

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
MDI TECHNOLOGIES, INC.		04/12/2007	CORPORATION: DELAWARE
MONETTE INFORMATION SYSTEMS CORPORATION		04/12/2007	CORPORATION: VIRGINIA

RECEIVING PARTY DATA

Name:	U.S. Bank National Association
Street Address:	7th and Washington Streets
Internal Address:	One U.S. Bank Plaza
City:	St. Louis
State/Country:	MISSOURI
Postal Code:	63101
Entity Type:	National Association:

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Registration Number:	2815300	MDI TECHNOLOGIES
Registration Number:	2433149	TOUCH TIME
Registration Number:	1404701	ULTRACARE
Registration Number:	2748728	RNET

CORRESPONDENCE DATA

Fax Number: (314)259-2020
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 314-259-2000
 Email: ndcollora@bryancave.com
 Correspondent Name: Daniel A. Crowe
 Address Line 1: 211 North Broadway, Suite 3600
 Address Line 4: St. Louis, MISSOURI 63102-2750

CH \$115.00 2815300

ATTORNEY DOCKET NUMBER:	C026936/0207621
NAME OF SUBMITTER:	Daniel A. Crowe
Signature:	/Daniel A. Crowe/
Date:	04/19/2007

Total Attachments: 9

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (as may be amended, supplemented and otherwise modified from time to time, "IP Security Agreement") is made and effective as of April 12, 2007, by **MDI TECHNOLOGIES, INC.**, a Delaware corporation ("MDI"), and **MONETTE INFORMATION SYSTEMS CORPORATION**, a Virginia corporation ("Monette;" and together with MDI, the "Grantor"), in favor of U.S. BANK NATIONAL ASSOCIATION (including any successor, participant, assignee or transferee thereof, "Lender"). Capitalized terms used herein without definition have the respective meanings assigned in that certain Loan Agreement of even date herewith by and among MDI and the Lender (the "Loan Agreement").

RECITALS

WHEREAS, as a condition to the Lender entering into the Loan Agreement and providing the financial accommodations thereunder, the Lender has required that Grantor grant to the Lender a security interest in the Collateral (as defined herein) including a security interest in Collateral identified herein including, but not limited to, the collateral and listed on Schedules A, B and C attached hereto, to secure the payment of all amounts owing under the Indebtedness, as defined in the Loan Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Grantor and Lender hereby agree as follows:

1. Grant. Grantor hereby grants to Lender an absolute, present, unconditional, continuing first priority security interest in and to Grantor's entire right, title and interest in, to and under the following property and rights (collectively, the "Collateral"):

(a) Any and all tangible and/or copyrightable works of authorship and copyrights therein, whether statutory or common law, registered or unregistered, now or hereafter existing or in force throughout the world including, without limitation, all of Grantor's right, title and interest in, to and under all works of authorship, unregistered copyrights and all registered copyrights in the United States and throughout the world including, but not limited to, all treaty and convention rights, all applications, registrations, supplementary registrations, extensions and renewals of any thereof, licenses, together with the right to sue for past, present and future infringements of any thereof, and all past, present and future proceeds of the foregoing, including, without limitation, licenses, royalties, income, payment, claims, damages and proceeds of suit, including, but not limited to, those set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

(b) Any and all types of exclusionary or protective rights granted (or applications therefor) for designs and inventions in any country of the world including, but not limited to, all treaty and convention rights (including, without limitation, all utility patents, design patents, utility models, inventor's certificates, and the like), and any and all patents, reissues, reexaminations, extensions, and supplementary protections certificates thereof, and all patent applications (including, without limitation, all provisional, divisional, continuation, continuing, reissue, continuation-in-part, patent cooperation treaty, and foreign counterpart applications), licenses, together with the right to sue for past, present and future infringements of any thereof, and all past, present and future proceeds of the foregoing, including, without limitation, licenses, royalties, income, payment, claims, damages and proceeds of suit, including, without limitation, any thereof referred to on Schedule B hereto (collectively, the "Patents"); and

(c) Any and all: (i) trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, logos, designs, symbols, marks, and/or other sources of business identifiers used in any country in the world including, but not limited to, all treaty, convention, and common law rights, whether registered or unregistered, and any and all goodwill associated therewith, now existing or hereafter acquired; (ii) all applications, registrations, recordings and renewals thereof or therefor, in or with any national, state or local governmental authority of any country, or community or collective authority or agency (except for "intent to use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of use under Section 1(c) and 1(d) of said Act has been filed); and (iii) all licenses therefor; together with the right to sue for past, present and future infringements of any thereof, and all past, present and future proceeds of the foregoing, including, without limitation, licenses, royalties, income, payment, claims, damages and proceeds of suit, including, without limitation, any thereof referred to on **Schedule C** hereto (collectively, the "Trademarks"); and

(d) Any and all claims and causes of action for past, present or future infringement of any of the Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Collateral; and

(e) Any and all licenses or rights granted under any of the Collateral, and all license fees, royalties and other income arising from such licenses or rights, to the extent permitted by such licenses or rights; and

(f) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Collateral; and

(g) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Grantor authorizes and requests that the United States Copyright Office, the United States Patent and Trademark Office, and all analogous foreign government offices and agencies (and any other any state, governmental, foreign or other authorities to which this IP Security Agreement is submitted) to file and record this IP Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect Lender's interests in, to and under the Collateral.

3. Assignment. Upon the occurrence of an Event of Default (as defined in the Loan Agreement) and subject to foreclosure provisions of applicable law, Grantor shall immediately execute and deliver to Lender an absolute assignment transferring its entire right, title, and interest in and to the Collateral, and any and all goodwill associated therewith, to Lender.

4. Power of Attorney. Grantor hereby irrevocably grants Lender a power of attorney, to act as Grantor's attorney-in-fact, with full authority in the name, place and stead of Grantor, from time to time in Lender's discretion, to take any action and to execute any instrument which Lender may deem reasonably necessary or advisable to accomplish the purposes of the Security Agreement or this IP Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend (in Lender's sole discretion and without first obtaining Grantor's approval of or signature thereto) Schedule A, Schedule B, and/or Schedule C hereof, as appropriate, to include references to or the identification of any intellectual property (or applications, registrations, patents, or licenses therefor) acquired by Grantor after the execution hereof or to delete any reference to any Collateral in which Grantor no longer has or claims any right, title or interest; and

(b) To execute, file and pursue (in Lender's sole discretion and without first obtaining Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect Lender's interest or Grantor's rights in the Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) To execute any assignment or other document required to acknowledge, register or perfect Lender's interest in any part of the Collateral without the signature of Grantor unless prohibited by applicable law.

The foregoing power of attorney is coupled with an interest and is irrevocable until all obligations under the Loan Agreement have been fully and finally satisfied.

5. Covenants.

(a) Grantor (either itself or through licensees) will (A) continue to use each Trademark on or in connection with Grantor's applicable goods and/or services in order to maintain such Trademark in full force and effect, free from any claim of abandonment for non-use, (B) maintain as in the past at least the same quality of products and services offered under each such Trademark, (C) employ each such Trademark with the appropriate notice of registration and ownership, (D) not adopt or use any mark which is confusingly similar to or a colorable imitation of any Trademark unless within 30 days after such use or adoption, Lender, for its benefit, shall obtain a perfected security interest in such mark pursuant to this IP Security Agreement, and (E) not (and not permit any licensee or sublicensee thereof to) do any act or omit to do any act whereby any Trademark may become invalidated, abandoned, canceled, unenforceable, and/or weakened. Notwithstanding the foregoing, provided that no Event of Default has occurred and is continuing, Grantor may abandon any Trademark provided that thirty (30) days prior written notice of (i) any action to abandon such Trademark; or (ii) failure to preserve such Trademark, is provided to Lender.

(b) Grantor will not do any act, or omit to do any act, whereby any Patent may become abandoned and will timely pay all maintenance and annuity fees due in connection with each Patent and will timely and properly prosecute any and all Patent applications.

(c) Grantor will not do or permit any act or omit to do any act whereby any Copyright or Copyright License may lapse or become invalid, canceled, unenforceable, or placed in the public domain except upon expiration at the end of an unrenovable term of a registration thereof.

(d) Grantor will promptly notify Lender if Grantor knows, or has reason to know, that any application relating to any Patent or any Copyright may become abandoned or dedicated, or of any adverse determination or material development regarding Grantor's Trademarks, Patents and Copyrights (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court, tribunal, agency, office, administrative body, and/or other governing authority in any country, as the case may be) regarding Grantor's ownership of any Patent, Copyright or Trademark or its right to patent or register the same or to keep and maintain the same.

(e) Whenever Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for any Patent, Copyright or for the registration of any Trademark with the United States Patent and Trademark Office or United States Copyright Office, as the case may be, or any similar office or agency in any other country or any political subdivision thereof, Grantor shall: (i) promptly record Lender's security interest with any and all such offices and/or agencies; and (ii) report such filing and recording to Lender within five business days after the last day of the fiscal quarter in which such filing occurs. Upon request of Lender, Grantor shall execute and deliver any and all reasonably necessary agreements, instruments, documents, and papers as Lender may request to evidence Lender's security interest in any newly filed Patent, Copyright or Trademark (or the application related thereto) and the goodwill and general intangibles of Grantor relating thereto or represented thereby, and Grantor hereby constitutes Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(f) Grantor will take all commercially reasonable and necessary steps, including, without limitation, in any proceedings before any tribunal, office or agency in any country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration or issuance) and to maintain each Patent, each Copyright and each registration of Trademarks, including, without limitation, payment of all maintenance and annuity fees, filing of applications for renewal, affidavits of use and affidavits of incontestability when appropriate.


(g) In the event Grantor knows or has reason to know that any Patent, Copyright or Trademark included in the Collateral is being and/or may be infringed, misappropriated, or diluted by a third party, Grantor shall promptly notify Lender after it learns thereof and shall promptly sue for infringement, misappropriation or dilution, or take other actions as Grantor shall deem appropriate under the circumstances to protect such Patent, Copyright or Trademark.

6. Release. The security interest granted herein will terminate (and all rights to the Collateral will revert to Grantor) upon satisfaction of the following conditions: (a) payment and performance in full of all the obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Loan Agreement. Upon any such termination, Lender (at Grantor's request and sole expense) will execute and deliver to Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as Grantor may reasonably request and provide to Lender to evidence such termination.

7. Miscellaneous. This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to Lender under (i) a separate Pledge Agreement, and (ii) a separate Security Agreement. The rights and remedies of Grantor and Lender with respect to the security interest granted herein are in addition and without prejudice to those set forth in the Pledge Agreement, the Security Agreement and the Loan Agreement, all terms and provisions of which are hereby incorporated herein by reference. This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts together will constitute one and the same instrument. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Pledge Agreement, the Security Agreement or the Loan Agreement, the provisions of this Agreement shall govern.

IN WITNESS WHEREOF, the party hereto has executed this IP Security Agreement, as an instrument under seal (whether or not any such seals are physically attached hereto), through its duly authorized officers, as of the date first written above.

MDI TECHNOLOGIES, INC.

By: 
Name: Marc Brunet
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary


Address: 940 Westport Plaza Drive
St. Louis, Missouri 63146
Attention Chief Financial Officer
Telecopy number: (514) 762-4112

with a copy to:

Burns & Levinson
125 Summer Street
Boston, Massachusetts 02110
Attn: Josef B. Volman

Telecopy number (617) 345-3299

MONETTE INFORMATION SYSTEMS CORPORATION

By: 
Name: Marc Brunet
Title: Vice President, Chief Financial Officer,
Treasurer and Secretary

Address: 940 Westport Plaza Drive
St. Louis, Missouri 63146
Attention Chief Financial Officer
Telecopy number: (514) 762-4112

with a copy to:

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125 Summer Street
Boston, Massachusetts 02110
Attn: Josef B. Volman

Telecopy number (617) 345-3299

*Signature Page to
Intellectual Property Security Agreement*

ACKNOWLEDGMENT

STATE OF _____ :
: SS
COUNTY OF _____ :

Before me, the undersigned, a Notary Public, on this ____ day of April, 2007, personally appeared _____ to me known personally, who, being by me duly sworn, did say that he is the _____ of **MDI TECHNOLOGIES, INC.**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said Company by authority of its Board of Directors and the said _____ acknowledged said instrument to be his free act and deed.



Suzanne Gibeau Guay
Notary Public
My Commission Expires: Sept 4, 2009

ACKNOWLEDGMENT

STATE OF _____ :
: SS
COUNTY OF _____ :

Before me, the undersigned, a Notary Public, on this ____ day of April, 2007, personally appeared _____ to me known personally, who, being by me duly sworn, did say that he is the _____ of **MONETTE INFORMATION SYSTEMS CORPORATION**, and that said instrument (i.e., the Intellectual Property Security Agreement) was signed on behalf of said Company by authority of its Board of Directors and the said _____ acknowledged said instrument to be his free act and deed.



Suzanne Gibeau Guay
Notary Public
My Commission Expires: Sept 4, 2009

*Notary Page to
Intellectual Property Security Agreement*

SCHEDULE A

COPYRIGHT COLLATERAL

I. Registered Copyrights

<u>Copyright Title</u>	<u>Registered Owner</u>	<u>Registration Number</u>	<u>Registration Date</u>
On-Line Advantage	MDI Technologies, Inc.	TX-6-29-811	13-Oct-04
On-Line Advantage 2000	MDI Technologies, Inc.	TX-5-704-900	30-May-03

II. Pending Copyright Applications

<u>Copyright Title</u>	<u>Application Number</u>	<u>Filing Date</u>	<u>Date of Creation</u>	<u>Date of Publication</u>
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NONE

III. Unregistered Copyrights

<u>Copyright Title</u>	<u>Date of Creation</u>	<u>Date of Publication</u>	<u>Original Author/Owner</u>	<u>Date and Recordation Number of Assignment to Grantor</u>	<u>Date of Expected Registration (if applicable)</u>
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NONE

IV. Copyright Licenses

<u>Copyright</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Subject Matter</u>
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V. Domain Names

<u>Domain Name</u>	<u>Registrar</u>	<u>Date Created</u>	<u>Expiration Date</u>
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NONE

SCHEDULE B

PATENT COLLATERAL

I. Patents

<u>Patent Number</u>	<u>Country</u>	<u>Issue Date</u>	<u>Title</u>
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NONE

II. Pending Patent Applications

<u>Patent Title</u>	<u>Atty. Docket Number</u>	<u>Country</u>	<u>Number</u>	<u>Serial Filing Date</u>	<u>Status</u>
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NONE

III. Patent Licenses

<u>Patent No.</u>	<u>Country</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
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NONE

SCHEDULE C

TRADEMARK COLLATERAL

I. Registered Trademarks

<u>Trademark Description</u>	<u>Registered Owner</u>	<u>Country</u>	<u>Registration Number/ Serial Number</u>	<u>Issued</u>
MDI Technologies	MDI Technologies, Inc.	US	2,815,300	17-Feb-04
Touch Time	MDI Technologies, Inc.	US	2,433,149	6-Mar-01
Ultracare	Monette Information Systems Corporation	US	1404701	12-Aug-06

II. Pending Trademark Applications

<u>Trademark Description</u>	<u>Atty. Docket Number</u>	<u>Country</u>	<u>Serial Number</u>	<u>Filing Date</u>	<u>Status</u>
RNet		US	2,748,728	5-Aug-03	

III. Trademark Licenses

<u>Registration Number</u>	<u>Mark</u>	<u>Country</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
NONE						