark Applications

III. Trademark	Grantor	Serial Number	Filing Date	Status
(description)				

REHAB REPORT
(stylized word mark)

Eli Research, Inc. 75/718521 June 1, 1999

Abandoned

DAILY ANALYSIS EVERYTHING
YOU NEED TO KNOW BY 11AM
(logo mark)

Eli Research, Inc. 75/824737 October 15, 1999

Abandoned

MEDICAL NEWSWIRE
(stylized word mark)

Eli Research, Inc. 78/079046 August 14, 2001

Pending

III. Trademark Licenses

Registration					Effective	Expiration
<u>Number</u>	Mark	Country	Licensor	Licensee	<u>Date</u>	<u>Date</u>