

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	INTELLECTUAL PROPERTY SECURITY AGREEMENT		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
CHOICE ADMINISTRATORS INSURANCE SERVICES, INC.		08/22/2013	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	CITIZENS BUSINESS BANK		
Street Address:	701 North Haven Avenue, Suite		
City:	Ontario		
State/Country:	CALIFORNIA		
Postal Code:	91764		
Entity Type:	State Chartered Bank: CALIFORNIA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	3221640	HEALTHCARE FOR THE WAY WE LIVE	
CORRESPONDENCE DATA			
Fax Number:	6502130260		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	(650) 812-1300		
Email:	patrademarks@manatt.com		
Correspondent Name:	Gail I. Nevius Abbas, Esq.		
Address Line 1:	Manatt, Phelps & Phillips, LLP		
Address Line 2:	1841 Page Mill Rd., Suite 200		
Address Line 4:	Palo Alto, CALIFORNIA 94304		
ATTORNEY DOCKET NUMBER:	00672-625(20130821CM)CHOI		
NAME OF SUBMITTER:	Patricia Picou Green, Sr. Paralegal		
Signature:	/Patricia Picou Green/		

CH \$40.00 3221640

Date:

09/26/2013

Total Attachments: 12

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "Agreement") is made as of August 22, 2013, by and between *CHOICE ADMINISTRATORS INSURANCE SERVICES, INC.*, a California S Corporation ("Grantor"), and *CITIZENS BUSINESS BANK* ("Secured Party").

RECITALS

A. Secured Party has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Business Loan Agreement, dated as of August 22, 2013 (the "Loan Agreement"; all capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement). The Loan Agreement and all documents related to the same shall be referred to herein as the "Loan Documents".

B. Secured Party is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party a security interest in all of Grantor's right title, and interest in, to and under all of the Collateral whether presently existing or hereafter acquired.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

I. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future indebtedness, obligations and liabilities to Secured Party, Grantor hereby grants a security interest and mortgage to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under all of its intellectual property, including without limitation the following (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 or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;

(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 the patents and patent applications set forth on Exhibit B attached hereto (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 Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (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, Trademarks or Patents; 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;

Provided that, Secured Party acknowledges that Grantor may enter into an agreement to sell and transfer to Xerox Corporation certain intellectual property set forth on Attachment A hereto) included within the foregoing Collateral, and, as a result of any such sale and transfer, and as a material inducement to Grantor to enter into this Agreement, Secured Party covenants and agrees to unconditionally release from the Collateral the intellectual property being sold and transferred in accordance with and to the extent specified on Attachment A hereto.

If additional intellectual property is hereafter identified as intellectual property to be transferred to Xerox, Grantor shall so notify and obtain consent of Secured Party (which consent will not be unreasonably withheld or delayed) and such intellectual property shall be added to Attachment A.

2. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for licenses granted by Grantor to its customers in the ordinary course of business;

(b) Except as set forth in the Schedule, Grantor's rights as a licensee of intellectual property do not give rise to more than five percent (5%) of its gross revenue in any given month, including without limitation revenue derived from the sale, licensing, rendering or disposition of any product or service;

(c) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Grantor is party or by which Grantor is bound;

(d) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for licenses granted by Grantor in the ordinary course of business or as set forth in this Agreement;

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

(f) Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement;

(g) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights (ii) use its best efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected and (iii) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which shall not be unreasonably withheld;

(h) Grantor shall apply for registration on an expedited basis (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable: (i) those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement; (ii) all registerable intellectual property rights Grantor has developed as of the date of this Agreement but heretofore failed to register, within thirty (30) days of the date of this Agreement; and (iii) those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product or service, prior to the sale or licensing of such product or the rendering of such service to any third party and prior to Grantor's use of such product (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C). Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral. Grantor shall give Secured Party notice of all such applications or registrations;

(i) This Agreement creates, and in the case of after acquired Collateral, this Agreement will create at the time Grantor first has rights in such after acquired Collateral, in favor of Secured Party a valid and perfected first priority security interest in the Collateral in the United States securing the payment and performance of the obligations evidenced by the Loan Documents;

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

(k) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor'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 Grantor obtaining actual knowledge thereof, Grantor will promptly notify Secured Party in writing of any event that materially adversely affects the value of any Collateral, the ability of Grantor to dispose of any Collateral or the rights and remedies of Secured Party in relation thereto, including the levy of any legal process against any of the Collateral.

3. Secured Party's Rights. Secured Party shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this Agreement to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor. Grantor shall reimburse and indemnify Secured Party for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section 3.

4. Inspection Rights. Grantor hereby grants to Secured Party and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested.

5. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor 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 deemed necessary or advisable, or as requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this

Agreement, including (i) to modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C, hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law and (iii) after the occurrence of an Event of Default, to transfer the Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

6. Events of Default. The occurrence of any of the following shall constitute an Event of Default under the Agreement:

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

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within five (5) days of the occurrence of such breach.

7. Remedies. Upon the occurrence and continuance of an Event of Default, Secured Party 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 Grantor to assemble the Collateral and any tangible property in which Secured Party has a security interest and to make it available to Secured Party at a place designated by Secured Party. Secured Party shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Secured Party to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with the exercise of any of Secured Party's rights hereunder, including without limitation any expense incurred in disposing of the Collateral. All of Secured Party's rights and remedies with respect to the Collateral shall be cumulative.

8. Indemnity. Grantor agrees to defend, indemnify and hold harmless Secured Party 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 Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Secured Party as a result of or in any way arising out of, following or consequential to transactions between Secured Party and Grantor, whether under this Agreement or otherwise (including without limitation reasonable attorneys' fees and reasonable expenses), except for losses arising from or out of Secured Party's gross negligence or willful misconduct.

9. Course of Dealing. No course of dealing, or any failure to exercise, or any delay in exercising any right, power or privilege hereunder, shall operate as a waiver thereof.

10. Attorneys' Fees. If any action relating to this 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.

11. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto.

12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

13. California Law and Jurisdiction; Jury Waiver. This Agreement shall be governed by the laws of the State of California, without regard for choice of law provisions. Grantor and Secured Party consent to the exclusive jurisdiction of any state or federal court located in Santa Clara County, California. TO THE EXTENT PERMITTED BY LAW, GRANTOR AND SECURED PARTY EACH WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE LOAN DOCUMENTS, THIS AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

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

GRANTOR:

Address of Grantor:

721 S. Parker, Suite 300
Orange, CA 92868
Attn: Edward J. Brown, Jr.

CHOICE ADMINISTRATORS INSURANCE SERVICES, INC., a California S Corporation

By: 

Its: Clinton Gee, Chief Financial Officer

SECURED PARTY

Address of Secured Party:

Santa Ana Business Financial Center
2000 E. Fourth Street, Suite 100
Santa Ana, CA 92705
Attn: David Anduri

CITIZENS BUSINESS BANK

By: 

Its: JAMES A. LEWIS, SVP MANAGER

EXHIBIT A

Copyrights

Description

Registration Number

Registration Date

EXHIBIT B

Patents

<u>Description</u>	<u>Registration/Serial Number</u>	<u>Registration/Application Date</u>
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EXHIBIT C

Trademarks

<u>Trademarks</u>	<u>Registration/Application Number</u>	<u>Registration/Application Date</u>
HEALTHCARE FOR THE WAY WE LIVE	Reg. No. 3221640	03/27/2007

Attachment A

Schedule of Intellectual Property

Intellectual Property

Patents and Patent Applications

TITLE	COUNTRY	REG./SERIAL NUMBER
N/A	US	
	US	
	US	

all divisions, reissues, continuations, and extensions of the patents and patent applications; the right to sue and collect damages for past infringement of the foregoing.

Trademarks/Service Marks

MARK	COUNTRY	REG./SERIAL NUMBER
N/A	US	
	US	
	US	

the entire worldwide interest and goodwill of the business symbolized by the service marks and trademarks, whether registered or not; the right to sue and collect damages for past infringement of service marks, trademarks, and the related trade dress of the foregoing.

Registered Copyrights

TITLE	COUNTRY	REG. NUMBER
HIX Solution Suite	US	TXu 1-858-380
	US	
	US	

all variations, translations, and derivate works of the foregoing. Choice and XEROX agree to execute and file with the United States Copyright Office the Assignment document set forth at Attachment B to the Agreement.

Software and Documentation

The following Partner Software, as defined in the TARMSLA, Partner Database, as defined in the TARMSLA, and software source code, software object code, user interface, and all related technical data, specifications, research documentation, development documentation, training

documentation, quality assurance documentation, maintenance documentation, trade secrets, and know-how as specified in the deliverables for which Choice is responsible under Schedule A of the Nevada Subcontract:

HIX Solution Suite (HSS) Portal Framework
HSS Customer Service Portal
HSS Platform Application Programmer Interface (API)
HSS Identity Proofing API
HSS Integration API
HSS Shopping API
HSS Database Integration API
HSS Payment Portal Integration API
HSS Document Management Integration API
HSS Integration Interface for Third Party CRM System
HSS Integration Interface for Third Party Finance System
HSS Integration Interface for Third Party IVR System
HSS Notification Subsystem
HSS Eligibility Subsystem
HSS Enrollment Subsystem
HSS Membership Subsystem
HSS Identity Management Subsystem
HSS Configuration Store Subsystem
HSS Security Subsystem
HSS Financial Services Subsystem
HSS Task Workflow Subsystem
HSS Electronic Data Interchange Integration Subsystem
HSS Database
HSS Data Warehouse
HSS Integration Interface to Third Party Rating Engine
HSS Nevada Portal
HSS Nevada Division of Welfare and Support of Services Integration (DWSS) API
HSS Nevada Nevada Operations of Multi-Automated Data Systems (NOMADS) Batch API

The above listed software and components do not include the following and the following are therefore not being sold and transferred to XEROX and are not included in the definition of Intellectual Property:

- (i) Any third party license agreements which Choice has related to any of the above;
- (ii) Any intellectual property being licensed to Choice pursuant to these license agreements, including the following:
 - a. Microsoft Dynamics Great Plains
 - b. Microsoft Dynamics CRM
 - c. Microsoft Windows Operating Systems
 - d. Microsoft SQL Server Family of Products
 - e. Microsoft Visual Studio
 - f. Microsoft Team Foundation Server

- g. Microsoft SharePoint
 - h. Microsoft Office Software
 - i. Microsoft Exchange Server
 - j. IronPort Secure Email Server
 - k. 1EDISource Software;
 - l. Inin IVR
 - m. MoveIt File Transfer Software
- (iii) Any intellectual property being licensed to XEROX under a separate license agreement entered into between Quoit and XEROX concurrently herewith; and
- (iv) Any intellectual property created by Xerox or any third party and not owned by Choice pursuant to the Subcontract or the TARMSLA.