

10-19-2006

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...s or the new address(es) below.

To the Director of the U. S. Patent and Trademark Office

10.12.06

1. Name of conveying party(ies)/Execution Date(s):

Cephas Capital Partners, L.P.

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

Citizenship (see guidelines) New York

Execution Date(s) September 5, 2006

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

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

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Applied Image Group, Inc.

Internal

Address:

Street Address: 1653 East Main Street

City: Rochester

State: NY

Country: United States Zip: 14609

- Association
- General Partnership
- Limited Partnership
- Corporation
- 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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Schedule B6

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Neal L. Slifkin

Internal Address: Harris Beach PLLC

Street Address: 99 Garnsey Road

City: Pittsford

State: NY Zip: 14534

Phone Number: (585) 419-8636

Fax Number: (585) 419-8812

Email Address:

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 65.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 08-0865

Authorized User Name _____

9. Signature:

Neal L. Slifkin

Signature

10/10/06

Date

Neal L. Slifkin

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 8

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450



10-12-2006

TRADEMARK

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01 FT: 0521
02 FT: 0522

**SCHEDULE B6
(Trademarks)**

MARK	REGISTRATION NO.	REGISTRATION DATE	APPLICATION NO.	FILING DATE
APPLIED IMAGE GROUP	2,346,842	May 2, 2000		
STYLIZED TRIANGULAR CORPORATE LOGO	2,452,401	May 22, 2001		

**TERMINATION, RELEASE AND REASSIGNMENT OF SECURITY INTEREST IN
PATENTS, TRADEMARKS AND LICENSES**

This Agreement is dated as of September 5, 2006 and is executed in favor of APPLIED IMAGE GROUP, INC., a New York corporation ("Borrower") by CEPHAS CAPITAL PARTNERS, L.P., a New York limited partnership ("Secured Party").

WHEREAS, Borrower and Secured Party entered into that certain Note and Warrant Purchase Agreement, dated as of April 18, 2002, as amended, modified or supplemented from time to time (the "Financing Agreement"), pursuant to which Secured Party extended credit to Borrower;

WHEREAS, in connection with the Financing Agreement, Borrower and Secured Party entered into that certain (i) Contingent Patent, Trademark and License Assignment dated as of April 18 2002 (the "IP Security Agreement"), pursuant to which Borrower granted a security interest in its Intellectual Property Collateral (as defined below) to Secured Party, and (ii) Contingent Patent, Trademark and License Assignment dated as of April 18, 2002; and

WHEREAS, Borrower has requested that Secured Party terminate, release and reassign its security interest in the Intellectual Property Collateral in connection with the termination of the Financing Agreement and the related agreements, and the payment in full of all obligations thereunder (the "Payoff Amount") by Borrower;

NOW, THEREFORE, upon Secured Party's receipt of the Payoff Amount, Secured Party hereby terminates, releases and reassigns to Borrower its lien on and security interest in the following, whether such lien and security interest is granted pursuant to the Financing Agreement, the IP Security Agreement or any other agreement or document:

1. All of Borrower's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed patents and patent applications, and the inventions and improvements described and claimed therein, including those listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof, (b) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including without limitation damages and payment for past or future infringements thereof (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) are sometimes hereinafter individually and/or collectively referred to as the "Patents"); and

2. All of Borrower's right, title and interest in and to all of its now owned or existing filed and hereafter acquired or arising and filed:

(i) trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications, including, without limitation the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications listed on Schedule B attached hereto and mad a part hereof, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payment for past of future infringements thereof, (c) the right to sue for past, present and

future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of which foregoing trademarks, service marks, trademark and service mark registrations, trade names, service names and applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as "Trademarks").

(ii) the goodwill of Assignor's business including but not by way of limitation such goodwill connected with and symbolized by the Trademarks (the "Goodwill"); and

(iii) license agreements with any other party relating to intellectual property or proprietary rights of any kind or nature, whether Assignor is licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule C attached hereto (the "Licenses"; together with Patents, Trademarks and Goodwill are hereinafter collectively referred to as, the "Intellectual Property Collateral").

Secured Party agrees that the terms, covenants and conditions of the IP Security Agreement are hereby terminated and of no further force and effect.

Secured Party further agrees to execute and deliver to Borrower any and all further documents or instruments and do any and all further acts, in each case at Borrower's cost and expense, which Borrower (or its agent or any of its designees) may reasonably request, in order to confirm this Agreement and the release by Secured Party of its lien on and security interest in the Intellectual Property Collateral, and the reassignment by Secured Party to Borrower of all of Secured Party's right, title and interest in and to the Intellectual Property Collateral.

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

CEPHAS CAPITAL PARTNERS, L.P.

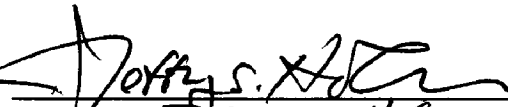
By: 
Name: Jeffrey S. Holmes
Title: Managing Director

EXHIBIT A

PATENT COLLATERAL

None

EXHIBIT B

TRADEMARK COLLATERAL

Trademarks	Country	Status	Number	Filing Date
APPLIED IMAGE GROUP	USA	Registered	2346842	
Stylized Triangular Corporate Logo	USA	Registered	2452401	

EXHIBIT C

LICENSE COLLATERAL

None

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RECORDED: 10/11/2006

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