

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM306727

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
FPSI, Inc.		12/27/2013	CORPORATION:
RECEIVING PARTY DATA			
Name:	PirateEye, LLC		
Street Address:	350 CAMBRIDGE AVE STE 225		
City:	Palo Alto		
State/Country:	CALIFORNIA		
Postal Code:	94306		
Entity Type:	LIMITED LIABILITY COMPANY: CALIFORNIA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3856078	PIRATEVIEW	
Registration Number:	3437542	PIRATEEYE	
CORRESPONDENCE DATA			
Fax Number:	6508139777		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Email:	cdavis@rroyselaw.com		
Correspondent Name:	Royse Law Firm, PC		
Address Line 1:	1717 Embarcadero Road		
Address Line 4:	Palo Alto, CALIFORNIA 94303		
NAME OF SUBMITTER:	Christopher Davis		
SIGNATURE:	/Christopher Davis/		
DATE SIGNED:	06/05/2014		
Total Attachments: 27			
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ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), dated as of December 27, 2013 (the "Effective Date"), is made by and among FPSI, Inc., a Delaware corporation, (the "Assignor"), and PirateEye, LLC, a California limited liability corporation, and Brian Dunn and the Lefanowicz Family Trust (collectively, the "Assignees").

RECITALS

WHEREAS, the Assignees hold certain priority secured promissory notes as set forth on Exhibit A hereto (the "Secured Notes").

WHEREAS, the Assignor has committed an Event of Default as defined in Section 4 of each of the Secured Notes and has not cured the default within the required 30 day cure period.

WHEREAS, the Secured Notes grant the Assignees a security over the assets of the company as set forth in the 2013 Security Agreement attached in Exhibit B hereto.

WHEREAS, the Assignees wish to exercise their right to purchase the Collateral (as defined in Section 2.1 of the 2013 Security Agreement) and directly assign the ownership of the Collateral to PirateEye LLC in satisfaction of \$450,000 of the amount owed by Assignor under the Secured Notes; specifically, \$318,735 owed to Brian Dunn and \$131,265 owed to the Lefanowicz Family Trust.

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor and the Assignees hereby agree as follows:

1. **Certain Defined Terms.** As used in this Agreement, each of the following terms have the meaning assigned to it in Article 9 of the Uniform Commercial Code ("UCC"): "Accounts," "Chattel Paper" (including "Electronic Chattel Paper"), "Commercial Tort Claim," "Deposit Accounts," "Documents," "Equipment," "General Intangibles," "Goods," "Instruments," "Inventory," "Investment Property," "Letter-of-Credit Rights," "Proceeds," and "Supporting Obligations." A capitalized term not otherwise defined in this Agreement but defined in the UCC shall have the meaning ascribed to it in the UCC.

2. Assignment.

a. Assignor hereby assigns all the following properties, assets and rights of the Assignor, wherever located, and all proceeds and products thereof: (a) all Accounts; (b) all Chattel Paper; (c) all Commercial Tort Claims including those specifically described in Section 8 of the Perfection Schedule attached as Exhibit B to the 2013 Security Agreement; (d) all Deposit Accounts; (e) all Documents; (f) all Equipment; (g) all General Intangibles; (h) all Instruments; (i) all Inventory; (j) all Investment Property; (k) all Letters of Credit and Letter-of-Credit Rights; (l) all Money; (m) all other Goods not otherwise included in any of clauses (a) – (l) of this Section 2; and (n) all Supporting obligations. The property, assets and rights referred to in clauses (a) – (n) above shall be referred to as the "Assigned Property."

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b. Assignors hereby covenant and agree to cooperate with Assignee to enable Assignee to enjoy to the fullest extent the right, title and interest herein conveyed. Such cooperation by Assignors shall include, without limitation, prompt production of pertinent facts and documents, giving of testimony, executing of petitions, oaths, specifications, declarations or other papers, and other assistance all to the extent deemed necessary or desirable by Assignee (i) for perfecting in Assignee the right, title and interest herein conveyed; (ii) for complying with any duty of disclosure; (iii) for filing and prosecuting applications for issue or reissue of the patents issuing from the Assigned Property; (iv) for interference or other priority proceedings involving the Assigned Property or the invention underlying the Assigned Property; and (v) for legal proceedings involving the Assigned Property or any invention underlying the Assigned Property, including without limitation opposition proceedings, cancellation proceedings, priority contests, public use proceedings, reexamination proceedings, compulsory licensing proceedings, infringement actions and court actions.

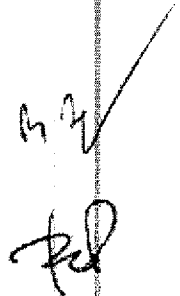
3. **Limitation on Assumption.** The Assignee is not assuming any liabilities, and the Assignors retain and remain liable for the liabilities.

4. **Further Assurances.** Each party hereto shall from and after the date hereof, upon the reasonable request of any other party hereto, execute such other documents as such other party may reasonable require to obtain the full benefit of this Agreement.

5. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of law.

6. **Binding Effect.** This Agreement shall be binding upon, and shall inure to the benefit of the Assignors and the Assignee, and their respective successors and assigns.

[Signatures on the Following Page]

Handwritten signatures and initials in the bottom right corner of the page. There are two distinct signatures, one above the other, both appearing to be in cursive or a similar informal script.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

ASSIGNOR:

FPSI INC.

By: 

Name:

BRIAN DUNN

Title:

CEO

ASSIGNEES:

PIRATEEYE LLC

By: 

Name:

BRIAN DUNN

Title:

MANAGER

BRIAN DUNN

By: 

LEFANOWICZ FAMILY TRUST

By: 

Name:

Mark Lefanowicz

Title:

Trustee Lefanowicz Family Trust

EXHIBIT A

May 10, 2013 – Brian Dunn - \$550,000
May 10, 2013 – Lefanowicz Family Trust - \$150,000
May 13, 2013 – Brian Dunn - \$100,000
May 13, 2013 – Lefanowicz Family Trust - \$50,000
May 29, 2013 – Brian Dunn - \$100,000
June 21, 2013 – Lefanowicz Family Trust - \$100,000
July 11, 2013 – Lefanowicz Family Trust - \$50,000
July 11, 2013 – Brian Dunn - \$100,000

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EXHIBIT B

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REEL: 005296 FRAME: 0713

2013 SECURITY AGREEMENT

This 2013 Security Agreement (this "**Agreement**") is made effective as of May 10, 2013 (the "**Effective Date**") by and among FPSI, Inc., a Delaware corporation ("**Grantor**"), the parties listed on the Schedule of Secured Parties attached to this Agreement as Exhibit A and each person who may hereafter become a Secured Party as provided in Section 9.9 (each individually a "**Secured Party**" and collectively with any Person who becomes a Secured Party hereunder after the Effective Date, the "**Secured Parties**").

A. Pursuant to that certain 2013 Note Purchase Agreement of even date herewith by and among Grantor and the Secured Parties (the "**Purchase Agreement**"), the Secured Parties have agreed to loan funds to Grantor in exchange for Grantor's issuance to the Secured Parties of certain convertible secured promissory notes evidencing Grantor's obligation to repay such loans (the "**Notes**"). In connection with the issuance of the Notes, the Company has also entered into the other Financing Documents (as defined below).

B. It is a condition to the issuance of the Notes, that Grantor grant a security interest in the Collateral (as defined below) and Grantor has agreed to do so.

NOW, THEREFORE, the parties hereby agree as follows.

1. CERTAIN DEFINED TERMS.

1.1 UCC Terms. As used in this Agreement, each of the following terms have the meaning assigned to it in Article 9 of the UCC with the inclusions noted: "**Accounts**," "**Chattel Paper**" (including "**Electronic Chattel Paper**"), "**Commercial Tort Claim**," "**Deposit Accounts**," "**Documents**," "**Equipment**," "**General Intangibles**" (including Intellectual Property as defined below), "**Goods**" (including any software designated as "Goods" under the UCC), "**Instruments**," "**Inventory**," "**Investment Property**," "**Letter-of-Credit Rights**," "**Proceeds**" and "**Supporting Obligations**." A capitalized term not otherwise defined in this Agreement but defined in the UCC shall have the meaning ascribed to it in the UCC.

1.2 Other Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below.

"**Balance**" means the sum of all outstanding and unpaid principal, all accrued but unpaid interest and all other sums outstanding on a Note or Prior Note or on all Notes and Prior Notes, as the context requires, on the date in question (taking into account any acceleration of maturity of all or any part of the indebtedness under such Note, Prior Note, or Notes or Prior Notes).

"**Business Day**" means a weekday on which banks are open for general banking business in San Francisco, California.

"**Collateral**" has the meaning set forth in Section 2.1.

"**Enforcement Costs**" has the meaning set forth in Section 6.4.

"Event of Default" has the meaning set forth in Section 5 of the Notes and Prior Notes.

"Financing Document" means any one or more of the following: (a) the Notes and Prior Notes; (b) this Agreement; (c) any other document executed or authenticated by any of the parties to this Agreement for the purpose of perfecting, continuing the perfection, maintaining the priority of, or giving notice of, the security interest granted under this Agreement; and (d) any document entered into or executed or in connection with, or for the purpose of amending, any other Financing Document described in the preceding clauses of this sentence.

"Governmental Authority" means any U.S. federal, state, local or foreign government, court, tribunal, administrative agency, commission, investigative body (including a grand jury) or other governmental body or agency of any jurisdiction.

"Intellectual Property" means any intellectual property including every: (a) patent or patent application; (b) trademark, service mark and trade name (whether registered or unregistered), and any application for registration of the same; (c) copyright (whether registered or unregistered) and any application for registration of the same, and moral rights; (d) mask work and mask work registration application; (e) trade secret, inventions (whether or not patentable), know-how and (f) any license or other right to use or to grant the use of, or to be the registered owner or user of, any of the foregoing.

"Lease" means any arrangement whereby an asset may be used or managed by a Person other than its owner.

"Legal Name" with regard to Grantor or any Predecessor means such Person's exact official name as of the time referenced, and in the case of a corporation or other Registered Organization (as defined under Article 9 of the UCC), as set forth in its charter documents in effect as of the time referenced.

"Lien" means any mortgage, charge, lien (whether judicial, statutory or otherwise) or pledge, collateral assignment, security interest, deed of trust, title retention device, conditional sale or other security arrangement of any kind whatsoever.

"Majority Holders" has the meaning set forth in the Notes and Purchase Agreement.

"Money" has the meaning assigned to it in Article 1 of the UCC.

"New Investor" has the meaning set forth in Section 9.9.

"Notes" has the meaning set forth in the recitals of this Agreement.

"Obligations" means all of the obligations of Grantor under the Notes, the Prior Notes, this Agreement and the other Financing Documents or under any other debt instrument issued to the Secured Parties hereafter which specifically references this Agreement and indicates it is intended to be secured by the Collateral pursuant to this Agreement.

"Perfection Schedule" means the duly completed Perfection Schedule attached hereto as Exhibit B.

"Permitted lien" means: (a) Liens granted in the Collateral under this Agreement in favor of the Secured Parties; (b) Liens for Taxes, fees, assessments or other governmental charges or levies, that either are not delinquent or are being contested in good faith by Grantor in appropriate Proceedings and which are adequately reserved for in accordance with U.S. generally accepted accounting principles; (c) Liens of materialmen, mechanics, warehousemen or carriers or other similar Liens arising in the ordinary course of business and securing obligations that either are not delinquent or are being contested in good faith by appropriate Proceedings; (d) Liens consisting of deposits or pledges to secure the payment of workers' compensation, unemployment insurance or other social security benefits or obligations, or to secure the performance of Leases, bids, trade contracts, public or statutory obligations, surety or appeal bonds or other obligations of a like nature incurred in the ordinary course of business; (e) licenses to Intellectual Property granted by Grantor and in existence on the Effective Date; and (g) Liens securing Senior Indebtedness.

"Person" means an individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, joint venture or other entity or any Governmental Authority.

"Predecessor" means any Person to which Grantor became the successor by merger, consolidation, acquisition of assets, change in form, nature or jurisdiction of organization or otherwise.

"Prior Notes" has the meaning set forth in the recitals to this Agreement.

"Proceeding" means any action, suit, arbitration, mediation, investigation or other proceeding (including by or before a Governmental Authority, stock exchange or similar body).

"Pro Rata Share" with respect to any Secured Party means, at the relevant time, the proportion equivalent to the aggregate Balance of all Notes and Prior Notes held by such Secured Party divided by the aggregate Balance of all Notes and Prior Notes held by all Secured Parties.

"Purchase Agreement" has the meaning set forth in the recitals of this Agreement.

"Records" of a Person means all the information which relates in any way to such Person's business or any transaction entered into by such Person, whether the information is recorded electronically, magnetically or otherwise or stored in a tangible form.

"Registered Intellectual Property" has the meaning set forth in Section 4.5.

"Senior Indebtedness" shall mean the principal of, accrued but unpaid interest on and other amounts with respect to, any and all indebtedness of the Company, whether outstanding on the date hereof or hereafter created, incurred in connection with the borrowing of money or the leasing of personal property from banks, equipment lessors, insurance companies,

lease financing institutions or other financial institutions (other than small business investment companies or venture capital firms) regularly engaged in the business of lending money, and any renewals or extensions of any such indebtedness or any debentures, notes or other evidence of indebtedness issued in exchange for such indebtedness.

"*Taxes*" means, U.S. federal, state, local and foreign taxes of any kind whatsoever (whether payable directly or by withholding), together with any estimated tax, additions to tax, interest, fines and penalties related thereto.

"*UCC*" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; *provided, however*, in the event that, by reason of mandatory provisions of law, the attachment, perfection, the effect of perfection and nonperfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of California, then the term "*UCC*" shall instead mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such attachment, perfection, the effect of perfection and nonperfection or priority and for purposes of definitions related to such provisions. In the event the relevant UCC uses the term "Division" in place of "Article" to designate subdivisions of such UCC, the references in this Agreement to "Article" shall instead be a reference to "Division" with respect to such subdivisions.

2. SECURITY INTEREST.

2.1 Grant. Grantor hereby grants to the Secured Parties, to secure the payment and performance in full of all of the Obligations, a security interest in the following properties, assets and rights of Grantor, wherever located, whether now owned or hereafter acquired or arising, and in all proceeds and products thereof (all of the same being the "*Collateral*"): (a) all Accounts; (b) all Chattel Paper; (c) all Commercial Tort Claims including those specifically described in Section 8 of the Perfection Schedule; (d) all Deposit Accounts; (e) all Documents; (f) all Equipment; (g) all General Intangibles; (h) all Instruments; (i) all Inventory; (j) all Investment Property; (k) all Letters of Credit and Letter-of-Credit Rights; (l) all Money; (m) all other Goods not otherwise included in any of clauses (a) – (l) of this Section 2.1 and (n) all Supporting Obligations. The Secured Parties acknowledge that the attachment of a security interest in any additional Commercial Tort Claim as original Collateral is subject to Grantor's compliance with Section 4.8.

2.2 Priority Among Secured Parties. As between the Secured Parties, the security interest and other rights granted hereunder will be held by or for the benefit of each of the Secured Parties in accordance with their respective Pro Rata Shares, and on a *pari passu* basis of equal seniority and priority, notwithstanding the date, order or method of attachment or perfection of the security interest granted to any Holder under this Agreement.

2.3 Termination. Upon the payment and performance in full of all the Obligations, this Agreement and Grantor's obligations hereunder shall automatically terminate and the Secured Parties shall promptly, at Grantor's expense, execute and deliver to Grantor such documents and instruments reasonably requested by Grantor as shall be necessary to evidence termination of all security interests given by Grantor to the Secured Parties hereunder; *provided*,

however, that the obligations of Grantor under Section 6.4 and the obligations of the Secured Parties under Sections 2.3 and 6.3, shall survive such termination.

3. **PERFECTION.** Grantor hereby authorizes the Secured Parties to file (with or without Grantor's signature), at any time and from time to time, all financing statements, assignments, continuation financing statements, termination statements, control agreements and other documents and instruments, including all appropriate UCC and Patent and Trademark Office and Copyright filings, in form satisfactory to the Majority Holders, and to take all other action, as the Majority Holders may reasonably request, to perfect and continue perfected, maintain the priority of, or provide notice of, the security interest of the Secured Parties in the Collateral granted under this Agreement and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing:

(a) Grantor ratifies and authorizes the filing by the Secured Parties of any financing statements regarding the security interest in the Collateral granted hereunder that may have been filed prior to the Effective Date;

(b) Grantor will cooperate with the Secured Parties in obtaining Control (as defined in the UCC) for the Secured Parties of Collateral consisting of Deposit Accounts, Investment Property, Letter-of-Credit Rights and Electronic Chattel Paper; provided however that the Secured Parties have elected not to initially perfect a security in Grantor's deposit account with Wells Fargo bank and, until otherwise requested by the Majority Holders, Grantor need not enter into a deposit account control agreement with such bank concerning such account;

(c) Grantor will cooperate with the Secured Parties, and in obtaining a listing of each Secured Party as a secured party of record with regard to any Collateral consisting of Goods represented by a Certificate of Title where such registration is required to perfect, maintain the perfection or priority of, or give notice of, the security interest granted herein in such Collateral;

(d) Grantor will join with the Majority Holders in notifying any third Person who has possession of any Collateral of the Secured Parties security interest therein and obtaining an acknowledgement from such third Person that such third Person is holding the Collateral for the benefit of the Secured Parties; and

(e) Grantor will not create any Chattel Paper without placing a legend on the Chattel Paper reasonably acceptable to the Majority Holders indicating that the Secured Parties have a security interest in such Chattel Paper.

4. **REPRESENTATIONS AND WARRANTIES OF GRANTOR.** Grantor hereby represents and warrants to the Secured Parties as follows.

4.1 **Name and Identifying Information.** The Legal Name of Grantor (as it appears in the Certificate of Incorporation of Grantor as currently in force and effect) is "FPSI, Inc.". The true and complete current mailing address of Grantor is set forth immediately following Grantor's signature on the signature page(s) hereto.

4.2 Other Names. Section 1(a) of the Perfection Schedule sets forth a true and complete list of each other name (including trade names and fictitious business names) used by Grantor at any time within five (5) years before the Effective Date. Section 1(b) of the Perfection Schedule sets forth a true and complete list of each transaction completed within five years ended immediately before the Effective Date by which Grantor became a successor to any other Person by merger, consolidation, acquisition of assets, change in form, nature or jurisdiction of organization or otherwise and, with regard to each Predecessor, sets forth such Predecessor's (a) Legal Name; (b) mailing address; (c) if such Predecessor was an entity, type of organization (e.g., corporation, partnership, LLC); (d) jurisdiction of organization and (e) any organizational identification number issued to such Predecessor by its jurisdiction of organization, if any.

4.3 Places of Business. Section 2 of the Perfection Schedule sets forth (a) the current location of the executive offices of Grantor; (b) each other location of Records related to the Collateral; (c) each place of business presently maintained by Grantor in the United States.

4.4 Other Locations of Collateral; Bailees. Section 3 of the Perfection Schedule sets forth a true and complete list of (a) each location (other than as set forth on Section 2 of the Perfection Schedule) where Grantor has tangible Collateral located and (b) the name and address of each Person other than Grantor (such as lessees, consignees, warehousemen or other bailees) who has or is presently intended to have possession of any of the Collateral or had possession of any Collateral within the twelve months ended immediately before the Effective Date.

4.5 Intellectual Property. Section 4 of the Perfection Schedule sets forth a true and complete list of Grantor's U.S. and foreign (a) patents and patent applications; (b) copyright registrations and copyright registration applications; (c) mask works and mask work registration applications; (d) trademark registrations and trademark registration applications; and (e) domain names (all of the Intellectual Property described in clauses (a) through (e), whether now owned or hereafter acquired, is collectively referred to herein as the "*Registered Intellectual Property*"). Upon acquisition of any material Registered Intellectual Property after the Effective Date, Grantor will promptly notify the Secured Parties and update Section 4 of the Perfection Schedule to reflect such acquisition. Section 5 of the Perfection Schedule further identifies each contract or agreement under which Grantor is a licensee of the Intellectual Property of any other Person, the loss of which license rights would reasonably be expected to have a material adverse effect on Grantor, its business, any of its material products or the Collateral (such rights, "*Licensed Core IP*").

4.6 Deposit Accounts. Section 6 of the Perfection Schedule sets forth a true and complete list of each Deposit Account maintained by Grantor and with regard to each such account: (a) the name and address of the financial institution where it is maintained; (b) the account number and (c) the account type. Other than for the benefit of the Secured Parties pursuant to this Agreement, Grantor has not granted to any Person any security interest in, or account control agreement over, or otherwise given control over, any Deposit Account.

4.7 Investment Property. Section 7 of the Perfection Schedule sets forth a true and complete list of all Investment Property owned by Grantor, including each (a) Security,

Securities Entitlement, Commodity and Commodities Entitlement, identifying the issuer and the type of Investment Property and (b) each Securities Account and Commodities Account which Grantor maintains and, with regard to each such account, sets forth (i) the name and address of the Securities Intermediary or Commodities Intermediary, respectively, at which such account is maintained, (ii) the account number and (iii) the account type. Other than for the benefit of the Secured Parties pursuant to this Agreement, Grantor has not granted to any Person any security interest in, entered into any control agreement with regard to, or otherwise given control over, any Investment Property.

4.8 Commercial Tort Claims. Section 8 of the Perfection Schedule identifies each Commercial Tort Claim now held by Grantor and each Proceeding which Grantor has instituted which is now pending involving the prosecution or collection of a Commercial Tort Claim, including the name of the action, the Court in which it is pending and the case number. If Grantor shall at any time before the termination of this Agreement initiate, hold or acquire a Commercial Tort Claim, Grantor shall immediately notify the Secured Parties in writing of such fact and grant to the Secured Parties a security interest in such Commercial Tort Claim and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Majority Holders.

4.9 Title; Valid, Perfected Security Interest; No Other Liens. Grantor owns all right, title and interest in and to the Collateral. All of the Collateral is free and clear of all Liens except for Permitted Liens. This Agreement creates a security interest that is valid and enforceable against the Collateral in which Grantor now has rights and will create a security interest that is valid and enforceable against the Collateral in which Grantor hereafter acquires rights at the time Grantor acquires any such rights.

4.10 No Bankruptcy, Insolvency Actions or Liquidation. No receiver has been appointed nor is any receiver presently charged with authority of any kind over any of the Collateral or any other material part of Grantor's property, nor has Grantor made an assignment for the benefit of creditors. Grantor is not the debtor or alleged or ancillary debtor in any case under the United States Bankruptcy Code or the subject of any other bankruptcy or insolvency Proceedings for the general adjustment of its debts or for its liquidation. In the ninety (90) days immediately preceding the Effective Date, Grantor has not received any threat from any third Person to subject Grantor to any involuntary bankruptcy or insolvency Proceeding. Grantor has not adopted any resolution of its Board of Directors or taken any vote of its stockholders for the dissolution, liquidation or winding up of its affairs, nor has Grantor received any proposal therefor from any stockholder of Grantor.

5. COVENANTS OF GRANTOR. Until this Agreement has been terminated in accordance with Section 2.3, the following shall apply.

5.1 Operation of Business. Grantor will operate its business substantially in a manner consistent with its past business practices, but in accordance with applicable federal, state and local statutes, ordinances and regulations.

5.2 No Change of Corporate Status; Notice of Certain Events. Grantor shall give prompt written notice to the Secured Parties (and in any event not later than ten (10)

days following any change described below in this Section 5.2) of: (a) any change in the location of Grantor's chief executive office or principal place of business; (b) any change in the locations set forth in Section 2 of the Perfection Schedule; (c) any changes in its identity, structure or registration number which might make any financing statement filed hereunder incorrect or misleading or ineffective to perfect or maintain the perfection of the security interest in any of the Collateral granted hereunder. Notwithstanding any other provision of this Agreement, Grantor shall not change its Legal Name or its state of formation or incorporation without giving the Secured Parties at least thirty (30) days written notice in advance of such change, and without taking such steps in connection therewith as the Majority Holders may reasonably request in order to perfect and continue perfected, maintain the priority of or provide notice of, the security interest in the Collateral granted hereunder after such change.

5.3 Transfers of Collateral; Maintenance. Grantor shall not surrender or lose possession of, sell, lease, rent or otherwise dispose of or transfer any of the Collateral or any right or interest therein, except in the ordinary course of business consistent with its past practice except that, so long as no Event of Default has occurred and is continuing, Grantor may (a) sell its Inventory and grant non-exclusive licenses to its Intellectual Property in the ordinary course of its business consistent with past practices; (b) dispose of Equipment that is obsolete or no longer useful to its business consistent with past practices; (c) subject to Section 5.4, collect and convert to Money its Instruments, Accounts, Letter-of-Credit Rights and in the exercise of its reasonable investment discretion, its Investment Property (but Grantor shall not without the Majority Holders' consent, sell or encumber any interest in any subsidiary of Grantor except to grant the Majority Holders any security interest granted under this Agreement and (d) use its cash and cash equivalents in the ordinary course of the operation of its business consistent with past practices. No Collateral shall be transferred to any jurisdiction outside the United States. Grantor will maintain the tangible Collateral in good condition and repair and not use any Collateral in violation of applicable law or the terms of any Insurance Policy.

5.4 Collection of Accounts. Unless an Event of Default shall occur and be continuing, Grantor shall diligently endeavor to collect all amounts due or to become due on or with respect to the Accounts, Instruments, Letter-of-Credit Rights and other rights to payment. At the request of the Majority Holders, upon the occurrence, and during the continuance, of any Event of Default, Grantor shall hold in trust for the Secured Parties all remittances it receives and, in accordance with the Secured Parties instructions, remit them at the direction of the Majority Holders in the form received (with any necessary endorsements or instruments of assignment or transfer).

5.5 No Liens. Grantor shall keep the Collateral free and clear of all Liens except Permitted Liens.

5.6 New Intellectual Property. If and when Grantor shall obtain rights to any Registered Intellectual Property after the Effective Date, Grantor shall promptly notify the Majority Holders of such fact and Grantor hereby authorizes the Majority Holders to modify, amend or supplement Section 4 of the Perfection Schedule from time to time to include therein a description of such Registered Intellectual Property and make all necessary or appropriate filings with respect thereto to cause the security interest in such Registered Intellectual Property to be perfected. Grantor shall, to the extent requested by the Majority Holders, promptly and

diligently register any trademark, service mark, trade name or other Intellectual Property of Grantor which is registrable with the applicable governmental or other registration authority. Without the prior written consent of the Majority Holders, Grantor shall not apply to register any copyrightable works or mask works with the U.S. Copyright Office, and any consent to such registration shall be conditioned upon Grantor executing such documents and taking such further actions as the Majority Holders shall reasonably request in their sole discretion to perfect and continue perfected, maintain the priority of or provide notice of, the security interest granted to the Secured Parties under this Agreement in such copyrightable works notwithstanding such copyright registration.

5.7 Consents. At the Majority Holders' request, Grantor will use its diligent efforts to obtain from each Person from whom Grantor (a) has rights to occupy any premises at which any Collateral is at any time present pursuant to any Lease or (b) licenses Licensed Core IP, any such collateral access, subordination, waiver, consent, estoppel or similar agreements as the Majority Holders may reasonably require to obtain acknowledgement of the security interest in such Collateral or Licensed Core IP and obtain rights for the Secured Parties to use such Collateral after an Event of Default and to transfer Grantor's rights in such Collateral in any disposition on behalf of the Secured Parties under the UCC after an Event of Default, in form and substance reasonably satisfactory to the Majority Holders.

5.8 Deposit and Security Accounts; Control. Grantor shall give the Majority Holders prompt written notice of Grantor's acquisition after the Effective Date of any Investment Property and shall not establish any new Deposit Account, any new Securities Account or any new Commodities Account unless it shall have given the Majority Holders thirty (30) days advance written notice thereof and taken such further steps (including entering into a control agreement with the relevant institution in form and substance satisfactory to the Majority Holders) so that, upon the acquisition of such Investment Property or the creation of each such new account, as applicable, the Secured Parties shall have a perfected security interest in such Investment Property or such account. Grantor shall promptly deposit for collection any checks, drafts or other cash equivalents it receives drawn to its order or endorsed to it and shall deposit all Money received from time to time (other than reasonable petty cash advances) in its existing Deposit Accounts. Except with regard to dispositions permitted under Section 5.3, Grantor shall not take any action with regard to any Deposit Account, Securities Account, Investment Property, Letter-of-Credit Right or Electronic Chattel Paper which is likely to have the effect of depriving the Secured Parties of Control or its ability to obtain Control over such Collateral.

5.9 Taxes. Grantor shall pay all Taxes due and owing by Grantor at such time as they become due, except for any Taxes subject to bona fide dispute for which Grantor makes adequate reserves and diligently pursues resolution of such dispute.

6. **RIGHTS AND REMEDIES UPON EVENT OF DEFAULT.** Upon the occurrence, and during the continuance, of an Event of Default, the Secured Parties shall have, in addition to all other rights and remedies granted to the Secured Parties in this Agreement or the other Financing Documents, all rights and remedies of a secured party under the UCC and other applicable laws. Without in any way limiting the generality of the foregoing and subject to the rights of any Senior Indebtedness, upon the occurrence, and during the continuance, of an Event of Default:

6.1 Disposition of Collateral.

6.1.1 The Secured Parties may, by instruction of the Majority Holders, sell, resell, lease, use, assign, license, sublicense, transfer or otherwise dispose of any or all of the Collateral in its then condition or following any commercially reasonable preparation or processing thereof (utilizing in connection with such preparation or processing of Grantor's assets, without charge or liability to any Secured Party therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or at different times, for cash or credit, or for future delivery without assumption of any credit risk, all as they deem advisable.

6.1.2 Each Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold by canceling or offsetting indebtedness that constitutes Obligations, free and clear of any right or equity of redemption, which right or equity of redemption Grantor hereby releases, to the full extent permitted by law.

6.1.3 Grantor hereby agrees, except with regard to Collateral that is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, that the sending of notice to Grantor in compliance with Section 9.5, of the place and time of any sale or other intended disposition is to be made shall be deemed reasonable notice thereof if such notice is given ten (10) or more days prior to the date (a) of any such public sale or (b) on or after which any private sale or other private disposition may occur.

6.1.4 Grantor agrees promptly to execute and deliver, or promptly to cause to be executed and delivered, such transfer instruments, documents, bills of sale, assignments, waivers, certificates and affidavits and to supply or cause to be supplied such further information and take such further action as the Majority Holders may reasonably require in connection with, and to effect, any such sale or disposition.

6.2 Collections; Surrender of Cash Collateral. The Majority Holders may, without notice to or demand upon Grantor, (a) instruct any bank at which Grantor maintains a Deposit Account to pay the balance of the Deposit Account to or for the benefit of the Secured Parties; and (b) notify account debtors and other Persons obligated on any of the Collateral of the security interest granted hereunder in any Account, Chattel Paper, General Intangible, Instrument or other cash collateral and that payment thereof is to be made directly to or at the direction of the Majority Holders. Upon the occurrence and during the continuation of an Event of Default, Grantor's right to use its cash and cash equivalent as set forth in Section 5.3 shall cease, and Grantor shall hold all Money, proceeds of collection of Accounts, Chattel Paper, General Intangibles, Instruments, Letter-of-Credit Rights and other Collateral received by Grantor as

trustee for the Secured Parties without commingling the same with other funds of Grantor and shall turn the same over the Secured Parties at the direction of the Majority Holders in the identical form received, together with any necessary endorsements or assignments.

6.3 Application of Proceeds. The cash proceeds actually received from the sale or other disposition or collection of the Collateral, and any other amounts received in respect of the Collateral, shall be applied: first, to the payment of all Enforcement Costs and second, to the payment of the other Obligations (in the order provided in the Notes). Any surplus Proceeds remaining after payment and performance in full of the Enforcement Costs and the other Obligations (such remainder, a "*Surplus*") shall be promptly paid over to Grantor or otherwise disposed of in accordance with the UCC or other applicable law. Grantor shall remain liable to the Secured Parties for any deficiency that exists after any sale, collection or other disposition of the Collateral. Distribution of Collateral (including any Proceeds) in satisfaction of the Obligations shall be made to each Secured Party pro rata in accordance with its respective Pro Rata Share.

6.4 Costs and Expenses. Grantor agrees to pay on demand all costs and expenses of the Secured Parties, and the reasonable fees and disbursements of counsel to the Secured Parties: (a) in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement and the other Financing Documents; (b) associated with the protection, sale or collection of, or other realization upon, any of the Collateral; including all expenses of taking, collecting, holding, sorting, handling, preparing for sale, selling or the like and other such expenses of sales and collections of the Collateral; and (c) fees paid on behalf of Grantor under Section 7 (all such costs and expenses described in this paragraph being collectively referred to herein as the "*Enforcement Costs*").

6.5 No Election of Remedies. The election by Majority Holders on behalf of the Secured Parties of any right or remedy will not prevent the Majority Holders on behalf of the Secured Parties from exercising any other rights or remedies against Grantor, and all such rights and remedies shall be cumulative.

6.6 Exercise of Remedies Only In Concert. Notwithstanding any other provision of this Agreement, the Secured Parties shall not individually exercise rights and remedies against the Company under this Agreement, the Notes or any other Financing Document with regard to any Obligations, but all such rights and remedies shall be exercised by and on behalf of the Secured Parties only at the direction of the Majority Holders as provided herein.

6.7 Certain Waivers of Grantor. Grantor waives the following, to the fullest extent permitted by law:

(a) any right of redemption with respect to the Collateral, whether before or after sale hereunder;

(b) any right to require the Secured Parties (i) to proceed against any Person, (ii) to exhaust any other collateral or security for any of the Obligations, (iii) to pursue any right or remedy in the Secured Parties' power or (iv) to make or give any pre-

sentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and

(c) all claims, damages and demands against any Secured Party arising out of the repossession, retention, sale or application of the Proceeds arising from any sale or other disposition of the Collateral to the extent not arising from gross negligence or willful misconduct of the Secured Parties or their agents.

7. **AUTHORIZATION; ATTORNEY-IN-FACT.** Subject to their obligation under Section 6.6 to act in concert, the Secured Parties shall have the right, in the name of Grantor, or in the name of a designated Secured Party, upon notice to, but without the requirement of any consent by Grantor, and Grantor hereby constitutes and appoints each of the Secured Parties (and any employees or agents designated by the Majority Holders) as Grantor's true and lawful attorney-in-fact, with full power and authority:

(a) whether or not an Event of Default has occurred and is continuing, to (i) sign or authenticate any financing statements and other documents and instruments that must be executed or filed to perfect or continue perfection, maintain the priority of, or provide notice of, the security interests in the Collateral granted hereunder, (ii) pay or discharge Taxes or Liens any time levied or placed on or threatened against the Collateral, and charge all sums made with regard to such payments to Grantor; and

(b) so long as an Event of Default shall have occurred and is continuing (but not otherwise) to (i) endorse any notes, checks, drafts, money orders or other instruments of payment in respect of the Collateral that may come into the Secured Parties possession; (ii) sign and endorse any drafts against Grantor, assignments, verifications and notices in connection with accounts and other documents relating to the Collateral; (iii) with the consent of the Majority Holders, demand, collect, issue receipt for, compromise, settle and sue for monies due in respect of the Collateral; and (iv) execute any and all such other documents and instruments, and do any and all acts and things for and on behalf of Grantor, that the Majority Holders may reasonably deem necessary or advisable to maintain, protect, realize upon and preserve the Collateral and the security interests therein under this Agreement and to accomplish the purposes of this Agreement.

The foregoing powers of attorney are coupled with an interest and are irrevocable so long as the Obligations have not been paid and performed in full, and they shall terminate upon termination of the Agreement pursuant to Section 2.3. Grantor hereby ratifies, to the extent permitted by law, all that the Secured Parties shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

8. **SUBORDINATION TO SENIOR INDEBTEDNESS.** Each of the Secured Parties agrees to execute and deliver to the Company any customary subordination agreement required by any third party to whom any Senior Indebtedness is or will be owed.

9. **GENERAL PROVISIONS.**

9.1 **Survival of Warranties.** The representations, warranties and covenants of Grantor and the Secured Parties contained in or made pursuant to this Agreement shall survive

the execution and delivery of this Agreement and shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of any of the Secured Parties or Grantor, as the case may be.

9.2 Successors and Assigns. This Agreement may only be assigned in conjunction with an assignment of a Note. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

9.3 Governing Law. This Agreement shall be governed by and construed under the internal laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within the State of California, without reference to principles of conflict of laws or choice of laws (other than such mandatory provisions under the UCC) and, to the extent applicable, by federal law.

9.4 Headings; Interpretation. The headings and captions used in this Agreement are used only for convenience and are not to be considered in construing or interpreting this Agreement. In this Agreement, (a) the meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined; (b) the captions and headings are used only for convenience and are not to be considered in construing or interpreting this Agreement and (c) the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation". All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which exhibits and schedules are incorporated herein by this reference.

9.5 Notices. Unless otherwise provided herein, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (a) at the time of personal delivery, if delivered in person; (b) one (1) Business Day after deposit with an express overnight courier for United States deliveries, or three (3) Business Days after deposit with an international express overnight air courier for deliveries outside of the United States, in each case with proof of delivery from the courier requested or (c) four (4) Business Days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries, when addressed to a Secured Party to be notified at the address indicated for such party on Exhibit A or, in the case of Grantor at the addresses set forth for Grantor on the signature page(s) hereto, or at such other address as any party may designate for itself to receive notices hereunder by giving ten (10) days' advance written notice to all other parties in accordance with the provisions of this Section.

9.6 Amendments and Waivers. Other than as provided in Section 9.9, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of Grantor and the Majority Holders; provided, however, that (a) New Investors may become parties to this Agreement in accordance with Section 9.9 without any amendment of this Agreement or any consent or approval of any Secured Party. Any amendment or waiver effected in accordance with this Section 9.6 shall be binding upon each Secured Party and Grantor. Any Secured Party's acceptance of a partial or delinquent payment

from Grantor under any Note or hereunder nor such Secured Party's failure to exercise any right hereunder or under the other Financing Documents shall constitute a waiver of any obligation of Grantor, or of any right of the Secured Parties hereunder or thereunder, nor shall it affect in any way the right of the Secured Parties to require full performance at any time thereafter.

9.7 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, then such provision(s) shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

9.8 Further Assurances. From and after the date of this Agreement, upon the request of Majority Holders or Grantor, Grantor and the Secured Parties shall execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm or to carry out fully the intent and purposes of this Agreement.

9.9 New Secured Parties. Notwithstanding any other provision of this Agreement, if after the Effective Date, any Person becomes an "Investor," as defined in and pursuant to the terms of the Purchase Agreement (each, a "*New Investor*"), then each such New Investor shall become a party to this Agreement as a Secured Party hereunder and shall benefit from the rights, and be subject to the obligations, of a Secured Party, all without the need of obtaining any consent, approval or signature of any other Secured Party when such New Investor has both: (a) purchased one or more Notes under the Purchase Agreement and paid Grantor all consideration payable for such Note(s) and (b) executed one or more counterpart signature pages to this Agreement as a Secured Party with Grantor's consent.

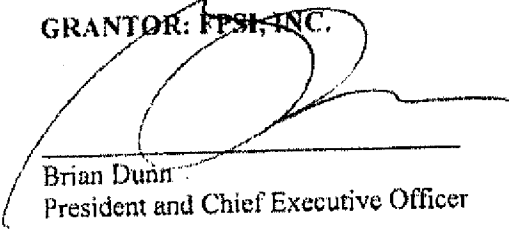
9.10 Entire Agreement. This Agreement, together with all exhibits and schedules hereto and the other Financing Documents, constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede any and all prior negotiations, correspondence, agreements, understandings duties or obligations between any of the parties with respect to the subject matter hereof.

9.11 Counterparts; Facsimile Signatures. 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 one and the same instrument. This Agreement may be executed and delivered by facsimile, or by email in portable document format (.pdf) and delivery of the signature page by such method will be deemed to have the same effect as if the original signature had been delivered to the other parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this 2013 Security Agreement to be executed and delivered as of the date first above written.

GRANTOR: FPSI, INC.



Brian Dunn
President and Chief Executive Officer

Address of Grantor:
FPSI, Inc.
1620 Fifth Avenue, Suite 525
San Diego, CA 92101

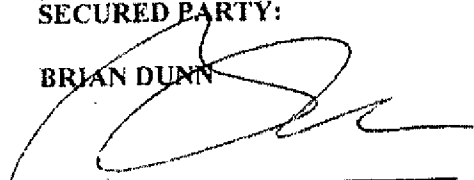
SIGNATURE PAGE TO FPSI, INC. SECURITY AGREEMENT

TRADEMARK
REEL: 005296 FRAME: 0728

IN WITNESS WHEREOF, the parties have caused this 2013 Security Agreement to be executed and delivered as of the date first above written.

SECURED PARTY:

BRIAN DUNN



(Signature)

SIGNATURE PAGE TO FPSI, INC. 2013 SECURITY AGREEMENT

**TRADEMARK
REEL: 005296 FRAME: 0729**

IN WITNESS WHEREOF, the parties have caused this 2013 Security Agreement to be executed and delivered as of the date first above written.

SECURED PARTY:

LEFANOWICZ FAMILY TRUST

By: Mark Lefanowicz Trustee
Mark Lefanowicz, Trustee

SIGNATURE PAGE TO FPSI, INC. 2013 SECURITY AGREEMENT

TRADEMARK
REEL: 005296 FRAME: 0730

Exhibit A

SCHEDULE OF SECURED PARTIES

PURCHASE OF NOTES UNDER 2013 NOTE PURCHASE AGREEMENT

Name and Address of Secured Party	Principal Amount Advanced
Brian Dunn c/o FPSL, Inc. 1620 Fifth Avenue, Suite 525 San Diego, CA 92101	\$550,000
Lefanowicz Family Trust 3372 Hermosa Way Lafayette, CA 94549	\$150,000
Total:	\$700,000

Exhibit B
PERFECTION SCHEDULE

1(a) Other Names Used by Grantor.

Pirate Eye

1(b) Grantor's Predecessors.

None.

2. Grantor's Places of Business.

Listed below is Grantor's executive office.

Address	County	State
1620 Fifth Avenue, Suite 525 San Diego	San Diego	California

Listed below is each location of Grantor's Books and Records, each place of business of Grantor maintained at present in the United States (other than its chief executive office).

Address	County	State
1620 Fifth Avenue, Suite 525 San Diego	San Diego	California

3. Locations and Third Persons In Possession of Collateral.

Name	Mailing Address	County	State

4. Intellectual Property.

Patents

Investor	Title	Patent No.

Patent Applications

Jurisdiction	Serial No.	Filing Date	Title

Trademarks

Jurisdiction	Trademark	Registration No. and Serial No.

Trademark Applications

Jurisdiction	Trademark	Registration No. and Serial No.

Mask Works

Jurisdiction	Title	Registration No.	Effective Date

5. **Licensed Core IP.**

6. **Deposit Accounts.**

Financial Institution [with address]	Account No.	Account Type

7. **Investment Property.**

Securities

Securities And Commodities Accounts

Institution [with address]	Account No.	Account Type

8. **Commercial Tort Claims.**

None.