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

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

1. Name of conveying party(ies): L&H Applications USA, Inc.

6.11.02

- Individual(s) Association General Partnership Limited Partnership Corporation-State Delaware

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 11/14/2001

2. Name and address of receiving party(ies)

Name: KESI Acquisition, Inc.

Internal Address:

Address:

Street Address: 14 Crosby Drive

City: Bedford State: MA Zip: 01730

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Delaware 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

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

A. Trademark Application No.(s) 75/172,274 76/154,513

B. Trademark Registration No.(s) 2,259,339

Additional number(s) attached Yes No

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

Name: Kurzweil Educational Systems

Internal Address: c/o Mark Dionne

Street Address: 14 Crosby Drive

City: Bedford State: MA Zip: 01730

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:

DO NOT USE THIS SPACE

9. Signature.

Mark S. Dionne

Name of Person Signing

Signature

May 24, 2002

Date

Total number of pages including cover sheet, attachments, and document: 7

06/17/2002 DBYRNE 0000091 75172274

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

01 FC:481 40.00 OP 02 FC:482 50.00 OP

TRADEMARK REEL: 002526 FRAME: 0134

ASSET PURCHASE AGREEMENT

dated as of

October 5, 2001

between

KESI ACQUISITION, INC.

and

L&H APPLICATIONS USA, INC.

**RELATING TO THE
KURZWEIL EDUCATIONAL SYSTEMS GROUP**

OF

L&H APPLICATIONS USA, INC.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

KESI ACQUISITION INC.

By: Michael Sokol
Name: MICHAEL L SOKOL
Title: PRESIDENT & CEO

L&H APPLICATIONS USA, INC.

By: Philippe Bodin
Name: Philippe Bodin
Title: CEO

SCHEDULE 3.12

Intellectual Property

1. In the conduct of the Business, Seller uses certain technology and licenses of Houghton Mifflin. In order for Buyer to conduct the Business in the same manner as it is currently conducted, Buyer will need to enter into a new license agreement with Houghton Mifflin.
2. Although Seller does not believe or represent that any patent or patent application listed in Annex E is subject to any term or condition contained in the Patent License Agreement, dated September 10, 1997, between Lernout & Hauspie Speech Products N.V. and Microsoft Corporation ("Microsoft Patent License") (a copy of which has been provided by Seller to Buyer), if any such patent or patent application were subject to any term or condition of the Patent License, then Buyer's right, title or interest in and to such patent or patent application would be modified accordingly.
3. As reflected in Annex E, Seller is assigning its rights in certain patent applications that have been abandoned.
4. List of patents and patent applications, trademarks, registered trademarks and trademark applications, copyrights, registered copyrights and copyright applications, included in the Business Intellectual Property Rights.
 - a. patents and patent applications (including abandoned patent applications) set forth immediately below

(i) Patents (all of which are owned by Seller)

<i>Patent Number</i>	<i>Patent Title</i>	<i>Date Filed</i>	<i>Date Issued</i>
6,137,906	Closest word algorithm	27-Jun-97	24-Oct-00
6,052,663	Reading system which reads aloud from an image representation of a document	27-Jun-97	18-Apr-00
6,033,224	Reading machine system for the blind having a dictionary	27-Jun-97	07-Mar-00
5,999,903	Reading system having recursive dictionary and talking help menu	27-Jun-97	07-Dec-99
5,875,428	Reading system displaying scanned images with dual highlights	27-Jun-97	23-Feb-99

6,014,464	Compression/ decompression algorithm for image documents having text graphical and color content	21-Oct-97	11-Jan-00
6,246,791	Compression/decompressio n algorithm for image documents having text, graphical and color content	17-Sep-99	12-Jun-01
6,199,042	Reading system	19-Jun-98	06-Mar-01
6,068,487	Speller for reading system	20-Oct-98	30-May-00
6,173,264	Reading system displaying scanned images with dual highlighting	15-Dec-98	09-Jan-01
6,256,610	Header/footer avoidance for reading system	30-Dec-98	03-Jul-01
6,188,779	Dual page mode detection	30-Dec-98	13-Feb-01

(ii) Patent Applications (all of which are owned by Seller)

<i>Application</i>	<i>Title Number</i>	<i>Date Filed</i>
09/398,392	Compression/ decompression algorithm for image documents having text, graphical and color content	17-Sep-99
09/399,006	Compression/ decompression algorithm for image documents having text, graphical and color content	17-Sep-99

(iii) Abandoned Patent Applications (all of which are owned by Seller)

<i>Application</i>	<i>Title Number</i>	<i>Date Filed</i>
08/968,539	Reading System Having Correctable Optical Character Recognition Produced Text	17-Nov-97

09/040,737	Reading System that Reads Documents Aloud	18-Mar-98
09/040,737	Reading System that displays an Enhanced Image Representation	18-Mar-98
09/040,737	Syllabicate Process for Reading System	18-Mar-98
09/224,070	Multi-Language Reading Machine	30-Dec-98
08/968,790	Reading System having a Word Magnifier	12-Nov-97

(iv) Any and all existing continuations, continuations-in-part, divisionals, foreign counterparts and renewals of any of the patents or patent applications listed in (i), (ii) or (iii) above

c. trademarks, service marks and trade names, and applications to register or registrations of any such trademarks, service marks or trade names, set forth immediately below

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