

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
SecuGen Corporation		05/01/2006	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	SecuGen Acquisition, Inc.		
Street Address:	6982 Hollow Lake Way		
City:	San Jose		
State/Country:	CALIFORNIA		
Postal Code:	95120		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 6			
Property Type	Number	Word Mark	
Registration Number:	2828089	SECUAPI	
Registration Number:	2828088	SECUBSP	
Registration Number:	2830199	SECUSEARCH	
Registration Number:	2473710	OPEN THE WORLD WITH YOUR FINGERTIP!	
Registration Number:	2471739	SECUDESKTOP	
Registration Number:	2406422	SECUGEN	
CORRESPONDENCE DATA			
Fax Number:	(408)834-7762		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Email:	wahn@secugen.com		
Correspondent Name:	SecuGen Corporation		
Address Line 1:	2065 Martin Ave Suite 108		
Address Line 4:	Santa Clara, CALIFORNIA 95050		
ATTORNEY DOCKET NUMBER:		ASSIGNMENT SGA	

OP \$165.00 2828089

900191093

**TRADEMARK
 REEL: 004534 FRAME: 0764**

NAME OF SUBMITTER:	Winnie Ahn
Signature:	/Winnie Y. Ahn/
Date:	05/05/2011
<p>Total Attachments: 23</p> <p>source=AssetPurchaseAgreement_05012006#page1.tif source=AssetPurchaseAgreement_05012006#page2.tif source=AssetPurchaseAgreement_05012006#page3.tif source=AssetPurchaseAgreement_05012006#page4.tif source=AssetPurchaseAgreement_05012006#page5.tif source=AssetPurchaseAgreement_05012006#page6.tif source=AssetPurchaseAgreement_05012006#page7.tif source=AssetPurchaseAgreement_05012006#page8.tif source=AssetPurchaseAgreement_05012006#page9.tif source=DelawareCertificateofIncorporation_04102006#page1.tif source=DelawareCertificateofIncorporation_04102006#page2.tif source=DelawareCertificateofIncorporation_04102006#page3.tif source=DelawareCertificateofIncorporation_04102006#page4.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page1.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page2.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page3.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page4.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page5.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page6.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page7.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page8.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page9.tif source=BankruptcyCourtOrder_AuthorizedSale_05012006#page10.tif</p>	

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and between

SecuGen Acquisition, Inc.

and

SecuGen Corporation

Dated May 1, 2006

TABLE OF CONTENTS

	Page
1. CONSTRUCTION AND DEFINITIONS	1
1.1 Definitions.....	1
1.2 Construction.....	7
2. PURCHASE AND SALE	8
2.1 Purchase and Sale of Acquired Assets.....	8
2.2 Consideration.....	8
2.3 Acquired Assets	8
2.4 Assumed Contracts	9
2.5 Excluded Assets	9
2.6 Assumed Liabilities	9
2.7 Excluded Liabilities.....	10
2.8 Purchase Price Allocation	11
3. CLOSING	11
3.1 Closing.....	11
3.2 Seller Responsibilities.....	11
3.3 Buyer Responsibilities	11
3.4 Cure Costs.....	12
4. REPRESENTATIONS AND WARRANTIES OF SELLER.....	12
4.1 Organization of Seller.....	12
4.2 Authorization of Transaction	12
4.3 Noncontravention.....	12
4.4 Consents.....	12
4.5 Restrictions on Transaction.....	12
4.6 Title to Property	12
4.7 Intellectual Property.....	13
4.8 Brokers' and Finders' Fees	14
4.9 Operational Licenses.....	14
4.10 Legal and Other Compliance	14
4.11 Litigation.....	15
4.12 Seller Accounts Receivable	15
4.13 Title IV Liability	15
4.14 Taxes.....	15
5. REPRESENTATIONS AND WARRANTIES OF BUYER.....	16
5.1 Organization of Buyer.....	16
5.2 Authority for Agreement.....	16
5.3 Noncontravention.....	16
6. OTHER COVENANTS AND AGREEMENTS	16
6.1 Further Assurance	16
6.2 Conduct of Business	17

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**") is entered into as of May 1, 2006 (the "**Effective Date**") by and between SecuGen Acquisition, Inc., a Delaware corporation having its principal place of business at 6982 Hollow Lake Way, San Jose, CA 95120 ("**Buyer**") and SecuGen Corporation, a California corporation having its principal place of business at 2356 Walsh Avenue, Santa Clara, CA 95051 ("**Seller**"). Each of Buyer and Seller is a "**Party**" and together, the "**Parties**."

RECITALS

- A. Seller is engaged in a business (the "**Business**," as defined below).
- B. On June 22, 2005, Seller filed a voluntary petition (the "**Petition**") for relief commencing a case ("**Chapter 11 Case**") under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. sections 101 et seq., as amended (the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the Northern District of California (the "**Bankruptcy Court**"); and
- C. Buyer desires to purchase and assume from Seller, and Seller desires to sell, convey, assign and transfer to Buyer, the assets and properties of Seller relating to the Business specified herein, together with certain specified obligations and liabilities relating thereto, all in the manner and subject to the terms and conditions set forth herein and in the Ancillary Agreements and in accordance with sections 105, 363 and 365 of the Bankruptcy Code.

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and intending to be legally bound hereby, but expressly subject to Bankruptcy Court approval, the Parties hereto hereby agree as follows:

1. CONSTRUCTION AND DEFINITIONS

- 1.1 **Definitions.** The following capitalized terms have the meanings set forth below:

"**363 Order**" means an order of the Bankruptcy Court, in substance and form reasonably satisfactory to Buyer under this Agreement pursuant to sections 105 and 363 of the Bankruptcy Code and not materially inconsistent with the terms of this Agreement, unless otherwise agreed among Buyer and Seller. Subject, in the case of clauses (a)(ii)(A) and (b) below to changes that are reasonably acceptable to the Bankruptcy Court, the 363 Order shall provide, among other things: (a) that the transfer of the Acquired Assets by Seller to Buyer and the assumption of the Assumed Liabilities by Buyer from Seller: (i) is or will be a legal, valid and effective transfer of the Acquired Assets; and (ii) vests or will vest Buyer with good title to the Acquired Assets free and clear of all Liabilities and Encumbrances (including Liabilities and Encumbrances (A) that purport to give to any Person a right or option to retain any rights in or to Seller's Trademarks or other Intellectual Property, (B) that purport to give to any Person a right or option to effect any forfeiture, modification, right of first refusal, repurchase or termination of Seller's or Buyer's interest in the Acquired Assets or any similar rights or (C) in respect of Taxes),

EXECUTION VERSION

neuter genders; the feminine gender will include the masculine and neuter genders; and the neuter gender will include the masculine and feminine genders.

(b) As used in this Agreement, the words “include” and “including,” and variations thereof, will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words “without limitation.”

(c) Except as otherwise indicated, all references in this Agreement to “Sections” and “Schedules” are intended to refer to Sections of this Agreement and Schedules to this Agreement.

(d) The headings in this Agreement are for convenience of reference only, will not be deemed to be a part of this Agreement, and will not be referred to in connection with the construction or interpretation of this Agreement.

2. PURCHASE AND SALE

2.1 **Purchase and Sale of Acquired Assets.** Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, transfer, cause to be transferred, assign, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller, all right, title and interest of Seller in, to and under the Acquired Assets free and clear of all Liabilities (other than Assumed Liabilities) Liens, Encumbrances (other than Permitted Encumbrances) options, changes, obligations, right of third party (expressed or implied) licenses and interests of any kind or nature to the fullest extent possible under Bankruptcy Code Section 363(f).

2.2 **Consideration.** In consideration of the sale, transfer, assignment, conveyance and delivery by Seller of the Acquired Assets to Buyer, Buyer shall (i) pay to Seller, on the terms and conditions set forth herein, the sum of [REDACTED] or, in the amount of an overbid by a competing bidder, such further amount as Buyer is willing to pay during the hearing before the Bankruptcy Court, and (ii) assume the Assumed Liabilities, together, the “**Purchase Price**”.

2.3 **Acquired Assets.** For purposes of this Agreement the term “**Acquired Assets**” means all the assets, properties, rights, title and other interests of Seller primarily used or held for use in connection with the Business, whether tangible or intangible, real, personal or mixed, set forth or described in paragraphs (a) through (k) below (including Contracts entered into by Seller following the date hereof which constitute Assumed Contracts) whether or not any of such assets, properties or rights have any value for accounting purposes or are carried or reflected on or specifically referred to in Seller’s financial statements (provided, that the Acquired Assets shall not include the Excluded Assets):

(a) those Acquired Assets listed in **Section 2.3(a)** of the Disclosure Schedule that are not otherwise listed elsewhere in **Section 2.3** of the Disclosure Schedule;

(b) all Intellectual Property Rights, including Intellectual Property Rights listed in **Section 2.3(b)** of the Disclosure Schedule;

(c) all Seller Products listed in **Section 2.3(c)** of the Disclosure Schedule;

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement as of the Effective Date.


SELLER

BUYER

SecuGen Corporation

SecuGen Acquisition, Inc.

By: 

By: 

Name: Won Lee

Name: Hyunduk Ahn

Title: President and Chief Executive Officer

Title: President

Section 2.3(b)

Acquired Assets

PATENTS

Patent No. (Pub. No.)	Title	Inventor(s)	Serial No.	Filing Date	Issue Date (Pub. Date)	Related Foreign Cases
6,961,453	METHOD FOR EXTRACTING FINGERPRINT FEATURE DATA USING RIDGE ORIENTATION MODEL	Yoon, Jun Sung Kim, Dong Hun Joe, Chul Min Jung, Soon Won Lee, Hwi Seok Lee, Byung Jin Lee, Dong Won Lee, Taek Ki	09/994,173	11/26/01	11/01/05	
6,917,695	HIGH CONTRAST, LOW DISTORTION OPTICAL ACQUISITION SYSTEM FOR IMAGE CAPTURING	Teng, Harry H. Jo, Sung-Chan	10/113,711	03/27/02	07/12/05	
6,870,946	COMPACT OPTICAL FINGERPRINT CAPTURING AND RECOGNITION SYSTEM	Teng, Harry H. Jo, Sung-Chan	09/364,499	07/30/99	03/22/05	
6,826,000	OPTICAL FINGERPRINT ACQUISITION APPARATUS	Lee, Jong Ik Shin, Sung Hyu Lee, Dong Won	10/150,419	05/17/02	11/30/04	
6,381,347	HIGH CONTRAST, LOW DISTORTION OPTICAL ACQUISITION SYSTEM FOR IMAGE CAPTURING	Teng, Harry H. Jo, Sung-Chan	09/191,428	11/12/98	04/30/02	
6,324,020	METHOD AND APPARATUS FOR REDUCTION OF TRAPEZOIDAL DISTORTION	Teng, Harry H. Jo, Sung-Chan	09/368,442	08/04/99	11/27/01	

REDACTED

Patent No. (Pub. No.)	Title	Inventor(s)	Serial No.	Filing Date	Issue Date (Pub. Date)	Related Foreign Cases
	AND IMPROVEMENT OF IMAGE SHARPNESS IN AN OPTICAL IMAGE CAPTURING SYSTEM					
6,154,285	SURFACE TREATMENT FOR OPTICAL IMAGE CAPTURING SYSTEM	Teng, Harry H. Jo, Sung-Chan	09/217,558	12/21/98	11/28/00	

REDACTED

DOMAIN NAMES

REDACTED

TRADEMARKS

Mark	Country	Reg #	Registered	Filed
------	---------	-------	------------	-------

REDACTED

OPEN THE WORLD WITH YOUR FINGERTIP!	USA	2473710	31-Jul-2001	14-Aug-2000
OPTIMOUSE	USA		N/A	N/A
SECUAPI	USA	2828089	30-May-2004	14-May-2003
SecuBackup	USA		N/A	N/A
SECUBSP	USA	2828088	30-May-2004	14-May-2003
SECUDESKTOP	USA	2471739	24-Jul-2001	14-Aug-2000
SECUENTERPRISE	USA			May-2003
SecuFolder	USA		N/A	N/A

SECUGEN	USA	2406422	21-Nov-2000	21-Jan-2000
SECUIBAS	USA	2725845	10-Jun-2003	7-Mar-2001
SecuLogon	USA		N/A	N/A
SecuManager	USA		N/A	N/A
SecuMatchingEngine	USA		N/A	N/A
SecuSaver	USA		N/A	N/A
SECUSEARCH	USA	2830199	6-Apr-2004	19-May-2003
SecuViewer	USA		N/A	N/A

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "SECUGEN ACQUISITION, INC.", FILED IN THIS OFFICE ON THE TENTH DAY OF APRIL, A.D. 2006, AT 3:44 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



4139959 8100

060335341

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4660568

DATE: 04-11-06

**TRADEMARK
REEL: 004534 FRAME: 0775**

**CERTIFICATE OF INCORPORATION OF
SECUGEN ACQUISITION, INC.**

ARTICLE I

The name of the corporation is SecuGen Acquisition, Inc. (the "Company").

ARTICLE II

The address of the Company's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law, as the same exists or as may hereafter be amended from time to time.

ARTICLE IV

This Company is authorized to issue one class of shares to be designated Common Stock. The total number of shares of Common Stock the Company has authority to issue is 20,000,000 with par value of \$0.001 per share.

ARTICLE V

The name and mailing address of the incorporator are as follows:

Hyunduk Ahn
6982 Hollow Lake Way
San Jose, CA 95120

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the board of directors of the Company is expressly authorized to make, alter, amend or repeal the bylaws of the Company.

ARTICLE VII

Elections of directors need not be by written ballot unless otherwise provided in the bylaws of the Company.

ARTICLE VIII

To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended from time to time, a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

The Company shall indemnify and hold harmless, to the fullest extent permitted by the Delaware General Corporation Law, or any other applicable law, as the same exists or as may hereafter be amended from time to time, any director or officer of the Company who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding. The Company shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized by the Board.

The Company shall have the power to indemnify and hold harmless, to the extent permitted by the Delaware General Corporation Law, or any other applicable law, as the same exists or as may hereafter be amended from time to time, any employee or agent of the Company who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

Neither any amendment nor repeal of this Article, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim accruing or arising or that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX

Except as provided in **Article VIII** above, the Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, the undersigned, as the sole incorporator of the Company, have signed this Certificate of Incorporation on April 10, 2006.

/s/ Hyunduk Ahn

Hyunduk Ahn
Incorporator

1 STEPHEN T. O'NEILL (115132)
2 MURRAY & MURRAY
3 A Professional Corporation
4 19400 Stevens Creek Boulevard, Suite 200
5 Cupertino, California 95014-2548
6 (650) 852-9000; (408) 907-9200
7 (650) 852-9244 (Facsimile)
8 Email: soneill@murraylaw.com
9
10 Attorneys for Pivotec Company, Ltd.

Arthur S. Weissbrodt
HON. ARTHUR S. WEISSBRODT
United States Bankruptcy Judge

8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

11 In re:) Case No. 05-53834 ASW-11
12 SECUGEN CORPORATION,)
13) Chapter 11
14 Debtor.) Date: May 1, 2006
15) Time: 9:45 a.m.
16 Employer Tax I.D. No.: 77-049074) Place: Courtroom 3099, Third Floor
280 South First Street
San Jose, CA 95113
Honorably Arthur S. Weissbrodt

17 **ORDER GRANTING DEBTOR'S MOTION TO (1) SELL ASSETS OUT OF THE ORDINARY**
18 **COURSE OF BUSINESS AND FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND**
19 **INTERESTS; AND (2) ASSUME AND ASSIGN CERTAIN EXECUTING CONTRACTS**

20 A hearing on DEBTOR'S MOTION TO SELL ASSETS OUT OF THE ORDINARY COURSE OF
21 BUSINESS AND FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES (the "Motion") filed by
22 SecuGen, Inc. (the "Company" or the "Debtor"), the debtor and debtor in possession in the above-
23 captioned Chapter 11 bankruptcy cases, was first held before this Court on April 14, 2006 at 10:30
24 a.m. and a continued hearing on the Motion was held on May 1, 2006 at 9:45 a.m.; appearances were
25 as noted in the record.

26 Having considered the arguments of counsel and the facts set forth in the pleadings of record
27 in these cases, and finding that appropriate and sufficient notice of the hearing on the Motion was
28 given under the circumstances, and good cause appearing therefore;

1 THE COURT FINDS THAT:¹

2 A. As evidenced by the certificates of service previously filed with the Court, and based
3 on the representations of counsel at the hearing, notice of the hearing on the Motion (the "Sale
4 Hearing"), was proper and sufficient in accordance with the United States Bankruptcy Code, the
5 Federal Rules of Bankruptcy Procedures, the Bankruptcy Local Rules, and applicable orders of this
6 Court;

7 B. The Court's ORDER APPROVING BIDDING PROCEDURES FOR AUCTION TO SELL
8 DEBTOR'S ASSETS INCLUDING PAYMENT OF BREAK-UP FEE AND FIXING MANNER AND EXTENT OF
9 NOTICE OF HEARING is referred to as the "Bid Procedures Order";

10 C. The notices of hearing on the Motion and the opportunity to overbid were adequate,
11 sufficient and proper and no further notice of the Motion or of entry of this Order is necessary;

12 D. A reasonable opportunity to object or to be heard regarding the requested relief has
13 been afforded to creditors and interested persons;

14 E. As demonstrated by the testimony and/or other evidence proffered, adduced or
15 admitted at the Sale Hearing and the representations of counsel made on the record at the Sale
16 Hearing, the Debtor has, through its investment banker, Mosaic Capital, LLC ("Mosaic") marketed
17 the Debtor's business and conducted the sale process in a commercially reasonable manner;

18 F. The Debtor received no timely overbids on the Acquired Assets;

19 G. Pivotec Company, Ltd. ("Pivotec") or its assignee should be approved as the
20 successful bidder;

21 H. The Debtor has presented good and sufficient business justification for the sale of the
22 Acquired Assets pursuant to section 363 of the Bankruptcy Code, the assumption and assignment of
23 the Assumed Contracts pursuant to section 365 of the Bankruptcy Code, and the other relief granted
24 herein;

25 ///

26 _____
27 ¹ In accordance with Federal Rule of Bankruptcy Procedure 7052, all findings of fact shall be construed as conclusions of law, and all
conclusions of law shall be construed as findings of fact, when appropriate.

28 Terms not defined herein shall have the meaning ascribed in the Motion, the Bid Procedures Order (defined at Paragraph B herein)
and the Purchase Agreement with Buyer. This Order is referred to herein as the "Order."

1 I. The price for the Acquired Assets, and the terms of the asset purchase agreement
2 (“Asset Purchase Agreement”) were negotiated, proposed and entered into by the parties without
3 collusion, in good faith, from arm’s length bargaining positions and for fair value. Pivotec’s bid for
4 the Acquired Assets represents the highest and best offer for the Acquired Assets, the purchase price
5 is fair and reasonable and constitutes fair consideration and reasonably equivalent value under the
6 Bankruptcy Code and any other applicable federal or state law;

7 J. Based upon, among other things, the declarations filed and the evidence submitted,
8 Pivotec is a good faith purchaser of the Acquired Assets within the meaning of section 363(m) of the
9 Bankruptcy Code in that (i) Pivotec has disclosed (1) its pre and post-petition relationships with the
10 Debtor, major creditors and equity holders in this Chapter 11 case, and the Debtor’s officers,
11 directors or agents, (2) whether any offers of employment or compensation have been or will be
12 offered to the Debtor’s present or former management or employees, and (3) whether any
13 consideration is contemplated to be transferred or has been transferred by Pivotec in connection with
14 the sale to any person other than the Debtor, (ii) no evidence of fraud and collusion between Pivotec
15 and the Debtor’s agents or employees has been submitted to the Court, and (iii) no evidence that
16 Pivotec engaged in any conduct that would cause the transactions to be avoided as contemplated in
17 section 363(n) of the Bankruptcy Code has been submitted to the Court. The reversal or
18 modification on appeal of this Order shall not affect the validity of the sale unless such sale is stayed
19 pending appeal;

20 K. The Debtor is authorized to consummate and carry out the transactions described in
21 the Motion, the Asset Purchase Agreement and any other agreements pertaining to the sale
22 transaction (collectively, the “Agreements”), and to undertake the obligations imposed therein, and
23 the sale to Pivotec of the Acquired Assets are determined to be free and clear of all liens, claims,
24 encumbrances and interests, including without limitation Encumbrances as defined in the Motion
25 (collectively, the “Liens”). Any Liens that are not paid prior to or concurrently shall attach to the
26 proceeds of the sale which was subject to the particular lien in the same scope, priority and validity,
27 as such Liens had prior to closing.

28 L. There is sound, adequate business justification to proceed with the sale upon the

1 terms set forth in the Asset Purchase Agreement as the sale transaction will enhance the value of the
2 Debtor's estate, will minimize administrative obligations relating to the Acquired Assets and
3 represent the highest and best offer that the Debtor has received and provides fair and reasonable
4 consideration to the Debtor's estate;

5 M. Pivotec is a good faith purchaser for value of the Acquired Assets without notice of
6 any voidable transactions relating thereto within the meaning of section 550(b)(1) of the Bankruptcy
7 Code;

8 N. Pursuant to Section 363(f) of the Bankruptcy Code, all restrictions on assignment of
9 any of the Assumed Contracts have been satisfied by appropriate consents and may be lawfully
10 assigned to Pivotec. The Debtor has cured all defaults under the Assumed Contracts and Pivotec has
11 provided adequate assurance of its future performance of and under the Assumed Contracts within
12 the meaning of 11 U.S.C. Section 365(b)(i)(c).

13 O. There is no just reason to delay the closing of the sale to Pivotec. The Debtor's
14 ongoing operational costs, which costs will be substantially reduced after the sales contemplated
15 herein close, constitute cause to lift the stays imposed by Rules 6004 and 6006 of the Federal Rules
16 of Bankruptcy Procedure; and

17 P. Pursuant to 28 U.S.C. sections 157(b)(1) and 1334(b), this court has jurisdiction to
18 hear the Motion and to grant the relief requested therein and this Order;

19 The Court, having reviewed and considered the Motion and the declarations, exhibits, and
20 other papers filed in support of the Motion, any objections to the Motion and any supporting papers
21 thereto, and the files and records in this case; and the Court finding good cause thereof,

22 IT IS HEREBY ORDERED THAT:

23 1. The notices of the hearing on the Motion are approved as being fair, reasonable and
24 adequate under the circumstances, and any additional notice as may otherwise be required under
25 state or federal law is hereby waived;

26 2. Pivotec, with a bid of [REDACTED] is the successful bidder of the Acquired Assets;

27 3. Subject to any limitations or modifications contained herein and without need for any
28

1 further Court order, (a) the Motion is granted and any objection to the Motion is overruled or was
2 withdrawn at the hearing, and (b) the Debtor is authorized to take any and all actions necessary or
3 appropriate to consummate and carry out the transactions described in the Motion and to undertake
4 the obligations or other matters imposed, required or provided for therein such that, among other
5 things, the Debtor, subject hereto may sell the Acquired Assets, assign the Assumed Contracts, and
6 enter into any other agreement or document reasonably necessary or appropriate for the transaction;

7 4. Subject to Paragraph 7, under 11 U.S.C. section 363(f) and without further order of
8 the Court, upon Closing the Acquired Assets shall hereby be transferred, sold and delivered to
9 Pivotec free and clear of the Liens, and further free and clear of all pre and post petition claims,
10 obligations, liabilities, lawsuits, interests, contractual commitments, *de facto* merger, or substantial
11 continuity, of those persons who received actual or constructive notice of the sale, whether based in
12 law or equity, employee benefit obligations (including without limitation ERISA), and any and all
13 pre and post petition claims that relate to or purport to relate to the Acquired Assets, except as
14 otherwise provided under the Asset Purchase Agreement, without limiting the foregoing, the
15 Acquired Assets are specifically transferred, sold and delivered to Pivotec free and clear of the
16 Liens of Executive Office Properties, NitGen Co., Ltd., and Morrison & Foerster, LLP. Any Liens
17 not paid prior to or concurrently with the Closing shall attach to the proceeds of the sale which was
18 subject to the particular lien in the same scope, priority and validity, as such Liens had prior to the
19 Closing with the Debtor and the Official Committee of Unsecured Creditors and the estate reserving
20 all rights to object to such Liens.

21 5. Subject to Paragraph 7, after the Closing, all persons or entities holding Liens against
22 the Debtor or with respect to the Acquired Assets that received actual or constructive notice of the
23 sale are barred from asserting said lien against Pivotec, and its successors or assigns, and any claim
24 or right based upon such Liens.

25 6. Subject to Paragraph 7, the Acquired Assets conveyed hereunder, including the
26 assignment to Pivotec of the Assumed Contracts, shall be free and clear of such Liens, except as
27 provided under the Asset Purchase Agreement and herein. On the Closing, such Liens shall be
28 released, terminated and discharged as to the Acquired Assets and Pivotec., with such Liens to attach

1 to the proceeds of sale, with the same validity, force priority and effect which they now have as
2 against the Acquired Assets;

3 7. The Acquired Assets conveyed hereunder shall be conveyed on an "as is where is"
4 basis and "with all faults", and to the extent applicable to Debtor's patents and intellectual property
5 rights subject to the arbitration awards issued by the International Arbitration Tribunal of the
6 American Arbitration Association in the matter of *NitGen Co., Ltd., Claimant, and SecuGen*
7 *Corporation, etc., Respondents, etc.*, No. 50-T-181-00588-02, or the judgment of the Superior Court
8 of the State of California, County of Santa Clara in the civil action entitled *NitGen Co., Ltd. v.*
9 *SecuGen Corp., et al., etc.*, Nos. CV-812250 et seq., filed on March 25, 2005 ("Arbitration Award").
10 Notwithstanding any other terms or provisions of this Order or the Asset Purchase Agreement,
11 nothing in such order or agreement shall impair or adversely affect any rights of Nitgen Co., Ltd. or
12 the Debtor under the terms of the Arbitration Award, other than as to the liens securing monetary
13 claims held by Nitgen Co., Ltd. against the Debtor.

14 8. Pivotec hereby waives and releases any warranties of any kind and nature with
15 respect to the Acquired Assets conveyed hereunder, including any warranties of merchantability and
16 of fitness for a particular purpose;

17 9. Pivotec shall be deemed a good faith purchaser of the Acquired Assets for all
18 purposes including but not limited to the provisions of 11 U.S.C. section 363(m);

19 10. The terms of the sale are fair and reasonable and Pivotec is paying reasonably
20 equivalent value for the Acquired Assets;

21 11. This Order and the order rendering judgment entered in connection herewith shall be
22 effective immediately upon entry. No automatic stay of execution, pursuant to Rule 62(a) of the
23 Federal Rules of Civil Procedure, or Bankruptcy Rules 6004(g) or 6006(d), applies with respect to
24 this Order;

25 12. The Debtor is authorized, pursuant to 11 U.S.C. Section 365, to assume and assign to
26 Pivotec the Assumed Contracts, which assumption and assignment, without any further order of this
27 Court being required, shall occur upon Closing unless the Debtor informs any party to the Assumed
28 Contracts, in writing prior to the Closing, that a particular contract is to be excluded from the sale.

1 Upon the Closing, in accordance with this Order, any and all defaults under the Assumed Contracts
2 shall be deemed cured in all respects. In the event Pivotec identifies any additional contracts
3 pertaining to the Acquired Assets that it would like assigned, Debtor will undertake its best efforts to
4 seek entry of an Order authorizing the assumption and assignment of such contract(s) following
5 notice to the non-debtor party;

6 13. After the Closing, all persons or entities holding claims, liens or interests of any kind
7 or nature under the Assumed Contracts are barred from asserting against Pivotec and its successors
8 or assigns, any claim or right based on an alleged default or breach by the Debtor that occurred or
9 arose prior to the entry of this Order;

10 14. No bulk-sales law or any similar law of any state or other jurisdiction shall apply in
11 any way to the transfer of the Acquired Assets;

12 15. Upon the closing of the sale, the Debtor may submit an ex parte application to the
13 Court requesting an order authorizing it to change its name, and directing that all pleadings be filed
14 and docketed under the new name, upon such terms and conditions as the Court may direct;

15 16. To the extent requested by Pivotec, all creditors and other persons and entities are
16 authorized and directed forthwith to deliver to the Debtor for delivery to Pivotec after the Closing,
17 all of the Acquired Assets in their possession, custody or control;

18 17. Upon the closing of the sale transaction, the Debtor is authorized to distribute directly
19 from sale proceeds the following amounts:

20
21 REDACTED
22
23

24 18. This Order is binding upon and inures to the benefit of any successors or assigns of
25 the Debtor, including any trustee appointed in this case or any subsequent case of the Debtor under
26 chapter 7 of the Bankruptcy Code and any successors or assigns of Pivotec;

27 19. The terms and provisions of the Asset Purchase Agreement together with, and subject
28 to, the terms and provisions of this Order, shall be binding in all respects upon, and shall inure to the

1 benefit of, the Debtor, its estate and creditors, Pivotec and its affiliates, successors and assigns and
2 any affected third parties;

3 20. The Debtor and its officers, employees and agents be and they hereby are to execute
4 all such documents and to do such acts as are necessary and appropriate to carry out the sale as
5 contemplated by the Motion and the Asset Purchase Agreement;

6 21. This Court retains jurisdiction to enforce and implement the terms and provisions of
7 this Order and the Asset Purchase Agreement, all amendments thereto, any waivers and consents
8 thereunder, and each of the documents executed in connection therewith in all respects, including
9 retaining jurisdiction to (a) compel delivery of the Acquired Assets to Pivotec, (b) resolve any
10 disputes arising under or related to the Asset Purchase Agreement, and (c) protect Pivotec against
11 any Liens asserted against Pivotec; and

12 22. Any related documents or other instruments may be modified, amended or
13 supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the
14 terms thereof, without further order of the Court, provided that any such modification, amendment or
15 supplement does not have a material adverse effect on the Debtor's bankruptcy estate.

16 **APPROVED AS TO FORM AND CONTENT:**

17 OFFICE OF THE U.S. TRUSTEE

LAW OFFICES OF MANASIAN AND
ROUGEAU

18
19
20 By: /s/ John S. Wesolowski
John S. Wesolowski
21 United States Trustee Counsel

By: /s/ Gregory A. Rougeau
Gregory A. Rougeau
Law Offices of Manasian and Rougeau

22
23 HOWARD RICE NEMEROVSKI CANADY
FALK & RABIN

MCNUTT & LITTENEKER, LLP

24
25
26 By: /s/ William J. Lafferty
William J. Lafferty

By: /s/ Scott H. McNutt
Scott H. McNutt
Official Committee of Unsecured Creditors

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

GOLDBERG, STINNETT, MEYERS & DAVIS

By: /s/ Merle C. Meyers
Merle C. Meyers

***** END OF ORDER *****

COURT SERVICE LIST

1
2 **U.S. Trustee Counsel**

3 John S. Wesolowski
4 Office of the U.S. Trustee
5 U.S. Federal Bldg.
6 280 S. 1st Street, #268
7 San Jose, CA 95113-3004

8 **Debtor**

9 SecuGen Corporation
10 2356 Walsh Avenue
11 Santa Clara, CA 95051

12 **Counsel to Debtor**

13 Gregory A. Rougeau
14 Law Offices of Manasian and Rougeau
15 400 Montgomery Street, Suite 1000
16 San Francisco, CA 94104

17 **Official Committee of Unsecured Creditors**

18 Christopher H. Hart
19 McNutt & Litteneker, LLP
20 188 The Embarcadero, Suite 800
21 San Francisco, CA 94105

22 Scott H. McNutt
23 McNutt & Litteneker, LLP
24 188 The Embarcadero, Suite 800
25 San Francisco, CA 94105

26 **Counsel to PIVOTECnfotech**

27 Stephen T. O'Neill, Esq.
28 Murray & Murray, APC
19400 Steven Creek Blvd., Suite 200
Cupertino, CA 95014-2548