

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	Intellectual Property Security Agreement

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Digital Angel Corporation		08/31/2007	CORPORATION: DELAWARE
Digital Angel Technology Corporation		08/31/2007	CORPORATION: MINNESOTA
Fearing Manufacturing Co., Inc.		08/31/2007	CORPORATION:

**RECEIVING PARTY DATA**

<b>Name:</b>	Kallina Corporation
<b>Street Address:</b>	335 Madison Avenue
<b>City:</b>	New York
<b>State/Country:</b>	NEW YORK
<b>Postal Code:</b>	10017
<b>Entity Type:</b>	CORPORATION: DELAWARE

**PROPERTY NUMBERS Total: 13**

Property Type	Number	Word Mark
Registration Number:	2714022	CONNECTING THE ANIMAL KINGDOM
Registration Number:	1354903	DECKEM
Registration Number:	1476570	DESTRON
Registration Number:	2312960	FEARING
Registration Number:	1931470	HOG MAX
Registration Number:	1828749	INFECTA GUARD
Registration Number:	1735617	INFODEX
Registration Number:	2822415	LITTER MAX
Registration Number:	2691425	PETCONNECT
Registration Number:	2831909	PIGSMART
Registration Number:	1849931	
Serial Number:	77314159	DESTRON FEARING

CH \$340.00 2714022

Serial Number:

77314156

DESTRON FEARING

**CORRESPONDENCE DATA**

Fax Number: (312)896-5678

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

Phone: 312/464-3135

Email: msmolucka@loeb.com

Correspondent Name: Scott J. Giordano/Loeb & Loeb LLP

Address Line 1: 345 Park Avenue

Address Line 4: New York, NEW YORK 10154

ATTORNEY DOCKET NUMBER:

203891-10014

NAME OF SUBMITTER:

Mary Ann Smolucka

Signature:

/s/ Mary Ann Smolucka

Date:

11/14/2007

**Total Attachments: 9**

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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Agreement"), dated as of August 31, 2007, is made by each of DIGITAL ANGEL CORPORATION, a Delaware corporation ("DOC"), DIGITAL ANGEL TECHNOLOGY CORPORATION, a Minnesota corporation ("DATC") and FEARING MANUFACTURING CO., INC. ("FMC" and together with DOC and DATC, the "Grantors" and each, a "Grantor"), in favor of KALLINA CORPORATION ("Lender").

WHEREAS, pursuant to that certain Security Agreement dated as of the date hereof by and between Grantors (collectively, the "Borrowers") and Lender (as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"), Lender has agreed to provide financial accommodations to the Borrowers;

WHEREAS, Lender is willing to enter into the Security Agreement, but only upon the condition, among others, that each Grantor shall have executed and delivered to Lender this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

### Section 1. DEFINED TERMS.

(a) When used herein the following terms shall have the following meanings:

"Copyrights" means all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and the right to obtain all renewals of any of the foregoing.

"Copyright Licenses" means all written agreements naming any Grantor as licensor or licensee, granting any right under any Copyright, including the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

"General Intangibles" shall have the meaning provided thereto in Section 9-102 of the UCC, as amended, restated or otherwise modified from time to time.

"Obligations" Loans, all advances, debts, liabilities, obligations, covenants and duties owing by each Company and each of its Eligible Subsidiaries to Lender (or any corporation that directly or indirectly controls or is controlled by or is under common control with Lender), other than those arising under the Registration Rights Agreement or the Warrant, of every kind and description (whether or not evidenced by any note or other instrument and whether or not for the payment of money or the performance or non-performance of any act), direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated,

whether existing by operation of law or otherwise now existing or hereafter arising including any debt, liability or obligation owing from any Company and/or each of its Eligible Subsidiaries to others which Lender may have obtained by assignment or otherwise and further including all interest (including interest accruing at the then applicable rate provided in the Security Agreement after the maturity of the Loans and interest accruing at the then applicable rate provided in the Security Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding), charges or any other payments each Company and each of its Eligible Subsidiaries is required to make by law or otherwise arising under or as a result of the Security Agreement, the Ancillary Agreements (other than the Registration Rights Agreement or the Warrant) or otherwise, together with all reasonable expenses and reasonable attorneys' fees chargeable to the Companies' or any of their Eligible Subsidiaries' accounts or incurred by Lender in connection therewith.

"Patents" means (a) all letters patent of the United States, any other country or any political subdivision thereof, and all reissues and extensions of such letters patent, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing.

"Patent Licenses" means all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

"Trademarks" means (a) all trademarks, trade names, corporate names, business names, fictitious business names, trade styles, services marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or political subdivision thereof, or otherwise, and all common-law rights thereto, and (b) the right to obtain all renewals thereof.

"Trademark Licenses" means, collectively, each agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark.

"UCC" shall have the meaning provided thereto in the Security Agreement.

(b) All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement.

Section 2. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. To secure the complete and timely payment of all the Obligations of such Grantor now or hereafter existing from time to time, each Grantor hereby grants to Lender a continuing first priority security interest in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Collateral"):

(a) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;

(c) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;

(d) all of the Patents, Trademarks and Copyrights identified in Schedule I, Schedule II and Schedule III, respectively, that are material to its business or operations, as referred to on Schedule IV hereto, said Schedule IV, together with updated Schedules I, II and III, to be provided to Lender within 45 days of the execution of this Agreement;

(e) all reissues, continuations or extensions of the foregoing;

(f) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and

(g) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

Section 3. REPRESENTATIONS AND WARRANTIES. Each Grantor represents and warrants that Grantor does not have any interest in, or title to, any Patent, Trademark or Copyright except as set forth in Schedule I, Schedule II and Schedule III, respectively, hereto. Grantor's Patents, Trademarks and Copyrights are valid and enforceable, are solely owned by Grantor and there is no claim that the use of any of them violates the rights of any third person. This Agreement is effective to create a valid and continuing lien on and perfected security interests in favor of Lender in all of Grantor's Patents, Trademarks and Copyrights and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantor. Upon filing of this Intellectual Property Security Agreement with the United States Patent and Trademark Office and the United States Copyright Office and the filing of appropriate financing statements, all action necessary or desirable to protect and perfect Lender's Lien on each Grantor's Patents, Trademarks and Copyrights shall have been duly taken, including clearing up any gaps or inaccuracies in the chain of title in the Patents, Trademarks and Copyrights identified in Schedules I, II and III, respectively, at the sole cost of Grantor, which action shall take place within 45 days of the execution of this Agreement.

Section 4. COVENANTS. Each Grantor covenants and agrees with Lender that from and after the date of this Agreement:

(a) Grantor shall notify Lender immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) that is material to the conduct of its business or operations may become abandoned or dedicated, or of any adverse determination or development (including 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 similar foreign office or agency or any court) regarding Grantor's ownership of any Patent, Trademark or Copyright that is material to the conduct of its business or operations, its right to register the same, or to keep and maintain the same.

(b) In the event Grantor, either directly or through any agent, employee, licensee or designee, files an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office or the United States Copyright Office or any similar office or agency after the effective date of this Agreement, Grantor shall provide Lender written notice thereof, and, upon request of Lender, Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Lender) to evidence Lender's lien on such Patent, Trademark or Copyright, and the General Intangibles of Grantor relating thereto or represented thereby.

(c) Grantor shall take all commercially reasonable actions necessary or requested by Lender to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents or Trademarks (now or hereafter existing) which applications and registrations are material to the conduct of its business or operations, including, but not limited to, the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings. Grantor shall also, upon Lender's request, execute any necessary documents to evidence Lender's lien on Grantor's Patents, Trademarks and Copyrights.

(d) In the event that any of the Intellectual Property that is material to the conduct of its business or operations is infringed upon, or misappropriated or diluted by a third party, Grantor shall notify Lender promptly after Grantor learns thereof. Grantor shall take all commercially reasonable actions to protect such Intellectual Property and to seek any and all damages for such infringement, misappropriation or dilution..

Section 5. SECURITY AGREEMENT. The security interests granted pursuant to this Agreement are granted in conjunction with the security interests granted to Lender by each Grantor pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Section 6. REINSTATEMENT. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of such Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

Section 7. INDEMNIFICATION. (A) Each Grantor assumes all responsibility and liability arising from the use of the Patents, Trademarks and/or Copyrights and each Grantor hereby indemnifies and holds Lender harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of such Grantor's operations of its business from the use of the Patents, Trademarks and/or Copyrights. (B) In any suit, proceeding or action brought by Lender under any Patent License, Trademark License or Copyright License for any sum owing thereunder, or to enforce any provisions of such license, such Grantor will indemnify and keep Lender harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach of any Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from such Grantor, and all such obligations of any Grantor shall be and remain enforceable against and only against such Grantor and shall not be enforceable against Lender.

Section 8. NOTICES. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Security Agreement.

Section 9. TERMINATION OF THIS AGREEMENT. Subject to Section 6 hereof, this Agreement shall terminate upon payment in full in cash of all Obligations and irrevocable termination of the Security Agreement.

Section 10. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. It is understood and agreed that if facsimile copies of this Agreement bearing facsimile signatures are exchanged between the parties hereto, such copies shall in all respects have the same weight, force and legal effect and shall be fully as valid, binding, and enforceable as if such signed facsimile copies were original documents bearing original signature.

[Signature Page to Follow]



IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

DIGITAL ANGEL CORPORATION

By: [Signature]  
Name: William M. Breece  
Title: VP, AFO

DIGITAL ANGEL TECHNOLOGY CORPORATION

By: [Signature]  
Name: William M. Breece  
Title: VP, AFO

FEARING MANUFACTURING CO., INC.

By: [Signature]  
Name: William M. Breece  
Title: VP, AFO

ACCEPTED and ACKNOWLEDGED by:

[Signature]  
KALLINA CORPORATION

By: [Signature]  
Name: David Grin  
Title: Principal

By: Laurus Capital Management, LLC,  
as investment manager

SCHEDULE II  
TO  
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Mark	Country	Owner	Our Ref.	Filing Date	App. No.	Reg. Date	Reg. No.	Status
<b>BACON BUTTON</b>	CANADA	Fearing Manufacturing Co., Inc.	6382-196	07/10/92	708778	08/27/93	TMA416125	REGISTERED
<b>CONNECTING THE ANIMAL KINGDOM</b>	UNITED STATES	Digital Angel Corporation	6382-143	06/20/00	76/074,819	05/06/03	2714022	REGISTERED
<b>DECKEM</b>	UNITED STATES	Fearing Manufacturing Co., Inc.	6382-180	02/06/84	73/464,137	08/20/85	1354903	REGISTERED
<b>DESTRON</b>	AUSTRALIA	Destron Fearing Corporation	6382-84	09/03/92	585863	09/03/92	585863	REGISTERED
<b>DESTRON</b>	BRAZIL	Digital Angel Corporation	6382-85	06/02/93	817304479	11/29/94	817304479	REGISTERED
<b>DESTRON</b>	JAPAN	Destron Fearing Corporation	6382-183	03/31/93	330201993	10/31/96	3211111	REGISTERED
<b>DESTRON</b>	MEXICO	Digital Angel Technology Corporation	6382-90	11/18/94	218038	11/18/94	490536	REGISTERED
<b>DESTRON</b>	NEW ZEALAND	Destron Fearing Corporation	6382-91	04/03/92	217405	04/03/92	217405	REGISTERED
<b>DESTRON</b>	THAILAND	Digital Angel Corporation	6382-93	11/16/92	236996	11/16/92	7167	REGISTERED
<b>DESTRON</b>	UNITED KINGDOM	Destron Fearing Corporation	6382-87	03/26/92	1495472	10/01/93	1495472	REGISTERED
<b>DESTRON</b>	UNITED STATES	Digital Angel Corporation	6382-94	11/12/85	73/567,794	02/16/88	1476570	REGISTERED
<b>DIGITAL ANGEL</b>	MEXICO	Digital Angel Corporation	6382-52	10/25/01	513817	10/25/01	729647	REGISTERED
<b>DIGITAL ANGEL</b>	MEXICO	Digital Angel Corporation	6382-51	10/25/01	513818	10/25/01	763644	REGISTERED
<b>DIGITAL ANGEL</b>	SINGAPORE	Digital Angel Corporation	6382-50	11/30/00	20701	11/30/00	20701	REGISTERED
<b>DIGITAL ANGEL</b>	SINGAPORE	Digital Angel Corporation	6382-49	11/30/00	20702	11/30/00	20702	REGISTERED
<b>DIGITAL ANGEL</b>	TAIWAN	Digital Angel Corporation	6382-47	11/15/00	89066162	03/31/02	992319	REGISTERED
<b>DIGITAL ANGEL</b>	TAIWAN	Digital Angel Corporation	6382-46	01/18/01	90001542	10/31/02	172038	REGISTERED
<b>DIGITAL ANGEL</b>	TURKEY	Digital Angel Corporation	6382-45	11/30/00	10775	11/30/00	200025922	REGISTERED
<b>DIGITAL ANGEL</b>	VENEZUELA	Digital Angel Corporation	6382-44	11/20/00	214312000			PENDING
<b>DUFLEX</b>	AUSTRALIA	Destron/IDI, Inc.	6382-187	02/01/94	621565	09/12/96	621565	REGISTERED
<b>FEARING</b>	CANADA	Digital Angel Corporation	6382-192	03/06/02	1132706	08/22/03	587926	REGISTERED
<b>FEARING</b>	NEW ZEALAND	Digital Angel Corporation	6382-191	03/06/02	653406	03/31/03	653406	REGISTERED
<b>FEARING</b>	UNITED STATES	Digital Angel Technology Corporation	6382-178	12/12/97	75/404,241	02/01/00	2312960	REGISTERED

Mark	Country	Owner	Our Ref.	Filing Date	App. No.	Reg. Date	Reg. No.	Status
<b>GEOFENCE</b>	MEXICO	Digital Angel Corporation	6382-130	04/28/03	598649	07/08/03	799042	REGISTERED
<b>HOG MAX</b>	UNITED STATES	Destron Fearing Corporation	6382-176	11/07/94	74/596,064	10/31/95	1931470	REGISTERED
<b>INFECTA GUARD</b>	UNITED STATES	Digital Angel Technology Corporation	6382-177	05/18/92	74/276,675	03/29/94	1828749	REGISTERED
<b>INFODEX</b>	AUSTRALIA	Destron Fearing Corporation	6382-72	09/03/92	585864	09/03/92	585864	REGISTERED
<b>INFODEX</b>	BRAZIL	Digital Angel Corporation	6382-73	11/29/94	817304487	11/29/94	817304487	REGISTERED
<b>INFODEX</b>	CANADA	Digital Angel Corporation	6382-74	02/18/92	699136	01/21/94	422229	REGISTERED
<b>INFODEX</b>	MEXICO		6382-78	09/15/95	243308	11/18/96	536064	REGISTERED
<b>INFODEX</b>	NEW ZEALAND	Destron Fearing Corporation	6382-80	04/03/92	217404	04/03/92	217404	REGISTERED
<b>INFODEX</b>	SOUTH AFRICA	Digital Angel Technology Corporation	6382-83	09/16/1994	9410059	09/16/1994	9410059	REGISTERED
<b>INFODEX</b>	UNITED KINGDOM	Destron Fearing Corporation	6382-75	03/26/92	1495445	09/17/93	1495445	REGISTERED
<b>INFODEX</b>	UNITED STATES	Digital Angel Corporation	6382-82	11/13/90	74/114,896	11/24/92	1735617	REGISTERED
<b>LIFECHIP (in Katakana)</b>	JAPAN	Destron Fearing Corporation	6382-68	07/04/95	673551995	09/12/97	4056153	REGISTERED
<b>LITTER MAX</b>	UNITED STATES	Digital Angel Corporation	6382-174	10/02/02	76/456,622	03/16/04	2822415	REGISTERED
<b>PET CONNECT</b>	EUROPEAN UNION	Destron/Fearing Corporation	6382-114	02/05/04	2070167	05/04/02	2070167	REGISTERED
<b>PETCONNECT</b>	CANADA	Digital Angel Corporation	6382-127	05/02/01	1091273	10/20/2005	650881	REGISTERED
<b>PETCONNECT</b>	UNITED STATES	Digital Angel Corporation	6382-115	08/01/00	76/101,744	02/25/03	2691425	REGISTERED
<b>PIGSMART</b>	AUSTRALIA	Digital Angel Corporation	6382-157	03/28/03	948721	09/04/03	948721	REGISTERED
<b>PIGSMART</b>	CANADA	Digital Angel Corporation	6382-123	03/31/03	1173007	4/11/2007	685727	REGISTERED
<b>PIGSMART</b>	EUROPEAN UNION	Digital Angel Corporation	6382-124	04/04/03	3120681	1/27/2005	3120681	REGISTERED
<b>PIGSMART</b>	JAPAN	Digital Angel Corporation	6382-125	04/15/03	200330580	08/01/03	4696267	REGISTERED
<b>PIGSMART</b>	UNITED STATES	Digital Angel Corporation	6382-122	10/29/02	78/179,700	04/13/04	2831909	REGISTERED
<b>POCKET READER</b>	ISRAEL	Digital Angel Technology Corporation	6382-109	03/09/98	118390	09/07/99	118390	REGISTERED
<b>Tab Design</b>	UNITED STATES	Digital Angel Technology Corporation	6382-172	06/08/92	74/284,746	08/16/94	1849931	REGISTERED
<b>TAB F and Design</b>	AUSTRALIA	Destron/Idt, Inc.	6382-188	02/11/94	622445	10/08/96	622445	REGISTERED
<b>Destron Fearing</b>	United States	Digital Angel Corporation		10/26/07	77/314,159			Pending
<b>Destron Fearing</b>	United States	Digital Angel Corporation		10/26/07	77/314,156			Pending