

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
Pictage, Inc.		12/17/2009	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	HV Capital, LLC
Street Address:	7 West Square Lake Road
Internal Address:	Suite 122
City:	Bloomfield Hills
State/Country:	MICHIGAN
Postal Code:	48302
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	2700924	PICTAGE

CORRESPONDENCE DATA

Fax Number: (734)930-2494
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 734-761-3780
 Email: asujek@bodmanllp.com
 Correspondent Name: Angela Alvarez Sujek - Bodman LLP
 Address Line 1: 201 South Division, Ste 400
 Address Line 4: Ann Arbor, MICHIGAN 48104

NAME OF SUBMITTER:	Angela Alvarez Sujek
Signature:	/Angela Alvarez Sujek/
Date:	12/21/2009

Total Attachments: 9

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("*Agreement*"), is dated as of December 17, 2009 (this "*Agreement*"), is among Photo Holdings, Inc., a Delaware corporation located at 1580 Francisco St., Suite 101, Torrance, CA 90501 ("*Holdings*"), Pictage, Inc., a Delaware corporation (the "*Company*"), and HV Capital, LLC, a Delaware limited liability company located at 7 West Square Lake Road, Suite 122, Bloomfield Hills, Michigan 48302 (the "*Investor*").

1. Purpose. This Agreement is granted by Holdings and the Company in favor of Investor under the Note Purchase Agreement, dated December 17, 2009, entered into among the Company, Holdings and Investor (as may be amended, restated, modified or replaced from time to time, the "*Note Agreement*"), and the Secured Promissory Note issued to Investor by the Company under the Note Agreement (as may be amended, restated, modified or replaced from time to time, the "*Note*"). Under the Note Agreement and the Note, Investor has loaned or may loan the Company up to the sum of \$5,000,000. Holdings and the Company have agreed to secure all debt of the Company and/or Holdings to Investor in accordance with the terms and conditions of this Agreement. Capitalized terms not defined in this Agreement have the meaning set forth under the Note Agreement.

2. Grant of Security Interest. Holdings and the Company hereby grant to Investor a continuing security interest in the "*Collateral*" described in Section 3 below to secure: (i) the payment of the Note, (ii) all other loans and advances (including all renewals, modifications and extensions thereof) from Investor to the Company and/or Holdings, (iii) all obligations of the Company and/or Holdings to Investor of any and every kind and nature, whether arising prior to, under or after this Agreement, however incurred or evidenced, whether primary, secondary, contingent or otherwise, whether arising under this Agreement, under any other security agreements, mortgages, leases, instruments, documents, contracts, or similar agreements, or by oral agreement or created by operation of law, and (iv) all interest, costs, expenses, and reasonable attorneys' fees, which may be made or incurred by Investor in the disbursement, administration, and collection of such amounts, and in the protection, maintenance, and liquidation of the Collateral (collectively, "*Liabilities*"). This Agreement shall be and become effective when, and continue in effect, as long as any Liabilities of the Company and/or Holdings to Investor are outstanding and/or unpaid. Neither Holdings nor the Company will, except as may be permitted under the Note Agreement, sell, assign, transfer, pledge or otherwise dispose of or further encumber any Collateral to any third party while this Agreement is in effect without the prior written consent of Investor.

3. Collateral. The "*Collateral*" covered by this Agreement is all of the respective personal property assets of Holdings and the Company, tangible and intangible, which each of them now owns or shall hereafter acquire or create, immediately upon the acquisition or creation thereof, and includes, but is not limited to, the following:

3.1 Accounts. Accounts, documents, instruments, policies and certificates of insurance, chattel paper, rights to payment evidenced by chattel paper, health-care insurance receivables, deposit accounts, commercial tort claims, investment property, letter of credit rights, contract rights, general intangibles, intellectual property (including, without limitation, all US

and foreign patents, patent applications, copyrights, trademarks, trademark applications, service marks, inventions, and discoveries), choses in action, including any right to any refund of any taxes heretofore or hereafter paid to any governmental authority (collectively, the "Accounts").

3.2 Inventory. All inventory and goods, now owned or hereafter acquired, including but not limited to, raw materials, work in process, finished goods, leased goods, tangible property, stock in trade, wares, and merchandise used in or sold in the ordinary course of business, including goods whose sale, lease or other disposition by Holdings or the Company, as applicable, has given rise to any Accounts and which goods have been returned to, or repossessed by, or stopped in transit by Holdings or the Company, as applicable.

3.3 Equipment. All equipment and fixtures, including all machinery, furniture, furnishings, and vehicles, together with all accessions, parts, attachments, accessories, tools and dies, or appurtenances thereto, or appertaining, attached, kept, used, or intended for use in connection therewith, and all substitutions, improvements and replacements thereof and additions thereto.

3.4 Fixtures. All fixtures, whether now or to be hereafter attached, to any real property in which Holdings or the Company has an interest.

3.5 Software. All computer programs and supporting information provided in connection with a transaction relating to such program(s).

3.6 Proceeds, Etc. Proceeds, and proceeds of hazard insurance and eminent domain or condemnation awards of all of the foregoing described properties or interests in properties, including all products of, and accessions to, such properties or interests in properties, and all cash or other property which were proceeds and are received by a bankruptcy trustee or otherwise as a preferential transfer by Holdings or the Company.

Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and neither Holdings nor the Company shall be deemed to have granted a security interest under this Agreement in (i) any of the Holdings' or the Company's rights or interests in or under, any license, contract, permit, instrument, security or franchise to which Holdings or the Company is a party or any of its rights or interests thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract, permit, instrument, security or franchise, result in a breach of the terms of, or constitute a default under, such license, contract, permit, instrument, security or franchise (other than to the extent that any such term would be rendered ineffective pursuant to the UCC or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, that immediately upon the ineffectiveness, lapse or termination of any such provision the Collateral shall include, and Holdings or Company, as applicable, shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect, or (ii) the "Collateral" as defined in the Pledge.

4. Perfection of Security Interest. Holdings and the Company shall execute and deliver to Investor, concurrently with the execution of this Agreement and at any time or times hereafter at the reasonable request of Investor (and pay the cost of filing or recording same in all public

offices deemed necessary by Investor), all financing statements, assignments, certificates of title, applications for vehicle titles, affidavits, reports, notices, schedules of accounts, designations of inventory, letters of authority and all other documents that Investor may reasonably request, in form reasonably satisfactory to Investor, to perfect and maintain perfected Investor's security interests in the Collateral. In addition, Holdings and the Company irrevocably authorize Investor, its agents, attorneys, and representatives, to file financing statements, and amendments thereto, at Holdings' and the Company's expense, necessary to establish and maintain Investor's perfected security interest in the Collateral. In order to fully consummate all of the transactions contemplated hereunder, Holdings and the Company shall make appropriate entries on its books and records disclosing Investor's security interests in the Collateral. Upon payment of the Note, this Agreement shall terminate and Investor authorizes Holdings and the Company to file any and all termination statements necessary in Holdings' and the Company's discretion to terminate Investor's security interests in the Collateral.

5. Warranties. Holdings and the Company warrant and agree that while any of the Liabilities remain unperformed and unpaid and except as may occur in the ordinary course of business or be approved by the Holdings' or the Company's Board of Directors, subject to the provisions and covenants set forth in the Note Agreement, (i) other than Permitted Liens, Holdings or the Company, as applicable, is the owner of the Collateral free and clear of all liens or security interests and all Chattel Paper constituting Collateral evidences a perfected security interest in the goods covered by it, free from all other liens and security interests, and no financing statement other than that of Investor is on file covering the Collateral or any of it and if Inventory is represented or covered by documents of title, Holdings or the Company, as applicable, is the owner of the documents, free of all liens and security interest other than Investor's security interest; (ii) Holdings' and the Company's exact legal names are as set forth above; (iii) Holdings' and the Company are organizations of the type and organized in the jurisdiction set forth above, (iv) the address of the Holdings' and the Company's principal office is as set forth above; (v) the Collateral will not be used, nor will Holdings or the Company permit the Collateral to be used, for any unlawful purpose, whatever; (vi) neither Holdings nor the Company will change its name, form of business entity, address of its principal office, its organizational identification number nor jurisdiction of its organization without giving written notice thereof to Investor at least thirty (30) days prior to the effective date of such change; and Holdings and the Company agree that all documents, instruments and agreements demanded by Investor in response to such change as are required for perfection of Investor's security interest in the Collateral shall be prepared, filed and recorded at Holdings' and the Company's expense prior to the effective date of such change; (vii) Holdings and the Company shall at all times maintain the tangible Collateral in good repair and condition, ordinary wear and tear excepted; (viii) Holdings and the Company will indemnify and hold Investor harmless against claims of any persons or entities not party to this Agreement concerning disputes arising over the Collateral except to the extent such claims arise from the gross negligence or willful misconduct of Investor; and (ix) the tangible Collateral is located at the following addresses: 1580 Francisco St., Suite 101, Torrance, CA 90501 except for the Collateral which, in the ordinary course of business, is in transit either (a) between a supplier and Holdings or the Company, or (b) to customers of Holdings or the Company.

6. [Reserved.]

7. Insurance, Taxes, Etc. Holdings and the Company shall (i) pay taxes, levies, assessments, judgments and charges upon or relating to the Collateral in accordance with Section 8.8 of the Note Agreement; (ii) at its own expense, keep and maintain the Collateral insured against loss or damage in accordance with Section 8.7 of the Note Agreement which policies shall expressly name Investor as an additional insured thereunder as its interests may appear and in the case of each casualty insurance policy, contain a loss payable clause or endorsement, reasonably satisfactory in form and substance to Investor, that names Investor as the loss payee thereunder (and Investor shall have a security interest in the proceeds of such insurance and, upon the occurrence and during the continuance of an Event of Default, Investor may apply any such proceeds which may be received by it toward payment of the Liabilities, whether or not due, in such order of application as Investor may reasonably determine); (iii) maintain at its own expense public liability and property damage insurance in accordance with Section 8.7 of the Note Agreement; and, upon Investor's request, shall furnish Investor with such policies and evidence of payment of premiums thereon. If Holdings and/or the Company at any time hereafter should fail to obtain or maintain any of the policies as required to be held by Company under Section 8.7 of the Note Agreement or pay any premium in whole or in part relating thereto, or shall fail to pay any such tax, assessment, levy, or charge except as permitted by the Note Agreement or to discharge any such lien or encumbrance except for Permitted Liens, then Investor, without waiving or releasing any obligation or default of Holdings or the Company hereunder, may at any time hereafter (but shall be under no obligation to do so) make such payment or obtain such discharge or obtain and maintain such policies of insurance and pay such premiums, and take such action with respect thereto as Investor reasonably deems advisable. All sums so disbursed by Investor, including reasonable attorneys' fees, court costs, expenses, and other charges relating thereto, shall be part of the Holdings' and the Company's Liabilities, secured hereby, and payable on demand.

8. Sale, Collections, Etc.

8.1 Unless an Event of Default (as that term is defined in the Note) has occurred and is continuing, Investor authorizes and permits Holdings and the Company to collect Accounts from Account debtors. This privilege may be terminated by Investor at any time upon the occurrence and during the continuance of an Event of Default as set forth in this Agreement, and Investor thereupon shall be entitled to and have all of the ownership, title, rights, securities and guarantees of Holdings and the Company in respect thereto, and in respect to the property evidenced thereby, including the right of stoppage in transit, and Investor may notify any Account debtor of the assignment of Accounts and collect the same; thereafter Holdings and the Company will receive all payments on Account as agent of and for Investor and will transmit to Investor, on the day of receipt thereof, all original checks, drafts, acceptances, notes and other evidence of payment received in payment of or on account of Accounts, including all cash monies, similarly received by Holdings and/or the Company. Until such delivery, Holdings and the Company shall keep all such remittances separate and apart from Holdings' and the Company's own funds, capable of identification as the property of Investor, and shall hold the same in trust for Investor.

8.2 Unless an Event of Default has occurred and is continuing and until such time as Investor shall notify Holdings and the Company of the revocation of such power and authority, each of Holdings and the Company may (i) at its own expense, sell, lease or furnish under

contracts of service any of the Inventory to the extent permitted under the Note Agreement; (ii) use and consume any raw materials, work in process or materials, the use and consumption of which is necessary in order to carry on Holdings' or the Company's business; and Holdings and Company shall, at their own expense, endeavor to collect, as and when due all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as Holdings and the Company may deem advisable. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt except to the extent permitted by the Note Agreement.

9. Waiver. Holdings and Company waive all defenses and setoffs which could hinder or reduce the obligations of Holdings or Company under this Agreement. In addition, except as expressly prohibited by law, Holdings and Company waive any right it has to require Investor to give notice of (i) the details of any public or private sale of Company's or Holdings personal property, or (ii) Investor's pursuit of any available remedy.

10. Information. Holdings and the Company shall permit Investor or any person designated by Investor in writing, at the expense of Investor, to have access to and to visit and inspect all the Collateral, including its books of account, and to discuss its affairs, finances, and accounts with Holdings' and/or the Company's officers or directors, all upon reasonable notice, at reasonable times during normal business hours and as often as Investor may reasonably request, and all in a manner consistent with the reasonable security and confidentiality needs of Holdings and the Company, provided that Holdings and the Company shall be under no such obligation (i) with respect to information deemed in good faith by Holdings or the Company to be proprietary or (ii) if Holdings' or the Company's Board of Directors reasonably believes that the proposed visit, inspection or discussion would violate applicable laws or any contract with third persons or could compromise Holdings' or the Company's attorney/client privilege. In addition, upon the reasonable request of Investor, Holdings and the Company will deliver to Investor other information and data, not proprietary in nature (in the good-faith judgment of Holdings and the Company), pertaining to its business, financial and corporate affairs to the extent that such delivery will not violate any then applicable laws and any agreements of Holdings and/or the Company with third persons.

11. Remedies.

11.1 An Event of Default shall exist as and when provided under the Note unless cured or waived.

11.2 Upon the occurrence and during the continuance of an Event of Default, the Note and all other Liabilities may (notwithstanding any provisions thereof) at the option of Investor and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable, and Investor may exercise from time to time any rights and remedies, including the right to immediate possession of the Collateral, available to it under applicable law. Holdings and the Company agree, upon the occurrence and during the continuance of an Event of Default, to assemble, at its expense, all of the tangible Collateral at a convenient place acceptable to Investor and to pay all costs of Investor of collection of the Note and all other Liabilities, and enforcement of rights hereunder, including reasonable attorneys' fees and legal expenses, including participation in bankruptcy proceedings, and expense of locating the Collateral and expenses of any repairs to any realty or other property to which any of the Collateral may be affixed or be a part in accordance with Section 4.3 of the Note Agreement. If any notification of intended disposition of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if sent at least seven days before such disposition, postage prepaid, addressed to Holdings or the Company either at the address shown above, or to the address furnished by Holdings or the Company to the Investor in writing.

11.3 HOLDINGS AND THE COMPANY AGREE THAT INVESTOR SHALL, UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, HAVE THE RIGHT TO PEACEFULLY TAKE POSSESSION OF ANY OF THE COLLATERAL. HOLDINGS AND THE COMPANY WAIVE ANY RIGHT EACH OF THEM MAY HAVE, IN SUCH INSTANCE, TO A JUDICIAL HEARING PRIOR TO SUCH RETAKING.

12. General. Time shall be deemed of the very essence of this Agreement. Except as otherwise defined in this Agreement, all terms in this Agreement shall have the meanings provided by Delaware Code Title 6, Articles 1-11, as amended, revised or replaced by any successor laws hereafter enacted (the "*Delaware Uniform Commercial Code*"). Investor shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if it takes such action for that purpose as Holdings or the Company, as applicable, requests in writing, but failure of Investor to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and failure of Investor to preserve or protect any rights with respect to such Collateral against any prior parties or to do any act with respect to the preservation of such Collateral not so requested by Holdings or the Company shall not be deemed a failure to exercise reasonable care in the custody and preservation of such Collateral. Any delay on the part of Investor in exercising any power, privilege or right hereunder, or under any other instrument executed by Holdings and/or the Company to Investor in connection herewith shall not operate as a waiver thereof, and no single or partial exercise thereof, or the exercise of any other power, privilege or right shall preclude other or further exercise thereof, or the exercise of any other power, privilege or right. The waiver by Investor of any Event of Default by the Company and/or Holdings shall not constitute a waiver of any subsequent Events

of Default, but shall be restricted to the Event of Default so waived. All rights, remedies and powers of Investor hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder or in or by any other instruments or by the Delaware Uniform Commercial Code, or any laws now existing or hereafter enacted.

This Agreement shall be construed in accordance with the laws of the State of Delaware without giving effect to any applicable principles of conflicts of laws. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. The rights and privileges of Investor hereunder shall inure to the benefit of its successors and assigns to the extent permitted below and this Agreement shall be binding on all heirs, executors, administrators, assigns and successors of Holdings and the Company.

All notices and other communications required or permitted hereunder shall be in writing and shall be hand delivered or sent via facsimile, overnight courier service or mailed by certified or registered mail, postage prepaid, return receipt requested, addressed or sent (i) if to Investor, at the address furnished by Investor to Holdings and the Company in writing, or (ii) if to Holdings or the Company, at the address first shown above, or at such other address as Holdings or the Company shall have furnished to Investor in writing.

This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior written and oral communications or understandings. This Agreement may be amended or supplemented only by a writing signed on behalf of both parties. Holdings and the Company acknowledge receipt of a true and complete copy of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.


Holdings and the Company acknowledge that Investor may assign its rights and obligations under this Agreement and any related documents and agreements, including the right to receive payment under the Note, to HV Capital Investors, LLC and/or to One Conant Capital, LLC. Holdings and the Company may not assign its rights and obligations under this Agreement without Investor's prior written consent.

INVESTOR, HOLDINGS AND THE COMPANY ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT ONE THAT MAY BE WAIVED. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, INVESTOR, HOLDINGS AND THE COMPANY WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT.

The parties have executed this Security Agreement between Pictage, Inc., Photo Holdings, Inc. and HV Capital, LLC, as of the date first written above.

HOLDINGS:

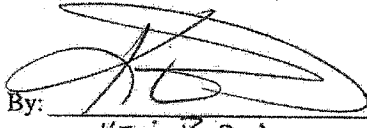
Photo Holdings, Inc.

By: 

Name: JAMES R. COLLINS
Its: CEO

COMPANY:

Pictage, Inc.

By: 

Name: KEVIN RUBINS
Its: CFO

INVESTOR:

HV Capital LLC

By: GWH Management, LLC, its Manager

By: _____
Name: Glennon W. Healey
Title: Manager

The parties have executed this Security Agreement between Pictage, Inc., Photo Holdings, Inc. and HV Capital, LLC, as of the date first written above.

HOLDINGS:

Photo Holdings, Inc.

By: _____

Its: _____

COMPANY:

Pictage, Inc.

By: _____

Its: _____

INVESTOR:

HV Capital LLC

By: GWH Management, LLC, its Manager

By: Glenn W. Healey

Name: Glenn W. Healey

Title: Manager