

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
Insound Medical, Inc.		09/15/2009	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	LIGHTHOUSE CAPITAL PARTNERS VI, L.P.
Street Address:	3555 Alameda de las Pulgas, Ste 200
Internal Address:	Attn: Grace Gillen
City:	Menlo Park
State/Country:	CALIFORNIA
Postal Code:	94025
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Registration Number:	3427693	HANDFIT
Registration Number:	3653495	INSOUND
Registration Number:	3423547	LYRIC
Registration Number:	3427683	LYRIC
Registration Number:	3541376	SOUNDLYNC
Serial Number:	77140706	INVISIBLY BETTER
Serial Number:	77296758	OTOSIZER

CORRESPONDENCE DATA

Fax Number: (650)233-0114
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 650-233-1013
 Email: graceg@lcpartners.com
 Correspondent Name: Lighthouse Capital Partner VI, L.P.
 Address Line 1: 3555 Alameda de las Pulgas, Ste 200

OP \$190.00 3427693

Address Line 2: Attn: Grace Gillen
Address Line 4: Menlo Park, CALIFORNIA 94025

ATTORNEY DOCKET NUMBER:	INSOUND MEDICAL, INC. TM
NAME OF SUBMITTER:	Grace Gillen
Signature:	/Grace Gillen/
Date:	09/16/2009

Total Attachments: 12

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COLLATERAL ASSIGNMENT, PATENT MORTGAGE AND SECURITY AGREEMENT

This Collateral Assignment, Patent Mortgage and Security Agreement is made as of September 15, 2009 ("*Security Agreement*"), by and between InSound Medical, Inc., a Delaware corporation ("*Debtor*"), and Lighthouse Capital Partners VI, L.P. ("*Lender*").

RECITALS

A. Lender has agreed to restructure Debtor's Obligations (collectively, the "*Loan*"), pursuant to the terms of a Amendment No. 01 to Loan and Security Agreement No. 1371 dated of even date herewith (as the same may be modified, amended, supplemented, restated or superseded from time to time, the "*Loan Agreement*"). Terms not defined herein shall the meanings ascribed to them in the Loan Agreement.

B. In order to induce Lender to restructure the Loan, Debtor has agreed to grant a security interest in certain intangible property to Lender for purposes of securing the Obligations of Debtor to Lender.

NOW, THEREFORE, the parties hereto agree as follows:

1. **ASSIGNMENT, PATENT MORTGAGE AND GRANT OF SECURITY INTEREST.** As collateral security for the prompt and complete payment and performance of all of Debtor's present or future indebtedness, obligations and liabilities to Lender, including, without limitation, such indebtedness, obligations and liabilities under the Loan Agreement and the other documents executed in connection therewith (as the same may be modified, amended, supplemented, restated or superseded from time to time, collectively, the "*Loan Documents*"), Debtor hereby grants a security interest to Lender, as security, in and to Debtor's entire right, title and interest in, to and under the following, now or hereafter existing, created, acquired or held by Debtor (all of which shall collectively be called the "*Collateral*"):

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, including, without limitation, those set forth on *Exhibit A* attached hereto and incorporated herein by this reference (collectively, the "*Copyrights*").

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products;

(c) Any and all design rights which may be available to Debtor;

(d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including, without limitation, those set forth on *Exhibit B* attached hereto and incorporated herein by this reference (collectively, the "*Patents*");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Debtor connected with and symbolized by such trademarks, including, without limitation, those set forth on *Exhibit C* attached hereto and incorporated herein by this reference (collectively, the "*Trademarks*");

(f) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(g) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(h) All amendments, renewals and extensions of any of the Copyrights, Patents or Trademarks; and

(i) All proceeds and products of the foregoing, including, without limitation, all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

THE INTEREST IN THE COLLATERAL BEING ASSIGNED HEREUNDER SHALL NOT BE CONSTRUED AS A CURRENT ASSIGNMENT, BUT AS A CONTINGENT ASSIGNMENT TO SECURE ALL OF DEBTOR'S PRESENT OR FUTURE INDEBTEDNESS, OBLIGATIONS AND LIABILITIES TO LENDER, INCLUDING, WITHOUT LIMITATION, SUCH INDEBTEDNESS, OBLIGATIONS AND LIABILITIES UNDER THE LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS.

2. AUTHORIZATION AND REQUEST. Debtor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this security interest.

3. COVENANTS AND WARRANTIES. Debtor represents, warrants, covenants and agrees as follows:

(a) Debtor is now the sole owner of the Collateral, except for non-exclusive licenses granted by Debtor to its customers in the ordinary and normal course of business as now conducted;

(b) Performance of this Security Agreement does not conflict with or result in a breach of any agreement to which Debtor is a party or by which Debtor is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this Security Agreement constitutes an assignment;

(c) During the term of this Security Agreement, Debtor will not sell, transfer, assign or otherwise encumber any interest in the Collateral, except for (i) non-exclusive licenses granted by Debtor in the ordinary and normal course of its business as now conducted or as set forth in this Security Agreement and (ii) as permitted under the Loan Agreement;

(d) To its knowledge, (i) each of the Patents is valid and enforceable, (ii) no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and (iii) no claim has been made that any part of the Collateral violates the rights of any third party;

(e) Debtor shall promptly advise Lender of any material changes in the composition of the Collateral, including but not limited to any subsequent ownership right of Debtor in or to any Copyright, Patent or Trademark not specified in this Security Agreement;

(f) Debtor shall use commercial reasonable efforts to (i) protect, defend and maintain the validity and enforceability of any material Copyrights, Patents and Trademarks, (ii) material detect infringements of any material Copyrights, Patents and Trademarks and promptly advise Lender in writing of material infringements detected and (iii) not allow any Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public unless Debtor determines that reasonable business practices suggest that abandonment, forfeiture or dedication is appropriate without the written consent of Lender, which shall not be unreasonably withheld;

(g) Debtor shall promptly register the most recent version of Debtor's material Copyrights, Patents and Trademarks if not so already registered, as Lender may reasonably request from time to time based on its review of the Quarterly Report (as hereinafter defined) in conjunction with Debtor's Board of Directors (the "Board") if the Board determines such Copyrights, Patents and/ or Trademarks are material and shall, from time to time, execute and file such other instruments, and take such further actions as Lender may reasonably request from time to time to perfect or continue the perfection of Lender's interest in the Collateral;

(h) This Security Agreement creates, and in the case of after acquired Collateral, this Security Agreement will create at the time Debtor first has rights in such after acquired Collateral, in favor of Lender a valid and perfected first priority security interest in the Collateral in the United States securing the payment and performance of all present or future indebtedness, obligations and liabilities of Debtor to Lender, including, without limitation, such indebtedness, obligations and liabilities under the Loan Agreement and the other Loan Documents, upon making the filings referred to in Section 3(i) below, subject only to Permitted Liens;

(i) To its knowledge, except for, and upon, the filings with, as applicable, (1) the United States Patent and Trademark office with respect to the Patents and Trademarks, (2) the Register of Copyrights with respect to the Copyrights and (3) the UCC Division of the Delaware Secretary of State, necessary to perfect the security interests and collateral assignment created hereunder, and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any United States governmental authority or United States regulatory body is required either (a) for the grant by Debtor of the security interest granted hereby or for the execution, delivery or performance of this Security Agreement by Debtor in the United States or (b) for the perfection in the United States or the exercise by Lender of its rights and remedies hereunder;

(j) All information heretofore, herein or hereafter supplied to Lender by or on behalf of Debtor with respect to the Collateral is accurate and complete in all material respects;

(k) Debtor shall not enter into any agreement that would materially impair or conflict with Debtor's obligations hereunder without Lender's prior written consent, which consent shall not be unreasonably withheld. Debtor shall not permit the inclusion in any material contract to which it becomes a party of any

provisions that are enforceable under applicable law that could or might in any way prevent the creation of a security interest in Debtor's rights and interests in any property included within the definition of the Collateral acquired under such contracts; and

(l) Upon any executive officer of Debtor obtaining actual knowledge thereof, Debtor will promptly notify Lender in writing of any event that materially adversely affects the value of any Collateral, the ability of Debtor to dispose of any Collateral or the rights and remedies of Lender in relation thereto, including the levy of any legal process against any of the Collateral.

4. LENDER'S RIGHTS. Lender shall have the right, but not the obligation, to take, at Debtor's sole expense, any actions that Debtor is required under this Security Agreement to take but which Debtor fails to take, after fifteen (15) days' notice to Debtor. Debtor shall reimburse and indemnify Lender for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this **Section 4**.

5. [INTENTIONALLY OMITTED]

6. FURTHER ASSURANCES; ATTORNEY IN FACT.

(a) On a quarterly basis, Debtor agrees to deliver to Lender a report, in form acceptable to Lender and certified by an officer of Debtor, which lists all Copyrights, Patents and Trademarks that are material to the operation of Debtor's business on an on-going basis, and in which Lender does not already have a perfected security interest (the "*Quarterly Report*"); *provided, however*, Debtor may provide a general description of the Copyrights by type. Based upon review of the Quarterly Report, Lender shall, in its reasonable discretion, identify which Copyrights, Patents and Trademarks it deems material to the operation of Debtor's business on an on-going basis or the value of the Collateral.

(b) On a continuing basis, Debtor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be necessary or advisable, or as reasonably requested by Lender, to perfect Lender's security interest in all Copyrights, Patents and Trademarks, which Lender reasonably identifies pursuant to **Section 6(a)** above as material to the operation of Debtor's business on an on-going basis or the value of the Collateral, and otherwise to carry out the intent and purposes of this Security Agreement, or for assuring and confirming to Lender the grant or perfection of a security interest in all Collateral.

(c) Debtor hereby irrevocably appoints Lender as Debtor's attorney-in-fact, with full authority in the place and stead of Debtor and in the name of Debtor, from time to time in Lender's discretion, (i) to modify, in its reasonable discretion, this Exhibit A, Exhibit B or Exhibit C of this Security Agreement without first obtaining Debtor's approval of or signature to such modification by amending, as appropriate, solely to include reference to any material right, title or interest in any Copyrights, Patents or Trademarks acquired by Debtor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Debtor no longer has or claims any right, title or interest, (ii) to file, in its reasonable discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the

signature of Debtor where permitted by law and (iii) after the occurrence and during the continuance of an Event of Default, to transfer the Collateral into the name of Lender or a third party to the extent permitted under the California Uniform Commercial Code.

7. EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an "*Event of Default*" under this Security Agreement:

(a) An Event of Default occurs under the Loan Agreement or any of the other Loan Documents; or

(b) Debtor breaches any warranty or agreement in any material respect made by Debtor in this Security Agreement and, as to any breach that is capable of cure, Debtor fails to cure such breach within thirty (30) days of the date that notice thereof has been given to Debtor.

8. REMEDIES. Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including, without limitation, the right to require Debtor to assemble the Collateral and any tangible property in which Lender has a security interest and to make it available to Lender at a place designated by Lender. Lender shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Lender to exercise its rights and remedies upon the occurrence and during the continuance of an Event of Default. Debtor will pay any expenses (including reasonable attorneys' fees) incurred by Lender in connection with the exercise of any of Lender's rights hereunder, including, without limitation, any expense incurred in disposing of the Collateral. All of Lender's rights and remedies with respect to the Collateral shall be cumulative.

9. INDEMNITY. Debtor agrees to defend, indemnify and hold harmless Lender and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Security Agreement and (b) all losses or expenses incurred or paid by any of them as a result of or arising from transactions between Lender and Debtor under this Security Agreement (including, without limitation, reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of the gross negligence or willful misconduct of Lender.

10. REASSIGNMENT. At such time as Debtor shall completely satisfy all of the Obligations under the Loan Agreement, Lender's security interest hereunder shall terminate, and Lender shall execute and deliver to Debtor all deeds, assignments and other instruments as may be necessary or proper to evidence such release and to revert in Debtor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Lender pursuant hereto.

11. NO FAILURE OR DELAY. No failure or delay on the part of Lender, in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof.

12. ATTORNEYS' FEES. If any action relating to this Security Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

13. **AMENDMENTS.** This Security Agreement may be amended only by a written instrument signed by Lender.

14. **COUNTERPARTS.** This Security Agreement may be executed in any number of counterparts, each of which when so delivered shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each such Security Agreement shall become effective upon the execution of a counterpart hereof or thereof by each of the parties hereto and telephonic notification that such executed counterparts has been received by Debtor and Lender.

15. **GOVERNING LAW; JURISDICTION; JURY WAIVER.** This Security Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. Debtor and Lender consent to the exclusive jurisdiction of any state or federal court located in San Francisco County, California. DEBTOR AND LENDER EACH WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SECURITY AGREEMENT AND ANY OTHER LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

16. **CONFLICT.** In the event of a conflict between any term and/or provision contained in this Security Agreement with any term and/or provision contained in any of the Loan Documents, the term and/or provision of this Security Agreement shall govern.

THIS SECTION INTENTIONALLY LEFT BLANK


IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement on the day and year first above written.

DEBTOR:

LENDER:

INSOUND MEDICAL, INC.

LIGHTHOUSE CAPITAL PARTNERS VI, L.P.

By: 
Name: David Turner
Title: CEO

By: Lighthouse Management Partners VI, L.L.C.,
its general partner

By: _____
Name: Ryan Turner
Managing Director
Title: _____

Exhibit A

COPYRIGHTS

- 1. REGISTERED:** List titles below or indicate "None"

None

- 2. UNREGISTERED:** List titles below or indicate "None"

All original works of authorship fixed in a tangible form of expression.

- 3. APPLICATIONS IN PROCESS:** List titles, applicable dates, application numbers, etc. below or indicate "None"

None

Exhibit B

U.S. PATENTS AND PATENT APPLICATIONS

(List titles below or indicate "None")

Patent No.	Pending Application No.	Title	Issue Date	Filing Date
6137889	09/085486	Direct Tympanic Membrane Excitation Via Vibronically Conductive Assembly	10/24/2000	05/27/1998
6724902	09/303086	Canal Hearing Device with Tubular Insert	04/20/2004	04/29/1999
7424123	10/786502	Canal Hearing Device With Tubular Insert	09/09/2008	02/24/2004
7016511	09/181533	Remote Magnetic Activation of Hearing Devices	03/21/2006	10/28/1998
	11/368327	Remote Magnetic Activation of Hearing Devices		03/02/2006
7260232	11/350186	Remote Magnetic Activation of Hearing Devices	08/21/2007	02/07/2006
6940988	09/199669	Semi-Permanent Canal Hearing Device	09/06/2005	11/25/1998
7310426	10/693628	Inconspicuous Semi-Permanent Hearing Device	12/18/2007	10/25/2003
7424124	11/115907	Semi-Permanent Canal Hearing Device	09/09/2008	04/26/2005
	12/032421	Semi-Permanent Canal Hearing Device and Insertion Method		02/15/2008
6473513	09/327717	Extended Wear Canal Hearing Device	10/29/2002	06/08/1999
7215789	10/052199	Disposable Extended Wear Canal Hearing Device	05/08/2007	01/16/2002
7016504	09/400151	Personal Hearing Evaluator	03/21/2006	09/21/1999
6940989	09/475923	Direct Tympanic Drive Via a Floating Filament Assembly	09/06/2005	12/30/1999
6751327	09/613205	Miniature Plastic Battery Assembly for Canal Hearing Device	06/15/2004	07/11/2000
6567527	09/632888	Elongated Oval Battery Assembly for Canal Hearing Device	05/20/2003	08/07/2000
7313245	09/721462	Intracanal Cap for Canal Hearing Devices	12/25/2007	11/22/2000

Patent No.	Pending Application No.	Title	Issue Date	Filing Date
6914994	09/949158	Canal Hearing Device With Transparent Mode	07/05/2005	09/17/2001
	11/173816	Canal Hearing Device With Transparent Mode		07/01/2005
7379555	11/044993	Precision Micro-Hole for Extended Life Batteries	05/27/2008	01/26/2005
	11/945149	Precision Micro-Hole for Extended Life Batteries		11/26/2007
7298857	11/053656	Extended Wear Canal Device With Common Microphone-Battery Air Cavity	11/20/2007	02/07/2005
	11/874011	Extended Wear Canal Device with Common Microphone-Battery Air Cavity		10/17/2007
7388961	11/053174	Removal Tool and Method for Extended Wear Canal Devices	06/17/2008	02/07/2005
D509054	29/199480	Combined Hearing Device Removal Tool, Cap and Holder	09/06/2005	02/14/2004
D534277	29/199934	Extended Wear Hearing Device Main Module	12/26/2006	02/19/2004
6546108	09/386788	Hearing Device With Protruding Battery Assembly	04/08/2003	08/31/1999
	11/426866	Hearing Aid Battery Barrier		06/27/2006
	11/427500	Hearing Aid Microphone Protective Barrier		06/29/2006
7551747	11/058097	Perforated Cap for a Hearing Aid	06/23/2009	02/14/2005
	11/238154	Sealing Retainer for Extended Wear Hearing Devices		09/27/2005
	11/452610	Sealing Retainer for Extended Wear Hearing Devices		06/13/2006
	11/202643	Flexible Joint for Extended Wear Hearing Device		08/12/2005
	11/411445	Systems and Methods for In Situ Cerumen Removal from Hearing Devices		04/25/2006
	12/474652	Systems and Methods for In Situ Cerumen Removal from Hearing Devices		05/29/2009
7477753	11/327283	Hearing Aid Protective Packaging Assembly	01/13/2009	01/05/2006

Patent No.	Pending Application No.	Title	Issue Date	Filing Date
	11/437874	Moisture Resistant Microphone		05/19/2006
7466836	11/411437	Removal Tool for In Situ Cerumen Removal from Hearing Devices	12/16/2008	04/25/2006
	12/191136	Combined Microphone and Receiver Assembly for Extended Wear Canal Hearing Devices		08/13/2008
	12/408439	Tool for Insertion and Removal of In-Canal Hearing Devices		03/20/2009
	PCT/US07/67339	Removal Tool for In Situ Cerumen Removal from Hearing Devices		04/24/2007
	PCT/US2008/073065	Combined Microphone and Receiver Assembly for Extended Wear Canal Hearing Devices		08/13/2008

Exhibit C

U.S. TRADEMARKS AND TRADEMARK APPLICATIONS

(List marks below or indicate "None")

Registration No.	Pending Application No.	Mark	Registration Date	Filing Date
3427693		HANDFIT	5-13-08	1-25-07
3653495		INSOUND	7-14-09	6-17-08
3423547		LYRIC	5-6-08	11-9-06
3427683		LYRIC (Design)	5-13-08	1-23-07
3541376		SOUNDLYNC	12-2-08	10-4-07
	77140706	INVISIBLY BETTER		3-26-07
	77296758	OTOSIZER		10-4-07

UNREGISTERED TRADEMARKS: List marks below or indicate "None."

INVISIBLY BETTER

OTOSIZER