

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Paradigm Electronics Inc.		08/31/2005	CORPORATION: CANADA

RECEIVING PARTY DATA

Name:	Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as Administrative Agent
Street Address:	222 N. LaSalle Street
Internal Address:	17th Floor
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60601
Entity Type:	division of a Delaware corporation:

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Registration Number:	2169614	PARADIGM
Registration Number:	1403877	PARADIGM
Registration Number:	2718298	STYLUS
Registration Number:	2790928	ATOM
Registration Number:	2240451	P

CORRESPONDENCE DATA

Fax Number: (312)577-4752
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Email: penelope.johnson@kattenlaw.com
 Correspondent Name: Penelope S. Johnson
 Address Line 1: 525 W. Monroe Street
 Address Line 2: c/o Katten Muchin Rosenman LLP
 Address Line 4: Chicago, ILLINOIS 60661

CH \$140.00 2169614

NAME OF SUBMITTER:	Penelope S. Johnson
Signature:	/Penelope S. Johnson/
Date:	09/07/2005
Total Attachments: 4 source=i6x15300#page1.tif source=i6x15300#page2.tif source=i6x15300#page3.tif source=i6x15300#page4.tif	

TRADEMARK SECURITY AGREEMENT (United States)

THIS TRADEMARK SECURITY AGREEMENT (United States) (this "Agreement") made as of this 31st day of August, 2005 by PARADIGM ELECTRONICS INC., a corporation organized under the laws of Canada ("Grantor") in favor of Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., in its capacity as Administrative Agent for the Lenders party to the Credit Agreement (defined below):

W I T N E S S E T H

WHEREAS, Grantor, Grantee and the Lenders are parties to a certain Credit Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") providing for the extensions of credit to be made to Grantor by Lenders;

WHEREAS, pursuant to the terms of a certain Security Agreement of even date herewith between Grantor and Grantee (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), Grantor has granted to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Trademarks, and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Security Agreement.

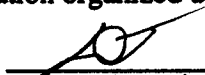
2. Grant and Reaffirmation of Grant of Security Interests. To secure the payment and performance of the Obligations, Grantor hereby grants to Grantee, for its benefit and the benefit of Lenders, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now owned or existing or hereafter created, acquired or arising:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

PARADIGM ELECTRONICS INC., a
corporation organized under the laws of Canada

By: 
Name: David Wakefield
Title: Vice President

Agreed and Accepted
As of the Date First Written Above

MERRILL LYNCH CAPITAL, a division of
Merrill Lynch Business Financial Services Inc.,
as Administrative Agent

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

**PARADIGM ELECTRONICS INC., a
corporation organized under the laws of Canada**

By: _____
Name: _____
Title: _____

**Agreed and Accepted
As of the Date First Written Above**

**MERRILL LYNCH CAPITAL, a division of
Merrill Lynch Business Financial Services Inc.,
as Administrative Agent**

By: Aleen M. Hartje
Name: Aleen M. Hartje
Title: Vice President

EXHIBIT A

Description of Trademarks and Trademark Applications

1. Trade-Marks/Trade Names:

PARADIGM	TMA491,498 (Canada) TMA295,924 (Canada) 2,169,614 (USA) 1,403,877 (USA) 601,328 (EU) 807506 (China) T97/08655D (Singapore) 170,783 (Russia) 739545 (Australia)	Registered in Canada, USA, Singapore, Hong Kong, European Union, China, Malaysia, Taiwan, Australia and Russian Federation
STYLUS	TMA542818 (Canada) 2,718,298 (USA)	Canada and USA
ATOM	2,790,928 (USA)	USA
ANTHEM	Application No. 1028637	Note: Trademark has been allowed but not yet registered in Canada
SONIC FRONTIERS	TMA552399 (Canada)	Canada
{Stylized P}	2,240,451	USA

- (a) The trademark "PARADYME" (Serial No. 76/474,781) is owned by Paradigm Electronics, Inc. An unrelated third party, Paradyme, Inc., a California corporation, filed the original application for such trademark, and there is a pending ex parte action by Paradyme, Inc. with respect to such trademark.