TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	GRANT FOR SECURITY

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Nestor, Inc.		10/08/2008	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	U.S. Bank National Association, as collateral agent
Street Address:	US Bank Corporate Trust Services, 225 Asylum Street
Internal Address:	23rd Floor
City:	Hartford
State/Country:	CONNECTICUT
Postal Code:	06103
Entity Type:	CORPORATION:

PROPERTY NUMBERS Total: 14

Property Type	Number	Word Mark
Registration Number:	2655921	CITATION COMPOSER
Registration Number:	2138538	CROSSINGGUARD
Registration Number:	2679829	NESTOR TRAFFIC SYSTEMS
Registration Number:	2290068	NESTOR
Registration Number:	2568931	
Registration Number:	2118342	TRAFFICVISION
Registration Number:	2324092	PRISM MERCHANT
Registration Number:	2324091	PRISM DEBIT
Registration Number:	2324090	PRISM CREDIT
Registration Number:	2160597	MERCHANTALERT
Registration Number:	2050701	PRISM
Registration Number:	3438291	VIDAR
Registration Number:	3438292	VIDAR

CH $365.00 2655921

Serial Number:	78925054	VIDAR

CORRESPONDENCE DATA

Fax Number: (212)593-5955

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

Phone: 212-756-2215

Email: john.garces@srz.com

Correspondent Name: John Garces, Esq.

Address Line 1: 919 Third Avenue

Address Line 2: 22nd Floor

Address Line 4: New York, NEW YORK 10022

ATTORNEY DOCKET NUMBER:	067665/0100
NAME OF SUBMITTER:	John Garces, Esq. (067665/0100)
Signature:	/kc for jg/
Date:	10/10/2008

Total Attachments: 6

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GRANT FOR SECURITY

WHEREAS, NESTOR, INC., a Delaware corporation (the "Grantor"), (i) owns the patents and patent applications, and the inventions disclosed or claimed therein and all continuations, extensions, divisions, renewals, substitutes or reissues thereof, listed on the annexed Schedule A (the "Patents"), which Patents are in full force and effect; (ii) has adopted, used and is using the trademarks listed on the annexed Schedule A, which trademarks are registered in the United States Patent and Trademark Office to the extent indicated (the "Trademarks"); and (iii) owns the copyright registrations and copyright applications listed on Schedule A annexed hereto, together with any reissues, extensions or renewals thereof (the "Copyrights"); and

WHEREAS, Grantor is obligated to the "Purchasers" (the "Existing Purchasers") identified in that certain Securities Purchase Agreement, dated as of May 24, 2006 (the "Existing Securities Purchase Agreement") and under the Senior Secured Convertible Notes purchased thereunder, and has entered into a Security Agreement –Trademarks, Patents and Copyrights, dated as of May 25, 2006 (the "IP Security Agreement"), in favor of U.S. Bank National Association (the "Grantee") as Collateral Agent on behalf of the Existing Purchasers; and

WHEREAS, Grantor is obligated to the "Purchasers" (the "Additional Purchasers"), identified in that certain Securities Purchase Agreement, dated as of October ___, 2008 (the "Additional Securities Purchase Agreement", and under the senior secured promissory note purchased thereunder, and has entered into an Amended and Restated Security Agreement –Trademarks, Patents and Copyrights, dated as of October ___, 2008 (the "Amended and Restated IP Security Agreement" and, together with the IP Security Agreement, the "IP Security Agreements") in favor of U.S. Bank National Association (in such capacity, the "Grantee") as Collateral Agent on behalf of the Additional Purchasers and the Existing Purchasers; and

WHEREAS, pursuant to the IP Security Agreements, Grantor has assigned to Grantee and granted to Grantee a mortgage on, pledge of and security interest in, all right, title and interest of Grantor in and to (i) the Patents and similar legal protection, both domestic and foreign, including all continuations, extensions, divisions, renewals, substitutes or reissues thereof, and all proceeds thereof, including, without limitation, any royalties, fees, claims for past, present and future infringement and proceeds of sale or other disposition thereof (the "Patents Collateral"); (ii) the Trademarks, together with the good will of the business symbolized by the Trademarks, and the registrations or applications for registration thereof, and all proceeds thereof, including, without limitation, any royalties, claims for infringement and proceeds of sale or other disposition thereof (the "Trademarks Collateral"); and (iii) the Copyrights (the "Copyrights Collateral") (collectively, the Patents Collateral, the Trademarks Collateral and the Copyrights Collateral shall be referred to herein as the "Intellectual Property Collateral"), to secure the payment of the Obligations (as defined in the IP Security Agreements);

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor does hereby further assign unto Grantee and grant to Grantee (for the benefit of the Grantee) a mortgage on, pledge of and security interest in the Intellectual Property Collateral to secure prompt payment of the Obligations.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the assignment of, mortgage on, pledge of and security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the IP Security Agreements, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth in this Grant.

IN WITNESS WHEREOF, Grantor has caused this Grant to be duly executed by its officers thereunto duly authorized as of the ___ day of _____ 2008.

GRANTOR:

[Corporate Seal]

NESTOR, INC.

By: _____
Name: Clarence A. Davis
Title: Chief Executive Officer

[Signature Page to Grant for Security]

ACKNOWLEDGMENT

STATE OF RHODE ISLAND)
) SS:
COUNTY OF PROVIDENCE)

On this, the ___ day of _____ 2008, before me, Clarence A. Davis, the Chief Executive Officer of Nestor, Inc., personally appeared, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Linda Sanfilippo
Notary Public

My commission expires: 9/23/09

Schedule A to Grant for IP Security Agreements

Patents

US

A.	6,970,102	Traffic violation detection, recording and evidence processing system
B.	6,950,789	Traffic violation detection at an intersection employing a virtual violation line
C.	6,760,061	Traffic sensor
D.	6,754,663	Video-file based citation generation system for traffic light violations
E.	6,647,361	Non-violation event filtering for a traffic light violation detection system
F.	6,573,929	Traffic light violation prediction and recording system
G.	6,560,360	Feed forward feed back multiple neural network with context driven recognition
H.	6,281,808	Traffic light collision avoidance system
I.	6,188,329	Integrated traffic light violation citation generation and court date scheduling system
J.	5,701,398	Adaptive classifier having multiple subnetworks
K.	5,479,574	Method and apparatus for adaptive classification
L.	5,054,093	Parallel, multi-unit, adaptive, nonlinear pattern class separator and identifier
M.	10/555,634 (Utility)	Traffic violation detection, recording and evidence processing system
N.	60/883,641 (Provisional)	NTS ViDar speed system
O.	11/970,371 (Utility)	Video speed detection system

Australian

A.	761,072	Traffic light violation prediction and recording system
B.	775,840	Traffic light collision avoidance system
C.	785,266	Traffic violation detection system

Japanese

A.	2,976,053	Parallel, multi-unit, adaptive, nonlinear pattern class separator and identifier (this foreign patent has lapsed)

TRADEMARK
REEL: 003868 FRAME: 0486

Patent Applications

EPO

A. 99 962 818.3 Traffic light violation prediction and recording system
B. 99 959 067.2 Traffic light collision avoidance system

Trademarks

US

A. 2655921 Citation Composer
B. 2138538 CrossingGuard
C. 2679829 Nestor Traffic Systems
D. 2290068 Nestor
E. 2568931 Nestor logo (human head design)
F. 2118342 Traffic Vision
G. 2324092 Prism Merchant
H. 2324091 Prism Debit
I. 2324090 Prism Credit
J. 2160597 Merchant Alert
K. 2050701 Prism
L. 3438291 ViDAR
M. 3438292 ViDAR

"NESTOR SYSTEM" is also a registered trademark in Canada (327,283), France (1,317,788), Germany (1,091,726) and Japan (2,054,809)

Trademark Applications

US

A. 78/925054 ViDAR

Copyrights Collateral

None.

SRZ-10738100.5