

5/24/04

08-26-2004



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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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):

See Attached

- Individual(s) [checked] Association [ ] General Partnership [ ] Limited Partnership [ ] Corporation-State [ ] Other [ ]

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

2. Name and address of receiving party(ies)

Name: Medem, Inc. Internal Address:

Street Address: 649 Mission Street, 2nd Floor

City: San Francisco State: CA Zip: 94105

- Individual(s) citizenship [ ] Association [ ] General Partnership [ ] Limited Partnership [ ] Corporation-State Delaware [checked] Other [ ]

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

3. Nature of conveyance:

- Assignment [ ] Merger [ ] Security Agreement [ ] Change of Name [ ] Other Release of Security Interest [checked]

Execution Date: 08/11/2004

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,709,692 2,757,560

Additional number(s) attached [ ] Yes [checked] No

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

Name: Tammy S. Settle

Internal Address: Vedder Price Kaufman Kammholz

P.C.

Street Address: 222 North LaSalle Street

City: Chicago State: IL Zip: 606011

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 3.41).....\$ 65.00

- Enclosed [ ] Authorized to be charged to deposit account [checked]

8. Deposit account number:

22-0259

DO NOT USE THIS SPACE

9. Signature.

Tammy S. Settle

Name of Person Signing

Tammy S. Settle

Signature

August 20, 2004

Date

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

21

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

08/25/2004 MGETACHE 00000140 220259 2709692

01 FC:8521 40.00 DA 02 FC:8521 35.00 DA

**Medem, Inc.**

**Attachment to Recordation Cover Sheet**

**1. Names and addresses of conveying parties.**

Edward J. Fotsch  
2-Alexander  
Sausalito, CA 94965

Mark B. Stenzel  
W393N5716 Mary La.  
Oconomowoc, WI 53066

Robert M. Fotsch  
140 Cheshire Lane  
 Mooresville, NC 28117

Donald R. Peterson  
1405 Valley Ridge Dr.  
Brookfield, WI 53005

Patrick S. Lawton  
34605 Springbank Rd  
Oconomowoc, WI 53066

J. H. Whitney IV, L.P.  
c/o Whitney & Co.  
177 Broad St.  
Stamford, CT 06901

Debra A. Delguidice  
2-Alexander  
Sausalito, CA 94965

American Medical Association  
515 N. State St., 16th Floor  
Chicago, IL 60610

Todd G. Choy  
722-32nd Avenue  
San Francisco, CA 94121

Bill Fotsch  
801 Windgate Court  
Villa Hills, KY 41017

John R. Peterson  
14705 Crestwood Ct.  
Elm Grove, WI 53122

Richard G. Williams  
187 Stoneybrook Ln.  
Wenatchee, WA 98801

David Hill  
135 Nadina Way  
Greenbrae, CA 94904

**Medem, Inc.**

**Attachment to Recordation Form Cover Sheet**

**Description of Trademarks**

<b>Trademark</b>	<b>Registration Number</b>	<b>Serial Number</b>
"Medem"	2709692	75894738
"Practice View"	2757560	78108342

## CONSENT TO BRIDGE NOTE CONVERSION

In connection with the recapitalization of Medem, Inc. (the "Company") and the subsequent proposed offer and sale by the Company of secured convertible promissory notes (the "Notes"), each as described in the attached Information Statement dated August 6, 2004 (the "Information Statement"), each of the undersigned holders of the Convertible Promissory Notes issued by the Company and dated November 21, 2003 (the "Bridge Notes"), hereby consents to the conversion, pursuant to Sections 13(c) and 20 of the Bridge Notes, of all of the outstanding principal amount of the Bridge Notes, plus any accrued and unpaid interest and any premium due (collectively, the "Outstanding Balance"), into 0.00071 shares of the Company's Series A Common Stock, par value \$0.001, and 0.00642 shares of the Company's Series B Common Stock, par value \$0.001, for each dollar of Outstanding Balance of the Bridge Notes. Such conversion is to be effective upon the filing of the Eighth Amended and Restated Certificate of Incorporation of the Company (a copy of which is attached to the Information Statement) with the Delaware Secretary of State and, upon conversion, the Bridge Notes and any other agreements or instruments entered into by the undersigned holders in connection with and relating to the issuance of the Bridge Notes, including, without limitation, any security agreements, will be cancelled and terminated and be of no further force and effect.

Each of the undersigned holders acknowledges and agrees that the security interest granted to the holders pursuant to the Bridge Notes and any security agreement will be cancelled and terminated upon the conversion of the Bridge Notes and hereby consents to the filing in the appropriate jurisdictions of any and all certificates, documents or other written instruments required to notify third parties of such termination, including, without limitation, UCC termination statements and filings with the PTO.

Each of the undersigned holders acknowledges and agrees that he, she or it has received and read and is familiar with the Information Statement distributed in connection with the transactions described therein and contemplated by this Consent to Bridge Note Conversion and that he, she or it has been advised by the Company to consult with his, her or its own personal tax and financial advisors to determine the income tax and other implications for him, her or it of the conversion of the Bridge Notes and the other transactions described in the Information Statement; and each of the undersigned hereby consents to and approves each of the transactions described in the Information Statement, including, without limitation, the offer and sale of the Notes by the Company.

IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of August 11, 2004.

J.H. WHITNEY IV, L.P.  
By: J.H. Whitney Equi Partners IV, LLC  
By: [Signature]  
By: Kevin J. Curbell  
Its: Attorney-in-Fact

THE AMERICAN MEDICAL ASSOCIATION

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
Edward J. Fotsch

\_\_\_\_\_  
Robert M. Fotsch

\_\_\_\_\_  
Patrick S. Lawson

\_\_\_\_\_  
Bill Fotsch

\_\_\_\_\_  
John R. Peterson

\_\_\_\_\_  
David Hill

\_\_\_\_\_  
Debra A. Delguidice

*[Signature Page to Consent to Bridge Note Conversion]*

IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of August 6, 2004.

J.H. WHITNEY IV, L.P.

By:  
Its:

THE AMERICAN MEDICAL ASSOCIATION

*[Handwritten Signature]*  
By: MICHAEL D. MAVER, MD, MBA  
Its: EXECUTIVE VICE PRESIDENT  
& CEO



Edward J. Fotsch

Robert M. Fotsch

Patrick S. Lawson

Bill Fotsch

John R. Peterson

David Hill

Debra A. Delguidice

*[Signature Page to Consent to Bridge Note Conversion]*

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IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of August 11, 2004.

J.H. WHITNEY IV, L.P.

\_\_\_\_\_  
By:  
Its:

THE AMERICAN MEDICAL ASSOCIATION

\_\_\_\_\_  
By:  
Its:



\_\_\_\_\_  
Edward J. Fotsch

\_\_\_\_\_  
Robert M. Fotsch

\_\_\_\_\_  
Patrick S. Lawson

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Bill Fotsch

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John R. Peterson

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David Hill

  
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Debra A. Delguidice DEL 6 UT DICE

*[Signature Page to Consent to Bridge Note Conversion]*

IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of Aug 6, 2004.

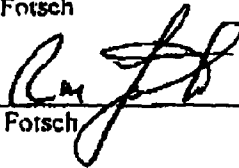
J.H. WHITNEY IV, L.P.

By:  
Its:

THE AMERICAN MEDICAL ASSOCIATION

By:  
Its:

Edward J. Fotsch



Robert M. Fotsch

Patrick S. Lawson

Bill Fotsch

John R. Peterson

David Hill

Debra A. Delguidice

*[Signature Page to Consent to Bridge Note Conversion]*

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IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of August 11, 2004.

J.H. WHITNEY IV, L.P.

By:  
Its:

THE AMERICAN MEDICAL ASSOCIATION

By:  
Its:

Edward J. Fotsch

Robert M. Fotsch



Patricia S. Lawson

Bill Fotsch

John R. Peterson

David Hill

Debra A. Delguidice

*(Signature Page to Consent to Bridge Note Conversion)*

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IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of August 5, 2004.

J.H. WHITNEY IV, L.P.

\_\_\_\_\_  
By:  
Its:

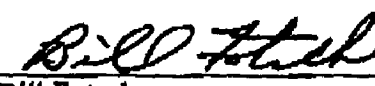
THE AMERICAN MEDICAL ASSOCIATION

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
Edward J. Fotsch

\_\_\_\_\_  
Robert M. Fotsch

\_\_\_\_\_  
Patrick S. Lawson

  
\_\_\_\_\_  
Bill Fotsch

\_\_\_\_\_  
John R. Peterson

\_\_\_\_\_  
David Hill

\_\_\_\_\_  
Debra A. Delguidice

*[Signature Page to Consent to Bridge Note Conversion]*

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TRADEMARK  
REEL: 003036 FRAME: 0163

IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of August 11, 2004.

J.H. WHITNEY IV, L.P.

\_\_\_\_\_  
By:  
Its:

THE AMERICAN MEDICAL ASSOCIATION

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
Edward J. Fotsch

\_\_\_\_\_  
Robert M. Fotsch

\_\_\_\_\_  
Patrick S. Lawson

\_\_\_\_\_  
Bill Fotsch

  
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John R. Peterson

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David Hill

\_\_\_\_\_  
Debra A. Delguidice

*[Signature Page to Consent to Bridge Note Conversion]*

40197739\_3.DOC

IN WITNESS WHEREOF, the undersigned holders have executed this Consent to Bridge Note Conversion effective as of August 11, 2004.

J.H. WHITNEY IV, L.P.

\_\_\_\_\_  
By:  
Its:

THE AMERICAN MEDICAL ASSOCIATION

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
Edward J. Fotsch

\_\_\_\_\_  
Robert M. Fotsch

\_\_\_\_\_  
Patrick S. Lawson

\_\_\_\_\_  
Bill Fotsch

\_\_\_\_\_  
John R. Peterson

\_\_\_\_\_  
*David M Hill*  
David Hill

\_\_\_\_\_  
Debra A. Delguidice

*[Signature Page to Consent to Bridge Note Conversion]*

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Richard G. Williams

\_\_\_\_\_  
Mark B. Stenzel

\_\_\_\_\_  
Donald Peterson

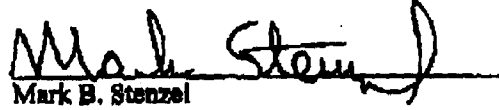
\_\_\_\_\_  
Todd G. Choy

*[Signature Page to Consent to Bridge Note Conversion]*

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Richard G. Williams

  
Mark B. Stenzel

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Donald Peterson

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Todd G. Choy

*[Signature Page to Consent to Bridge Note Conversion]*

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Richard G. Williams

Mark B. Stenzel

  
Donald Peterson

Todd G. Choy

*[Signature Page of Consent to Bridge Note Conversion]*

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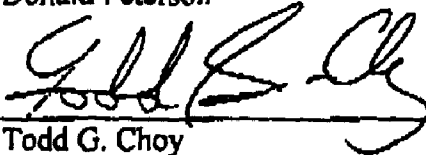
Richard G. Williams

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Mark B. Stenzel

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Donald Peterson



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Todd G. Choy

*[Signature Page to Consent to Bridge Note Conversion]*

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Attachment to Recordation Cover Sheet

3. Nature of conveyance: Sections 7 through 11 and Exhibit C of the Security Agreement.

"7. Security Interest.

(a) To secure prompt and complete payment and performance of the Obligations (as defined below), except as otherwise provided herein, the Company hereby pledges, assigns, transfers and grants to Holder a continuing security interest in all of the properties, assets and rights of the Company listed on Exhibit C hereto, whether now owned or at any time hereafter acquired by the Company, but which shall exclude any agreements between the Company and the Founding Medical Societies, as defined by the Rights Agreement (hereinafter, collectively called the "*Collateral*").

(b) The Company expressly acknowledges that the security interest granted hereunder shall remain as security for payment and performance of the Obligations, whether now existing or which may hereafter be incurred by future advances, or otherwise. The notice of the continuing grant of this security interest therefore shall not be required to be stated on the face of any document representing any such Obligations, nor otherwise identify it as being secured hereby.

(c) For purposes of this Note, "*Obligations*" shall mean any and all payment obligations hereunder owing by the Company to the Holder, whether payment of principal, interest or premium, whether due or to become due, absolute or contingent, now existing or hereafter incurred or arising, whether or not otherwise guaranteed or secured and whether evidenced by any note or draft or documented on the books and records of the Holder or otherwise on open account, including all reasonable costs, expenses, fees, charges and attorneys' and other professional fees incurred by the Holder in connection with, involving or related to the administration (other than in the ordinary course of business), protection, modification, collection, enforcement, preservation or defense of any of the Holder's rights with respect to any of the Obligations, the Collateral or any agreement, instrument or document evidencing, governing, securing or relating to any of the foregoing, including all costs and expenses incurred in connection with any "workout" or default resolution negotiations involving legal counsel or other professionals and any re-negotiation or restructuring of any of the Obligations. All capitalized terms not otherwise defined herein shall have the meanings given under the Uniform Commercial Code as in effect from time-to-time in the State of Delaware (the "*UCC*").

(d) All Collateral which the Holder may at any time acquire from the Company or from any other source in connection with any of the Obligations shall constitute collateral for each and every Obligation, without apportionment or designation as to particular Obligations, and all Obligations, however and whenever incurred, shall be secured by all Collateral, however and whenever acquired, provided, however, that those Holders of at least (and under no circumstance less than) 50.1% in interest of the outstanding principal amount of all Notes shall have the right, in their sole discretion, to determine the order in which the Holder's rights in, or remedies against, any Collateral are to be exercised, and which type or which portions of

Collateral are to be proceeded against and the order of application of Proceeds of Collateral as against particular Obligations.

**1. Events of Default.** The Company shall be in default under this Note upon the happening of any of the following events or conditions (herein individually called an "*Event of Default*" and collectively called "*Events of Default*"):

(a) the failure by the Company to perform any of its other obligations under this Note that has not been cured within fifteen (15) days following notice by Holder of such failure;

(b) the material breach by the Company of any representation or warranty by the Company made herein;

(c) such time as the Holder's security interest in the Collateral is not prior to all other security interests in the Collateral (other than Permitted Liens);

(d) an acceleration of payment owed pursuant to Section 6; or

(e) the occurrence and continuation of an event of default by the Company under any other Note.

**2. Rights of the Holder.** Upon the occurrence of any Event of Default and for so long as such Event of Default is continuing, including an acceleration of payment owed pursuant to Section 6, those Holders of at least (and under no circumstance less than) 50.1% in interest of the outstanding principal amount of all Notes shall have the right to act on behalf of all Holders to declare all of the Obligations to be immediately due and payable and shall then have the rights and remedies of a secured party under the UCC or under any other applicable law, including the right to take possession of the Collateral, and in addition thereto, the right to enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom and the right to occupy the Company's premises for the purposes of liquidating Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, such Holders will give the Company at least ten (10) business days' prior written notice at the address of the Company set forth below (or at such other address or addresses as the Company shall specify in writing to the Holders) of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the UCC) that reasonable notification be given of the time and place of such sale or other disposition. After deducting all costs and expenses of collection, storage, custody, sale or other disposition and delivery (including reasonable attorneys' fees) and all other reasonable charges against the Collateral, the residue of the Proceeds of any such sale or disposition shall be applied pro rata among the Holders to the payment of the obligations owed by the Company on each of the outstanding Notes in such order of priority as those Holders of at least 50.1% in interest of the outstanding principal amount of all Notes shall determine and any surplus shall be returned to the Company or to any person or party lawfully entitled thereto. In the event the Proceeds of any sale, lease or other disposition of the Collateral hereunder, including without limitation, the Proceeds from the collection of Accounts, are insufficient to pay all of the Obligations in full, the Company will be

liable for the deficiency, together with interest thereon, and the costs and expenses of collection of such deficiency, including (to the extent permitted by law) attorneys' fees, expenses and disbursements.

**3. Right of the Holder to Use and Operate Collateral, Etc.** Upon the occurrence of any Event of Default and for so long as such Event of Default is continuing, those Holders of at least (and under no circumstance less than) 50.1% in interest of the outstanding principal amount of all Notes shall have the right and power to act on behalf of all Holders to take possession of all or any part of the Collateral, and to exclude the Company and all persons claiming under the Company wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, such Holders shall have the right but shall not be obligated, from time to time, at the expense of the Company, make all such repairs, replacements, alterations, additions and improvements to the Collateral as they may deem proper. The Company hereby expressly waives any obligation of the Holders to process and/or prepare any Collateral prior to any sale or other disposition thereof. Upon any taking of possession of all or any part of the Collateral, those Holders of at least (and under no circumstance less than) 50.1% in interest of the outstanding principal amount of all Notes shall have the right to manage and control the Collateral and to carry on the business and to exercise all rights and powers of the Company in respect thereto as such Holders shall reasonably deem best, including the right to enter into any and all such agreements with respect to the operation of the Collateral or any part thereof as they may see fit; and they shall have the right and be entitled to collect and receive all issues, profits, fees, revenues and other income of the same and every part thereof. Such issues, profits, fees, revenues and other income shall be applied to pay the expenses of holding and operating the Collateral and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which such Holders may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which such Holders may be required or authorized to make under any provision of the Notes (including legal costs and attorneys' fees). The remainder of such issues, profits, fees, revenues and other income shall be applied to the payment of the obligations owed by the Company on each of the outstanding Notes in such order of priority as those Holders of at least 50.1% in interest of the outstanding principal amount of all Notes shall determine.

**4. Perfection.** The Holder may at any time and from time to time, at the Company's expense, file financing statements, continuation statements and amendments thereto that describe the Collateral and which contain any other information required by the UCC for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether the Company is an organization, the type of organization and any tax and/or organization identification number issued to the Company. The Company agrees to furnish any such information to the Holder promptly upon request. Any such financing statements, continuation statements or amendments may be signed, if so required, by the Holder on behalf of the Company and may be filed at any time in any jurisdiction as necessary. The Company hereby irrevocably appoints the Holder, through any of its chosen agents or designees, as its Attorney-In-Fact, coupled with an interest, for the purposes hereof. The Company shall at any time and from time to time, at the Holder's expense, take such steps as the Holder may reasonably request for the Holder (a) to obtain an acknowledgement, in form and substance satisfactory to the Holder, of any bailee having possession of any of the Collateral that the bailee

holds such Collateral for the Holder, (b) to obtain "**control**" of any Investment Property, Deposit Accounts, Letter-Of-Credit Rights or electronic Chattel Paper, with any agreements establishing control to be in form and substance satisfactory to the Holder, (c) to obtain possession of all or any portion of the Collateral if necessary to perfect its security interest therein in addition to the filing of a financing statement, and (d) to take such other action as becomes necessary to insure the continued perfection and priority of the Holder's security interest in any of the Collateral, and of the preservation of its rights therein."

### **Exhibit C: List of Collateral**

Except for the following contracts:

1. Intellectual Property License Agreements and Cross-Linking (Including all associated amendments), by and between Medem, Inc. and
  - a. American Academy of Ophthalmology
  - b. American Medical Association
  - c. American Academy of Pediatrics
  - d. American College of Obstetricians and Gynecologists
  - e. American Psychiatric Association
  - f. American Society of Plastic Surgeons
  - g. American College of Allergy, Asthma & Immunology
2. Data Licensing Agreement dated March 7, 2000 (including all associated amendments), by and between Medem Inc. and the American Medical Association.
3. Agreement dated November 15, 1999 (including all associated amendments), by and between Medem, Inc. and Medem Editorial, Inc.

Collateral shall mean (capitalized terms herein shall have the meanings ascribed by the UCC, unless otherwise defined):

- (a) All of the Company's Chattel Paper, including electronic chattel paper;
- (b) All of the Company's Instruments, including promissory notes, whether due or to become due, and whether or not earned by performance;
- (c) All of the Company's General Intangibles, including all contracts, purchase orders or other supplements thereto, rights to moneys, choses in action, goodwill, tax refunds, Software, intellectual property, patents, copyrights, tradenames and trademarks;
- (d) All of the Company's Goods;