

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
Cranial Technologies, Inc.		12/23/2011	CORPORATION: ARIZONA
RECEIVING PARTY DATA			
Name:	Alliance Bank of Arizona, a Division of Western Alliance Bank		
Street Address:	One E. Washington Street		
Internal Address:	Suite 600		
City:	Phoenix		
State/Country:	ARIZONA		
Postal Code:	85004		
Entity Type:	CORPORATION: ARIZONA		
PROPERTY NUMBERS Total: 16			
Property Type	Number	Word Mark	
Registration Number:	3937117	SENTIENT3D	
Registration Number:	3191613	DOC DYNAMIC ORTHOTIC CRANIOPLASTY	
Registration Number:	3191612	DOC DYNAMIC ORTHOTIC CRANIOPLASTY	
Registration Number:	3248265		
Registration Number:	3002956	RESHAPING CHILDREN'S LIVES	
Registration Number:	3831450	HELP SHAPE BABIES LIVES	
Registration Number:	3790249	DOC BAND BABIES	
Registration Number:	3912494	CRANIALTECH	
Registration Number:	3895678	CRANIAL TECHNOLOGIES	
Registration Number:	3895677	CRANIAL TECHNOLOGIES	
Registration Number:	3555603	DIGITAL SURFACE IMAGING	
Registration Number:	3555602	DIGITAL SURFACE IMAGING	
Registration Number:	3613714	DSI	

Registration Number:	3613713	DSI
Registration Number:	2153423	DOC
Registration Number:	2153422	DOC BAND

CORRESPONDENCE DATA

Fax Number: (602)382-6070

Phone: 602-382-6228

Email: hsobelman@swlaw.com, landerson@swlaw.com

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Correspondent Name: Howard Sobelman, Snell & Wilmer L.L.P.

Address Line 1: One Arizona Center, 400 E. Van Buren

Address Line 4: Phoenix, ARIZONA 85004-2202

ATTORNEY DOCKET NUMBER:	43045.0290
NAME OF SUBMITTER:	Howard I. Sobelman
Signature:	/Howard I. Sobelman/
Date:	01/09/2012

Total Attachments: 12

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is effective as of December 23, 2011, by **CRANIAL TECHNOLOGIES, INC.**, an Arizona corporation ("Debtor"), in favor of **ALLIANCE BANK OF ARIZONA**, a Division of Western Alliance Bank ("Secured Party").

RECITALS

A. Secured Party has lent to Debtor certain amounts (the "Loan"), as more fully described in that certain Loan Agreement by and among Debtor and Secured Party, dated of even date herewith (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement").

B. One of the conditions to Secured Party's obligations to make the Loan was Debtor's grant to Secured Party of a security interest in the "Intellectual Property Collateral," as defined in Section 2, to secure Debtor's obligations to Secured Party.

C. To induce Secured Party to continue to advance the Loan pursuant to the terms of the Loan Agreement, Debtor has agreed to enter into this Agreement.

AGREEMENTS

1. Definitions. The following terms not otherwise defined herein will have the meanings indicated:

a. "Copyrights" means United States copyrights, copyright registrations and applications therefor, and any and all (i) renewals and extensions thereof, (ii) income, royalties, damages and payments now and hereafter due or payable with respect thereto, including damages and payments for past or future infringements thereof, (iii) rights to sue for past, present and future infringements thereof, and (iv) all other rights corresponding thereto throughout the world.

b. "Licenses" means license agreements in which a party grants or receives a grant of any interest in Copyrights, Trademarks, Patents and Trade Secrets and other intellectual property and any and all (i) renewals, extensions, supplements, amendments and continuations thereof, (ii) income, royalties, damages and payments now and hereafter due or payable to the party with respect thereto, including damages and payments for past or future violations or infringements or misappropriations thereof, and (iii) rights to sue for past, present and future violations or infringements thereof.

c. "Patents" means United States patents and patent applications along with any and all (i) inventions and improvements described and claimed therein, (ii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iii) income, royalties, damages and payments now and hereafter due and/or payable to the holder with respect thereto,

including damages and payments for past or future infringements thereof, (iv) rights to sue for past, present and future infringements thereof, and (v) all other rights corresponding thereto throughout the world.

d. “Trademarks” means United States trademarks (including service marks and trade names, whether registered or at common law), trademark registrations and applications therefor, and the entire product lines and goodwill of the owner’s business connected therewith and symbolized thereby, together with any and all (i) renewals thereof, (ii) income, royalties, damages and payments now and hereafter due or payable with respect thereto, including damages and payments for past or future infringements thereof, (iii) rights to sue for past, present and future infringements or misappropriations thereof, and (iv) all other rights corresponding thereto throughout the world.

e. “Trade Secrets” means trade secrets, along with any and all (i) income, royalties, damages and payments now and hereafter due and/or payable to the owner with respect thereto, including damages and payments for past or future infringements or misappropriations thereof, (ii) rights to sue for past, present and future infringements or misappropriations thereof, and (iii) all other rights corresponding thereto throughout the world.

Capitalized terms used and not defined herein are used with the meanings assigned to such terms in the Loan Agreement.

2. Grant of Security Interest. Debtor hereby grants to Secured Party a security interest in the following described intellectual property (collectively, the “Intellectual Property Collateral”):

a. All Trademarks of Debtor now owned or hereafter acquired, including those Trademarks listed on Exhibit A hereto.

b. All Copyrights of Debtor, now owned or hereafter acquired, including those registered Copyrights listed on Exhibit B hereto.

c. All Patents of Debtor, now owned or hereafter acquired, including those Patents listed on Exhibit C hereto.

d. All Trade Secrets of Debtor, now owned or hereafter acquired.

e. All Licenses of Debtor, now owned or hereafter acquired.

f. All files and records of Debtor or in which Debtor has any interest and supporting evidence and documents relating to the Intellectual Property Collateral, all rights of Debtor to retrieval from third parties of electronically processed and recorded information, and all payment records, correspondence, license agreements and the like, together with all Debtor’s books of account ledgers and equipment in which the same are reflected or maintained, now owned or hereafter acquired.

g. All proceeds of the foregoing.

3. Secured Indebtedness. The Intellectual Property Collateral secures and will secure all Indebtedness of Debtor to Secured Party related to the Loan. For purposes of this Agreement, "Indebtedness" will mean all loans and advances made by Secured Party to Debtor pursuant to the Loan Agreement, including related interest, loan fees, out-of-pocket charges, reasonable external attorneys' fees and other out-of-pocket, documented expenses for which Debtor is obligated, all guaranties by Debtor in favor of Secured Party related to the Loan, whether now existing or hereafter incurred or created, whether voluntary or involuntary, whether due or not due, whether absolute or contingent, or whether incurred directly or acquired by Secured Party by assignment or otherwise. Without limiting the generality of the foregoing, "Indebtedness" includes all obligations of Debtor to Secured Party under the Note (as defined in the Loan Agreement), including all renewals and modifications thereof.

4. Representations and Warranties of Debtor. Debtor represents and warrants that:

a. Debtor is the sole owner of the Intellectual Property Collateral, as of the date hereof, except for licenses granted by Debtor. To the best of Debtor's knowledge, no claim has been made that any part of the Intellectual Property Collateral violates the rights of any third party.

b. Debtor is and will be and remain the sole and exclusive owner of the Intellectual Property Collateral, except for dispositions permitted by the Loan Agreement, including, without limitation, licenses granted by Debtor, all of which is and will be free and clear of any Liens or Encumbrances, except for Permitted Exceptions.

c. To the best of Debtor's knowledge, Debtor's use of the Tradenames, Trademarks, Copyrights, Patents, and Licenses does not conflict in any material respect with the rights of others.

d. Except as disclosed to Secured Party in connection with the Loan Agreement, there are no material claims, judgments or settlements to be paid by Debtor or pending claims or litigation relating to the Intellectual Property Collateral.

e. To the best of Debtor's knowledge, no effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Intellectual Property Collateral is on file or of record in any public office, except such as may have been filed in connection with a Permitted Exception.

5. Covenants of Debtor. Debtor agrees that:

a. Debtor will take such actions as shall be commercially reasonable to protect the marks, inventions and works of authorship identified on Exhibits A, B and C, as well as any subsequent marks, inventions and works of authorship, which are security for the Loan and where the failure to do so would have a Material Adverse Change on the financial condition or operations of Debtor.

b. Debtor shall execute and deliver such additional instruments and documents from time to time as Secured Party shall reasonably request to perfect Secured Party's security interest in any Intellectual Property Collateral issued and/or registered after the date of this Agreement.

c. Debtor shall use commercially reasonable efforts to prosecute and maintain the validity and enforceability of the material Trademarks, Patents and Copyrights, except where failure to prosecute or maintain a Trademark, Patent, or Copyright would not reasonably be expected to have a Material Adverse Change on the financial condition or operations of Debtor, and promptly advise Secured Party in writing of the prosecution of such material infringements. Debtor shall not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written acknowledgment of Secured Party unless such Trademarks, Patents or Copyrights are no longer necessary for the operation of Debtor's business.

d. Secured Party may audit Debtor's Intellectual Property Collateral to confirm compliance with this Section 5, provided such audit may not occur more often than once per year, unless an Event of Default has occurred and is continuing.

6. Further Understandings. Debtor's rights as to the Intellectual Property Collateral are subject to the following further understandings:

a. Prior to the occurrence and continuance of an Event of Default hereunder and prior to written notice by Secured Party of its intent to restrict Debtor of its rights hereunder, Debtor may continue to exploit, license, franchise, use, enjoy and protect (whether in the United States of America or any foreign jurisdiction) the Intellectual Property Collateral in the ordinary course of business and in any manner consistent with the Loan Agreement and Security Agreement. Secured Party will execute and deliver, at Debtor's sole cost and expense, any and all instruments, certificates or other documents reasonably requested by Debtor to enable Debtor to do so.

b. This Agreement, and the security interest created hereunder, will terminate when all Indebtedness has been fully paid and satisfied (other than (a) contingent indemnification Obligations for which no claim has been made and (b) outstanding Letters of Credit, if such Letters of Credit have been cash collateralized. Secured Party (without recourse upon, or any warranty whatsoever by, Secured Party) will then execute and deliver to Debtor such documents and instruments evidencing the termination of the security interest hereunder as Debtor may reasonably request.

c. Debtor hereby irrevocably appoints Secured Party 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 Secured Party's reasonable discretion, to take any action and to execute any instrument which Secured Party may deem reasonably necessary to accomplish the purposes of this Agreement, including (i) modification by amending any Exhibit hereto to include reference to any Intellectual Property Collateral acquired by Debtor after the execution thereof or to delete any

reference to any Intellectual Property Collateral in which Secured Party no longer has or claims any interest and (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto relative to any of the Intellectual Property Collateral without the signature of Debtor, where permitted by law.

7. Default. The occurrence of an "Event of Default" under the Loan Agreement shall be an Event of Default hereunder.

8. Secured Party's Remedies After Default. Upon the occurrence and continuance of an Event of Default and subject to the notice and cure rights provided in the Loan Agreement, Secured Party may take any one or more of the following actions, all without notice (except as provided in the Loan Agreement, the Security Agreement, this Agreement and the Note), demand, legal process, protest or presentment of any kind:

a. Declare any or all Indebtedness immediately due and payable, without notice or demand.

b. Sell or assign or grant a license or franchise to use, or cause to be sold or assigned or granted a license or franchise to use, any or all of the Intellectual Property Collateral, in each case, free of all rights and claims of Debtor therein and thereto (but subject, in each case, to Permitted Exceptions and the rights of others heretofore granted or created by Debtor as contemplated herein).

c. Exercise the rights and remedies of a secured party under the Arizona Commercial Code or any other applicable law, including selling the Intellectual Property Collateral at public or private sale, for cash or on credit, in whole or in part and on such terms as Secured Party may determine.

d. Require Debtor to assemble any tangible Intellectual Property Collateral and make such Intellectual Property Collateral available to Secured Party for inspection at any of Debtor's locations.

e. Upon further written request of Secured Party, enter the premises of Debtor or third parties, subject to applicable law, in order to take possession of any tangible Intellectual Property Collateral.

f. Upon further written request of Secured Party, require Debtor to deliver daily collections and proceeds of the Intellectual Property Collateral to Secured Party as payment of the Indebtedness.

g. Upon further written request of Secured Party, notify any obligated persons of Secured Party's interest in the Intellectual Property Collateral and the proceeds thereof and require any such persons to forward all remittances, payments and proceeds respecting the Intellectual Property Collateral to Secured Party or a post office box under Secured Party's exclusive control.

- h. Demand and collect any proceeds of the Intellectual Property Collateral.
- i. Bring suit in its own or Debtor's name to protect or enforce Debtor's rights respecting any Intellectual Property Collateral, in which case Debtor will do any and all lawful acts and execute any and all proper documents requested by Secured Party in connection with such action.
- j. Use any Intellectual Property Collateral in connection with any assembly, use or disposition of other collateral in which Debtor has granted a security interest to Secured Party under the Loan Agreement.
- k. Take such measures as Secured Party may deem reasonably necessary or advisable to preserve, maintain or protect the Intellectual Property Collateral or any portion thereof or to perform such obligations hereunder as Debtor may have failed to perform without curing Debtor's default arising from such failure.
- l. Apply to any court of competent jurisdiction for appointment of a receiver to enforce any of Secured Party's remedies with respect to the Intellectual Property Collateral to which appointment Debtor hereby consents.
- m. Apply all recoveries received by Secured Party pursuant to the exercise of Secured Party's rights hereunder, net of all Secured Party's related costs and expenses, to the Indebtedness with Debtor remaining liable for any deficiency.
- n. Demand Debtor's payment of all Secured Party's reasonable costs and expenses incurred in connection with the exercise by Secured Party of its rights hereunder not offset against recoveries as provided in paragraph 8 hereinabove.
- o. Exercise such further remedies as Secured Party may have at law or in equity.
- 9. Miscellaneous.
 - a. Except for the bad faith, gross negligence or willful misconduct of Secured Party, Secured Party will have no liability for any handling or mishandling of any check, note, acceptance or other instrument which the maker thereof tenders to Debtor or Secured Party in connection with the Intellectual Property Collateral.
 - b. No failure or delay on the part of Secured Party in the exercise of any power, right or privilege hereunder or to insist on strict compliance or performance of the covenants and agreements, terms and conditions of this Agreement will operate as a waiver thereof.
 - c. Time and exactitude of each of the terms, obligations, covenants and conditions are hereby declared to be of the essence hereof.
 - d. This Agreement will be governed by and construed according to the laws of the State of Arizona.

e. All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Such rights and remedies may be exercised singularly or collectively from time to time, and thus any single or partial exercise of any right or remedy will not preclude the further exercise thereof or the exercise of any other right or remedy.

f. The defined terms in this Agreement will apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" when used in this Agreement will be deemed to be followed by the phrase "without limitation."

g. In the event of any action or proceeding that involves the protection, preservation or enforcement of Secured Party's rights or Debtor's obligations relating to this Agreement or the Indebtedness, Secured Party will be entitled to reimbursement from Debtor of all reasonable costs and out-of-pocket expenses associated with said action or proceeding, including reasonable attorneys' external fees and out-of-pocket litigation expenses. To the extent permitted by applicable law, Debtor will reimburse Secured Party for all reasonable external attorneys' fees and out-of-pocket expenses incurred in the representation of Secured Party in any aspect of any bankruptcy or insolvency proceeding initiated by or on behalf of Debtor that concerns any of Debtor's obligations to Secured Party under this Agreement, the Loan Agreement or the other Borrower Loan Documents. In the event of a judgment against one party concerning any aspect of this Agreement or the Indebtedness, the right to recover post-judgment attorneys' fees incurred in enforcing the judgment will not be merged into and extinguished by any money judgment. The provisions of this paragraph constitute a distinct and severable agreement from the other contractual rights created by this Agreement or the Loan Agreement.

h. Debtor hereby waives, to the extent permitted by applicable law, diligence, presentment, protest and demand and notice of every kind (except for such notice provided for under the Loan Agreement and the other Borrower Loan Documents). Debtor further waives, to the extent permitted by applicable law, any right to require Secured Party to proceed against any person for payment of the Indebtedness or against any other security Secured Party may have for the Indebtedness as a condition to realizing upon any Intellectual Property Collateral hereunder.

i. If any provisions of this Security Agreement are held to be invalid, illegal, unenforceable or against public policy in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.


j. Debtor will indemnify, defend and hold Secured Party harmless from and against any claims, losses, damages, suits, costs and expenses incurred by or asserted against Secured Party arising out of this Agreement, including Secured Party's enforcement of its rights hereunder, except where the covered matter results from Secured Party's bad faith, gross negligence or willful misconduct. In no event shall Debtor be liable for incidental, consequential or punitive damages of any kind.

10. This Agreement will inure to the benefit of Secured Party and its successors and assigns. Debtor will not assign any of Debtor's rights, duties or obligations hereunder except as permitted by the Loan Agreement. Any such assignment by Debtor will be void and of no effect as to Secured Party and its successors or assigns.

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Executed as of December 23, 2011.

CRANIAL TECHNOLOGIES, INC., an Arizona
corporation

By: 
Name: Carol Erickson
Title: President and Chief Executive Officer

Address: 1231 West Warner Road, Suite 105
Tempe, Arizona 85284

EXHIBIT A
TRADEMARKS

Serial No.	Reg. No.	Mark
85054298	3937117	SENTIENT3D
78663116	3191613	DOC DYNAMIC ORTHOTIC CRANIOPLASTY
78663111	3191612	DOC DYNAMIC ORTHOTIC CRANIOPLASTY
78534059	3248265	
78432623	3002956	RESHAPING CHILDREN'S LIVES
77906346	3831450	HELP SHAPE BABIES LIVES
77871282	3790249	DOC BAND BABIES
77838753	3912494	CRANIALTECH
77838735	3895678	CRANIAL TECHNOLOGIES
77838711	3895677	CRANIAL TECHNOLOGIES
77504957	3555603	DIGITAL SURFACE IMAGING
77504954	3555602	DIGITAL SURFACE IMAGING
77504951	3613714	DSI
77504950	3613713	DSI
75174156	2153423	DOC
75174153	2153422	DOC BAND

EXHIBIT B
COPYRIGHTS

Title	Reg. No.
Babies & tummy time.	TXu001174553
Consultation report.	TXu001143620
Cranial Technologies, Inc..	TXu001112423
Cranial technologies, Inc. : clinician training manual.	TXu001127206
Cranial Technologies, Inc. Internet Web site.	TXu001022823
Cranial Technologies, Inc. logo.	VAu000652136
DOC band graduate certificate.	TXu001243321
DOC : Dynamic orthotic cranioplasty.	TXu001174552
Severity assessment for plagiocephaly, and 2 other assessments.	TXu001126517
What is Plagiocephaly? Your Baby's Head Shape brochure.	TXu007376202
Your child's head shape.	TXu001232151
Cranial Technologies' Brochure.	TX0007247450
Guidelines and decision tree for treatment of plagiocephaly.	TXu001126519
The Insurance Game	TXu001275348
Above the Line (Poster)	???
Cranial Technologies, Inc. Internet Website	???

EXHIBIT C

PATENTS

App No.	Pat. No.	Pub. No.	Title
10753012	7305369	20040230545	Method and apparatus for producing three dimensional shapes
11471965	7542950	20070027826	METHOD AND APPARATUS FOR PRODUCING THREE DIMENSIONAL SHAPES
10753006	7127101	20040228519	Automatic selection of cranial remodeling device trim lines
11584334	7227979	20070081717	Automatic selection of cranial remodeling device trim lines
10385307	7162075	20040179728	THREE-DIMENSIONAL IMAGE CAPTURE SYSTEM
11640446	7245743	20070110299	Three-dimensional image capture system
11640105	7280682	20070140549	Three-dimensional image capture system
8720529	5951503		CRANIAL ORTHOSIS BAND
10752800	7142701	20040197016	Cranial remodeling device manufacturing system
10753013	7177461	20040236708	Cranial remodeling device database
10753118	7242798	20040230149	Automatic selection of cranial remodeling device configuration
12383186		20100238273	Three-dimensional image capture system for subjects
12383198		20100239135	Three-dimensional image capture system
12798076		20110237980	Assessment and classification system
12927132			Method and Apparatus for Preparing Image Representative Data
12927141			Method and Apparatus for Preparing Image Representative Data
12927128			Method and Apparatus for Preparing Image Representative Data
12930078			Tool for Operating on a Three-Dimensional Surface
12930076			Tool for Operating on a Three-Dimensional Surface
13136088			Method and Apparatus for Automatically Generating Trim Lines for Cranial Remodeling Devices
13136553			Method and Apparatus for Automatically Generating Trim Lines for Cranial Remodeling Devices

CARROLD\SWDMS\14173133