Electronic Version v1.1 Stylesheet Version v1.1

 SUBMISSION TYPE:
 NEW ASSIGNMENT

 NATURE OF CONVEYANCE:
 Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Digital Recorders, Inc.		103/15/2006	CORPORATION: NORTH CAROLINA
Digital Audio Corporation		103/15/2006 1	CORPORATION: NORTH CAROLINA
Twin Vision of North America, Inc.		103/15/2006 1	CORPORATION: NORTH CAROLINA

RECEIVING PARTY DATA

Name:	Laurus Master Fund, Ltd.	
Street Address:	825 Third Avenue 14th Floor	
Internal Address:	c/o Laurus Capital Management LLC	
City:	New York	
State/Country:	NEW YORK	
Postal Code:	10022	
Entity Type:	COMPANY: CAYMAN ISLANDS	

PROPERTY NUMBERS Total: 15

Property Type	Number	Word Mark
Serial Number:	75763900	DAC
Serial Number:	76354124	DIGITAL RECORDERS
Serial Number:	76551985	DR500C+
Serial Number:	76545891	DR600
Serial Number:	75181268	ELYSE
Serial Number:	78105184	QUICKENHANCE
Serial Number:	78045100	SSABR
Serial Number:	78063631	SSABR
Serial Number:	74247475	TALKING BUS
Serial Number:	75157950	TWINVISION

TRADEMARK
REEL: 003482 FRAME: 0595

900069459

Serial Number:	78635663	ADVANCED TECHNOLOGY. ENHANCING MOBILITY. ENABLING SECURITY.	
Serial Number:	78709995	DR GENERATION-600	
Serial Number:	78771572	LIVELOOK-IN	
Serial Number:	76636317	TOMORROW'S TECHNOLOGY COLORING TODAY'S TRANSIT	
Serial Number:	78688045	VACTELL	

CORRESPONDENCE DATA

Fax Number: (866)826-5420

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 3016380511

Email: ipresearchplus@comcast.net

Correspondent Name: IP Research Plus, Inc.
Address Line 1: 21 Tadcaster Circle

Address Line 2: Attn: Penelope J.A. Agodoa

Address Line 4: Waldorf, MARYLAND 20602

NAME OF SUBMITTER:	Penelope J.A. Agodoa
Signature:	/pja/
Date:	02/15/2007

Total Attachments: 8

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Form PTO-1594 (Rev. 07/05)

OMB Collection 0651-0027 (exp. 6/30/2008)	United States Patent and Trademark Offic			
	RM COVER SHEET			
TRADEMARKS ONLY To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.				
1. Name of conveying party(ies): SEE EXHIBIT 1	2. Name and address of receiving party(ies) Additional names, addresses, or citizenship attached? Yes No			
☐ Individual(s) ☐ Association ☐ General Partnership ☐ Limited Partnership ☑ Corporation- State: NORTH CAROLINA ☐ Other	Name: LAURUS MASTER FUND, LTD. Internal Address: C/O LAURUS CAPITAL MANAGEMENT LLC Street Address: 825 THIRD AVENUE 14TH FLOOR City: NEW YORK CITY			
Citizenship (see guidelines)	State: NEW YORK			
Additional names of conveying parties attached? Ves No	Country: USA Zip: 10022 Association Citizenship			
3. Nature of conveyance)/Execution Date(s) :	General Partnership Citizenship			
Execution Date(s) MARCH 15, 2006	Limited Partnership Citizenship			
Assignment Merger	Corporation Citizenship Other COMPANY Citizenship CAYMAN ISLANDS			
Security Agreement Change of Name	If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No			
Other	(Designations must be a separate document from assignment)			
4. Application number(s) or registration number(s) and A. Trademark Application No.(s) SEE SCHEDULE 1 ATTACHED TO THE INTELLECTUAL PROPERTY SECURITY AGREEMENT C. Identification or Description of Trademark(s) (and Filing	B. Trademark Registration No.(s) SEE SCHEDULE 1 ÄTTACHED TO THE INTELLECTUAL PROPERTY SECURITY AGREEMENT Additional sheet(s) attached? Yes No			
5. Name & address of party to whom correspondence concerning document should be mailed: Name: LOEB & LOEB LLP	6. Total number of applications and registrations involved:			
Internal Address; ATTN: DARRELL R. MITCHINER.	7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$			
LEGAL ASSISTANT Street Address: 345 PARK AVENUE	Authorized to be charged by credit cardAuthorized to be charged to deposit accountEnclosed			
City: NEW YORK CITY	8. Payment Information:			
State: NEW YORK Zip: 10154	a. Credit Card Last 4 Numbers Expiration Date			
Phone Number: <u>212 407-4915</u>	b. Deposit Account Number			
Fax Number: <u>646 607-3304</u>				
Email Address: <u>DMITCHINER@LOEB.COM</u>	Authorized User Name			
9. Signature: Oanell R. Mitchina	FEBRUARY 2, 2007			
Signature	Date			
DARRELL R. MITCHINER	Total number of pages including cover 8			

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

Name of Person Signing

TRADEMARK REEL: 003482 FRAME: 0597

sheet, attachments, and document:

EXHIBIT 1

NAME	ORGANIZATION	JURISDICTION
DIGITAL RECORDERS, INC.	CORPORATION	NORTH
DIGITAL AUDIO	CORPORATION	CAROLINA NORTH
CORPORATION		CAROLINA
TWIN VISION OF NORTH	CORPORATION	NORTH CAROLINA
	DIGITAL RECORDERS, INC. DIGITAL AUDIO CORPORATION	DIGITAL RECORDERS, INC. CORPORATION DIGITAL AUDIO CORPORATION CORPORATION TWIN VISION OF NORTH CORPORATION

GRANT OF SECURITY INTEREST

IN PATENTS AND TRADEMARKS

THIS GRANT OF SECURITY INTEREST ("Grant"), effected as of March 15, 2006, is executed by Digital Recorders, Inc., a North Carolina corporation, Digital Audio Corporation, a North Carolina corporation and Twin Vision of North America, Inc. (collectively, the "Grantor"), in favor of Laurus Master Fund, Ltd. (the "Secured Party").

- A. Pursuant to a Security Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") among the Grantor, certain other Companies (as defined in the Security Agreement), and the Secured Party, the terms and provisions of which are hereby incorporated herein as if fully set forth herein, the Grantor and the other Companies have granted a security interest to the Secured Party in consideration of the Secured Party's agreement to provide financial accommodations to Digital Recorders, Inc.
- B. The Grantor (1) has adopted, used and is using the trademarks reflected in the trademark registrations and trademark applications in the United States Patent and Trademark Office more particularly described on <u>Schedule 1</u> annexed hereto as part hereof (the "<u>Trademarks</u>"), and (2) has registered or applied for registration in the United States Patent and Trademark Office of the patents more particularly described on <u>Schedule 2</u> annexed hereto as part hereof (the "<u>Patents</u>").
- C. The Grantor wishes to confirm its grant to the Secured Party of a security interest in all right, title and interest of the Grantor in and to the Trademarks and Patents, and all proceeds thereof, together with the business as well as the goodwill of the business symbolized by, or related or pertaining to, the Trademarks, and the customer lists and records related to the Trademarks and Patents and all causes of action which may exist by reason of infringement of any of the Trademarks and Patents (collectively, the "T&P Collateral"), to secure the payment, performance and observance of the Obligations (as that term is defined in the Security Agreement).

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged:

- 1. The Grantor does hereby further grant to the Secured Party a security interest in the T&P Collateral to secure the full and prompt payment, performance and observance of the Obligations.
- 2. The Grantor agrees to perform, so long as the Security Agreement is in effect, all acts deemed necessary or desirable by the Secured Party to permit and assist it, at the Grantor's expense, in obtaining and enforcing the Trademarks and Patents in any and all countries. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. The Grantor hereby appoints the Secured Party as the Grantor's attorney-infact to execute and file any and all agreements, instruments, documents and papers as the

Grant

Secured Party may determine to be necessary or desirable to evidence the Secured Party's security interest in the Trademarks and Patents or any other element of the T&P Collateral, all acts of such attorney-in-fact being hereby ratified and confirmed.

- 3. The Grantor acknowledges and affirms that the rights and remedies of the Secured Party with respect to the security interest in the T&P Collateral granted hereby are more fully set forth in the Security Agreement and the rights and remedies set forth herein are without prejudice to, and are in addition to, those set forth in the Security Agreement. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.
- 4. The Grantor hereby authorizes the Secured Party to file all such financing statements or other instruments to the extent required by the Uniform Commercial Code and agrees to execute all such other documents, agreements and instruments as may be required or deemed necessary by the Secured Party, in each case for purposes of affecting or continuing Secured Party's security interest in the T&P Collateral.

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IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed as of the day and year first above written,

DIGITAL RECORDERS, INC.

DIGITAL AUDIO CORPORATION

Name: Dand (

Title: Providen

TWIN VISION OF NORTH AMERICA,

Title: presiden

LAURUS MASTER FUND, LTD.

By:_____

Name: Philo GRW
Title: DIRECTOR.

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Grant

SCHEDULE 1 TO GRANT OF SECURITY INTEREST REGISTERED TRADEMARKS AND TRADEMARK APPLICATIONS

- 1. 75/763,900
- 2. 76/354,124
- 3. 76/551,985
- 4. 76/545,891
- 5. 75/181,268
- 6. 78/105,184
- 7. 78/045,100
- 8. 78/063,631
- 9. 74/247,475
- 10. 75/157,950
- 11. 78/635,663
- 12. 78/709,995
- 13. 78/771,572
- 14. 76/636,317
- 15. 78/688,045

NY552195.1 203891-10098

SCHEDULE 2 TO GRANT OF SECURITY INTEREST

PATENTS AND PATENT APPLICATIONS

- 1. 10/822,974
- 2. 29/113,345
- 3. 10/869,305
- 4. 10/880,811
- 5. 10/417,383
- 6. 60/749,740
- 7. 60/713,414

NY552195.1 203891-10098

RECORDED: 02/15/2007