

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Steelpoint Capital Fund, LP		05/15/2007	LIMITED PARTNERSHIP: DELAWARE
Steelpoint Co-Investment Fund, LLC		05/15/2007	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	H2O Audio, Inc.
Also Known As:	AKA Diver Entertainment Systems, Inc. d/b/a H2O Audio
Street Address:	11211 Sorrento Valley Road, Suite F
City:	San Diego
State/Country:	CALIFORNIA
Postal Code:	92121
Entity Type:	CORPORATION: CALIFORNIA

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	3076097	
Registration Number:	2991807	H2O AUDIO

CORRESPONDENCE DATA

Fax Number: (415)693-2222
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 4156932440
 Email: crhem@cooley.com
 Correspondent Name: Cooley Godward Kronish LLP
 Address Line 1: 101 California Street, 5th Floor
 Address Line 2: Attn: Chris Rhem
 Address Line 4: San Francisco, CALIFORNIA 94111

ATTORNEY DOCKET NUMBER:	H2O AUDIO 300399/112
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NAME OF SUBMITTER:	Chris Rhem
Signature:	/CR/
Date:	06/26/2007
Total Attachments: 3 source=TM001#page1.tif source=TM001#page2.tif source=TM001#page3.tif	

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Registrant/Applicant: H2O Audio, Inc., formerly Diver Entertainment Systems, Inc.
Trademarks: See attached Exhibit A

TERMINATION OF TRADEMARK SECURITY INTEREST

WHEREAS, H2O Audio, Inc., formerly Diver Entertainment Systems, Inc. d/b/a H2O Audio, a California corporation, having its principal offices at 11211 Sorrento Valley Road, Suite F, San Diego, California 92121 (“H2O”), has adopted, used or had an intent-to-use the trademarks listed on the attached **Exhibit A**, now registered or in the process of registration in the United States Patent and Trademark Office; and

WHEREAS, H2O entered into that certain Intellectual Property Security Agreement dated December 22, 2006 (the “*Security Agreement*”), by and among H2O and Steelpoint Capital Fund, LP (“*Capital Fund*”) and Steelpoint Co-Investment Fund, LLC (“*Co-Investment Fund*”) and together with Capital Fund, “*Secured Parties*”), a true and correct copy of which was recorded by the United States Patent and Trademark Office on January 19, 2007, at Reel 3464, Frame 0341;

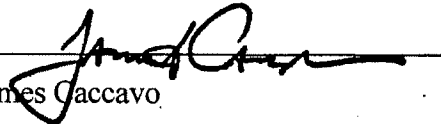
NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Secured Parties hereby:

1. effective as of March 29, 2007, release and reassign to H2O any and all liens, security interests, right, title and interest of Secured Parties pursuant to the Security Agreement in the trademarks more fully described on **Exhibit A**, without recourse or representation or warranty, express or implied; and
2. authorize and request the Commissioner of Patents and Trademarks of the United States of America to note and record the existence of the release hereby given.

[Signature pages follow]

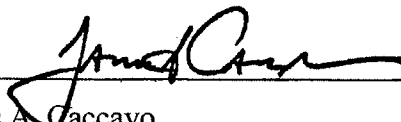
IN WITNESS WHEREOF, Secured Parties have caused this Termination to be signed by their duly authorized representatives as of this 15th day of May 2007.

STEELPOINT CAPITAL FUND, LP

By: 
Name: James Caccavo
Title: Managing Member of Steelpoint Capital
Advisors, LLC

Address: Steelpoint Capital Fund, LP
c/o Steelpoint Capital Partners
420 Stevens Avenue, Suite 370
Solana Beach, CA 92075

STEELPOINT CO-INVESTMENT FUND, LLC

By: 
Name: James A. Caccavo
Title: Managing Member

Address: Steelpoint Co-Investment Fund, LLC
c/o Steelpoint Capital Partners
420 Stevens Avenue, Suite 370
Solana Beach, CA 92075

EXHIBIT A

TRADEMARKS

Description	Registration/ Application Number	Registration/ Application Date
(Design only - the mark consists of the representation of a sound equalizer in the shape of a wave)	3,076,097	April 4, 2006
H2O AUDIO	2,991,807	September 6, 2005