

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|----------------------------------|--|-----------------------|-----------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | Security Agreement | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Payformance Corporation | | 11/29/2006 | CORPORATION: DELAWARE |
| RECEIVING PARTY DATA | | | |
| Name: | ORIX Venture Finance LLC | | |
| Street Address: | 245 Park Avenue, 19th Floor | | |
| City: | New York | | |
| State/Country: | NEW YORK | | |
| Postal Code: | 10167 | | |
| Entity Type: | LIMITED LIABILITY COMPANY: DELAWARE | | |
| PROPERTY NUMBERS Total: 4 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 2210489 | XONA | |
| Registration Number: | 2554776 | PAYBOND | |
| Registration Number: | 2991313 | PAYSPAN | |
| Serial Number: | 75430183 | PAYFORMANCE | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | (866)459-2899 | | |
| | <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> | | |
| Phone: | 202-783-2700 | | |
| Email: | Oleh.Hereliuk@federalresearch.com | | |
| Correspondent Name: | CBCInnovis dba Federal Research | | |
| Address Line 1: | 1023 Fifteenth Street, NW, Ste 401 | | |
| Address Line 2: | attn: Oleh Hereliuk | | |
| Address Line 4: | Washington, DISTRICT OF COLUMBIA 20005 | | |
| ATTORNEY DOCKET NUMBER: | 374155 | | |
| NAME OF SUBMITTER: | Oleh Hereliuk | | |

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| Signature: | /oh/ |
| Date: | 12/19/2006 |
| Total Attachments: 9 source=374155#page1.tif source=374155#page2.tif source=374155#page3.tif source=374155#page4.tif source=374155#page5.tif source=374155#page6.tif source=374155#page7.tif source=374155#page8.tif source=374155#page9.tif | |

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of November 29, 2006, by and between **ORIX Venture Finance LLC** ("ORIX") and **Payformance Corporation**, a Delaware corporation ("Debtor"), with reference to the following facts:

A. ORIX and Debtor are parties to that certain Loan and Security Agreement dated as of even date herewith (as amended from time to time, the "Loan Agreement"). (Capitalized terms used herein have the meaning assigned in the Loan Agreement.)

B. Pursuant to the Loan Agreement, Debtor has granted to ORIX a security interest in all of the Collateral. The Collateral includes without limitation all Intellectual Property (including without limitation the Intellectual Property described herein).

Debtor agrees as follows:

1. To secure performance of all of its "Obligations" as defined in the Loan Agreement, Debtor grants to ORIX a security interest in all of Debtor's right, title and interest in Debtor's Intellectual Property, including without limitation (i) the trademarks and servicemarks listed on Schedule A hereto, whether registered or not, and all applications to register and registrations of the same and like protections, and the entire goodwill of the business of Debtor connected with and symbolized by such trademarks, and (ii) the patents and patent applications listed on Schedule B hereto and all like protections including, without limitation, all improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, and (iii) all copyrights, maskworks, software, computer programs and other works of authorship listed on Schedule C hereto, and all extensions and renewals thereof, and (iv) all rights to recover for past or future infringement of any of the foregoing, and (v) all right, title and interest in and to any and all present and future license agreements with respect to any of the foregoing, and (vi) all present and future accounts, accounts receivable and other rights to payment arising from, in connection with or relating to any of the foregoing. Debtor has previously provided to ORIX true and correct copies of certain provisions of its Material Licenses (as defined below) which relate to their assignment. Debtor shall hereafter use commercially reasonable efforts (which shall in no event require that Debtor offer or provide any compensation to any licensor) to include in all future Material Licenses clauses permitting the sale or transfer of such licenses in connection with a sale or transfer of all or substantially all of the assets of Debtor, and Debtor shall promptly provide copies of such licenses to ORIX. "Material Licenses" as used herein shall mean licenses under which Debtor is the licensee, which are material to Debtor's business, and which require the payment of total royalties in excess of \$150,000.

2. Debtor represents and warrants that (i) listed on Schedule A hereto are all trademark registrations and pending registrations owned or controlled by Debtor or licensed to Debtor, (ii) listed on Schedule B are all patents and patent applications owned or controlled by Debtor or licensed to Debtor, and (iii) listed on Schedule C are all copyrights, software, computer programs, mask works, and other works of authorship owned or controlled by Debtor which are registered with the United States Copyright Office.

3. Debtor shall not, hereafter, register any maskworks, software, computer programs or other works of authorship subject to United States copyright protection with the United States Copyright Office without first complying with the following: (i) providing ORIX with at least 15 days prior written notice thereof, (ii) providing ORIX with a copy of the application for any such registration and (iii) executing and filing such other instruments, and taking such further actions as ORIX may reasonably request from time to time to perfect or continue the perfection of ORIX's interest in the Collateral, including without limitation the filing with the United States Copyright Office, simultaneously with the filing by Debtor of the application for any such registration, of a copy of this Agreement or a Supplement hereto in form acceptable to ORIX identifying the maskworks, software, computer programs or other works of authorship being registered and confirming the grant of a security interest therein in favor of ORIX.

4. This Agreement is being executed and delivered pursuant to the Loan Agreement; nothing herein limits any of the terms or provisions of the Loan Agreement, and ORIX's rights hereunder and under the Loan Agreement are cumulative. This Agreement, the Loan Agreement and the other Loan Documents set forth in full all of the representations and agreements of the parties with respect to the subject matter hereof and supersede all prior discussions, oral representations, oral agreements and oral understandings between the parties. This Agreement may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by the parties hereto. In the event of any litigation between the parties based upon, arising out of, or in any way relating to this Agreement, the prevailing party shall be entitled to recover all of his costs and expenses (including without limitation attorneys' fees) from the non-prevailing party. This Agreement and all acts, transactions, disputes and controversies arising hereunder or relating hereto, and all rights and obligations of ORIX and Debtor shall be governed by, and construed in accordance with the internal laws (and not the conflict of laws rules) of the State of New York.

[Signatures on Next Page]

Address of Debtor:

10550 Deerwood Park Blvd. Suite 300
Jacksonville, Florida 32256

Payformance Corporation, a Delaware corporation

By David W. Mayer
Title SVP-CFO

Address of ORIX:

245 Park Avenue, 19th Floor
New York, N.Y. 10167

ORIX Venture Finance LLC

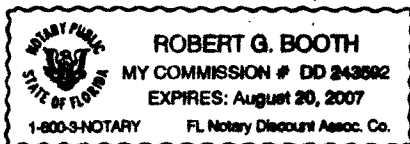
By _____
Kevin P. Sheehan,
President and CEO

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this **Wednesday, November 29, 2006** by **David W. Mayer, Senior Vice President and Chief Financial Officer of Payformance Corporation, a Delaware corporation**, on behalf of the corporation. He is personally known by me.

Robert G. Booth

Signature of Notary Public



Signature page – Intellectual Property Security Agreement

TRADEMARK
REEL: 003447 FRAME: 0611

Address of Debtor:

10550 Deerwood Park Blvd. Suite 300
Jacksonville, Florida 32256

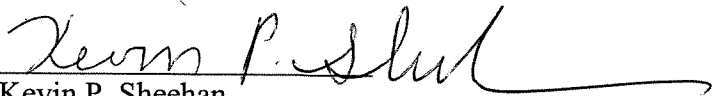
Payformance Corporation, a Delaware
corporation

By _____
Title _____

Address of ORIX:

245 Park Avenue, 19th Floor
New York, N.Y. 10167

ORIX Venture Finance LLC

By 
Kevin P. Sheehan,
President and CEO

Intellectual Property Security Agreement

Schedule A

Trademarks

| <u>Description</u> | <u>Registration Number</u> | <u>Registration Date</u> |
|---|--------------------------------|------------------------------|
| XONA. Registration for a hardware/software product used to provide network security. Payformance will have to reaffirm commercial usage of the mark by June 15, 2005 or abandon the mark. It is Company's intention to abandon the mark. | 2210489 | December 15, 1998 |
| PAYBOND. Registration for software product used in check verification based on Company's patent. | 2554776 | April 2, 2002 |
| PAYSPAN. Registration for software and services of payment delivery via printed check or via electronic ACH payment and remittance delivery. | 2991313 | September 6, 2005 |
| PAYFORMANCE Registration for financial services, namely, providing accounts payable and payroll tax debiting services | 75430183 | September 5, 2000 |

Intellectual Property Security Agreement

Schedule B

Patents

| <u>Description</u> | <u>Registration Number</u> | <u>Registration Date</u> |
|---|--------------------------------|------------------------------|
| Self-Authenticating Negotiable Documents. The patent describes a secure, self-authenticating authorization system for document validation, specifically bank checks. This patent was sold to Broche Data Management LLC with rights grant-back to Payformance on February 28, 2005. | US 6,170,744 | January 9, 2001 |
| Check Authorization System and Method. This patent is no longer relevant to the strategic direction of the company. This patent and a related application 09/901,124 was sold to William Gaskin, L.L.C. with rights grant-back to Payformance on September 21, 2006 | 7,006,632 B2 | February 28, 2006 |
| Check based online payment and verification system and method. The patent describes a method and system for verifying a check has been used for an on-line transaction. . This patent is no longer relevant to the strategic direction of the company. A broker has been retained to sell this patent under similar terms to the sale of prior patents listed above. | 7,069,250 B2 | June 27, 2006 |
| [This Patent is referred to in the Loan Agreement as the "Specified Patent Rights". Section 4.5(E) of the Loan Agreement governs the restrictions on the ability of Debtor to sell or transfer the Specified Patent Rights. Section 4.4(iii) of the Loan Agreement governs the rights of Debtor and ORIX relative to the proceeds of any disposition of the Specified Patent Rights.] | | |

Intellectual Property Security Agreement

Schedule B
(continued)

Patent Applications

| <u>Description</u> | <u>Application Number</u> | <u>Application Date</u> |
|--|-------------------------------|---|
| Customizable Payment System and Method. This is a general patent attempting to protect the company's proprietary PAYSPAN payment system. Latest status is awaiting formal confirmation of filing, assignment of a confirmation number, and assignment to an examiner. | 60/651,628 | Provisional application filed on February 11, 2005; formal application filed on February 13, 2006 |
| System and Methods for Automated Payment for Health Care Services Utilizing Health Savings Accounts. This is a more specific patent targeting a specific methodology for payment of claims to health care providers utilizing the new Federal Health Savings Accounts (HSA's) that the company anticipates as a unique product and service offering in the next several years. | 60/754,892 | December 30, 2005 |
| Creating counterfeit-resistant self-authenticating documents using cryptographic and biometric techniques This is an application for a system and method for creating and verifying physical documents and/or smart cards based upon identifying the owner using biometric data or smart card verification. This application is dormant and is no longer being actively prosecuted. | 20030089764 | May 13, 2003 |

Intellectual Property Security Agreement

Schedule C

Copyrights

None