

03-29-2000

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

101301311

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from Assignment)

Other

Citizenship/State of Incorporation/Organization

03/28/2000 DNGUYEN 00000091 75271908

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 675.00 OP

Refund Total: \$405.00
DNGUYEN 00000091 75271908

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20514

REEL: 002041 FRAME: 0001

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

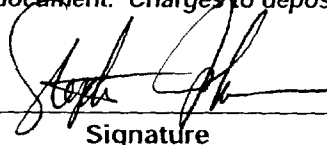
Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Stephen L. Johnson, Esq.

Name of Person Signing



Signature

2/17/00

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

75363233	75639832	<input type="text"/>
75478828	75645697	<input type="text"/>
75590051	75645696	<input type="text"/>
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TRADEMARK SECURITY AGREEMENT
(Second Lien)

AGREEMENT dated as of November 29, 1999 made by APPLIED VOICE RECOGNITION, INC., a Delaware corporation doing business as e-Docs.net with its principal place of business at 4615 Post Oak Place, Suite 111, Houston, Texas 77027, its successors, assigns and other legal representatives ("Borrower"), in favor of G-51 CAPTAL LLC, a Texas limited liability company ("G-51"), with a place of business at 401 W. 29th Street, Austin, Texas 78705, and its successors, assigns, and other legal representatives (the "Secured Party").

WITNESSETH:

WHEREAS, Borrower and G-51 are parties to a Convertible Promissory Note and Warrant Purchase Agreement dated July 20, 1999 (the "Purchase Agreement"), a certain Convertible Promissory Note dated July 20, 1999 (the "Note") and certain agreements, documents and instruments entered into pursuant thereto, or in connection therewith, as may be amended, modified or supplemented from time to time (collectively with the Purchase Agreement and the Note, the "Loan Documents"), pursuant to which G-51 has made a loan to Borrower; and

WHEREAS, on even date herewith, Borrower and G-51 have executed that certain Amendment to Convertible Promissory Note (the "Note Amendment"), whereby the Due Date (as defined in the Note) was extended until February 3, 2000;

WHEREAS, in consideration for G-51 extending the Due Date of the Note, Borrower has agreed to grant to G-51 a second lien security interest in and to certain collateral, including, but no limited to, all patents and patent applications owned by Borrower;

NOW, THEREFORE, in consideration of the premises and for one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in addition to, and not in limitation of, any rights of the Secured Party under the Loan Documents, Borrower hereby agrees for the benefit of Secured Party as follows:

1. **DEFINITIONS.**

1.1 All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Loan Documents. In addition, the following terms shall have the meanings set forth in this Section 1 or elsewhere in this Security Agreement referred to below:

"Agreement" shall mean this Trademark Security Agreement, as it may be amended or supplemented from time to time.

"Proceeds" shall mean any consideration received from the sale, exchange, license, lease or other transfer or disposition of any right, interest, asset or property

which constitutes Trademark Collateral, any value received as a consequence of the ownership, possession, or use of any Trademark Collateral, and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes Trademark Collateral.

“PTO” shall mean the United States Patent and Trademark Office.

“Trademarks” shall mean all of the trademarks, trademark applications, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and/or other source and/or product or service identifiers, and general intangibles of like nature, used or associated with or appurtenant to the products, services and business of the Borrower, which: (i) are set forth on Schedule A attached hereto; or (ii) have been adopted, acquired, owned, held or used by the Borrower and are now owned, held or used by the Borrower, in the Borrower's business, or with the Borrower's products and services, or in which the Borrower has any right, title or interest; or (iii) are in the future adopted, acquired, owned, held and/or used by the Borrower in the Borrower's business or with the Borrower's products and services, or in which the Borrower in the future acquires any right, title or interest.

“Trademark Collateral” shall mean all of the Borrower's right, title and interest (to the extent Borrower has any such right, title or interest) in and to all of the Trademarks, the Trademark Registrations, the Trademark Rights, and all additions, improvements and accessions to, substitutions for, replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing. The parties acknowledge and agree that Trademarks and Trademark Rights owned by third parties and licensed to the Borrower, including Trademarks and Trademark Rights in products or components owned by third parties and integrated into the Borrower's products under a license agreement, shall be encumbered under this Agreement only to the extent of the Borrower's license rights therein.

“Trademark Registrations” shall mean all past, present or future federal, state, local and foreign registrations of the Trademarks (and all renewals and extensions of such registrations), all past, present and future applications for any such registrations of the Trademarks (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Borrower or the Secured Party, and to take any and all actions necessary or appropriate to maintain such registrations in effect and/or renew and extend such registrations.

“Trademark Rights” shall mean any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including but not limited to the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Borrower or the Secured Party for any and all past, present and future infringements

or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury.

“Use” of any Trademark shall include all uses of such Trademark by, for or in connection with the Borrower or its business, products and/or services or for the direct or indirect benefit of the Borrower or its business, products and/or services, including, but not limited to, all such uses by the Borrower itself, by any of the affiliates of the Borrower, or by any licensee or contractor of the Borrower.

1.2. UCC Terms. Unless otherwise defined herein or in the Loan Documents, terms used in Article 9 of the Uniform Commercial Code of the State of Texas (the “UCC” or the “Code”) are used herein as therein defined.

1.3. Rules of Interpretation. All definitions (whether set forth herein or by reference) shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation" or the phrase "but not limited to." All reference herein to Sections, Exhibits and Schedules shall be deemed references to Sections of and Exhibits and Schedules to this Agreement unless the context otherwise requires.

2. GRANT OF SECURITY.

2.1 Grant of Security Interest. As collateral security for the complete and timely payment, performance and satisfaction of all Obligations (as defined in the Security Agreement from Borrower to Secured Party dated as of the date hereof), the Borrower hereby unconditionally grants to the Secured Party a continuing second lien security interest in and second priority lien on the Trademark Collateral, and pledges, mortgages and hypothecates the Trademark Collateral to the Secured Party, subject to the first lien security interest (the “First Lien”) granted by Borrower collectively to L & H Investment Co. N.V. and Lernout & Hauspie Speech Products N.V. (“L&H”) pursuant to that certain Trademark Security Agreement dated November 5, 1999, executed by Borrower for the benefit of L&H.

2.2 Supplemental to Loan Documents. The parties expressly acknowledge and agree that the Borrower has executed and delivered the Loan Documents pursuant to which the Borrower unconditionally granted to the Secured Party a continuing second lien security interest in and second priority lien on the Collateral (including the Trademark Collateral). Subject to the rights of L&H under the First Lien, in no event shall this Agreement, or the recordation of this Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Loan Documents, the second lien security interest of the Secured Party in the Collateral (including the Trademark Collateral) pursuant to the Loan Documents, the attachment and perfection of such second lien security interest under the UCC Code, or the present or future rights and interests of the Secured Party in and to the Collateral under or in connection with the Loan Documents, this Agreement and/or the Code. Any and all rights and interests of the Secured Party in and to the Trademark Collateral (and any and all

obligations of the Borrower with respect to the Trademark Collateral) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Secured Party (and the obligations of the Borrower) in, to or with respect to the Collateral (including the Trademark Collateral) provided in or arising under or in connection with the other Loan Documents.

3. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to, and covenants and agrees with, Secured Party, as follows:

3.1 Title. Except as set forth in the Purchase Agreement, in this Agreement or the documents evidencing or securing obligations secured by the First Lien, the Borrower is and will continue to be the sole and exclusive owner of the entire legal and beneficial right, title and interest in and to the Trademark Collateral and Trademarks, free and clear of any lien, charge, security interest or other encumbrance, except for the First Lien and the security interest and conditional assignment created by this Agreement, and the Loan Documents, and except for liens and encumbrances explicitly permitted pursuant to the Loan Documents. Subject to the First Lien, the Borrower will defend its right, title and interests in and to the Trademarks and the Trademark Collateral against claims of any third parties.

3.2 Maintenance of Trademark Collateral. The Borrower shall take such actions (including but not limited to institution and maintenance of suits, proceedings or actions) as are necessary and appropriate to maintain, protect, preserve, care properly for and enforce the Trademarks and the Trademark Registrations, Trademark Rights and to preserve the Borrower's rights in the Trademarks. Without limiting the generality of the foregoing, the Borrower shall pay when due such fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the Trademark Collateral. The Borrower shall not abandon or dedicate to the public any of the Trademarks or related Trademark Rights, nor do any act nor omit to do any act if such act or omission is of a character that tends to cause or contribute to the abandonment or dedication to the public of any Trademark or related Trademark Right or loss of or adverse effect on any rights in any Trademark or related Trademark Right.

3.3 No Conflicting Agreements. Except for the documents evidencing and securing the obligations secured by the First Lien, the Borrower shall not take any actions or enter into any agreements, including, but not limited to, any actions or agreements for the assignment, sale, transfer, license, disposition, grant of any interest in or encumbrance of any of the Trademark Collateral, which are inconsistent with or would or might impair in any way the Borrower's representations, warranties and covenants herein, without the prior written consent of the Secured Party (which consent can be granted or withheld in the Secured Party's sole discretion); provided, however, that, notwithstanding any other provision of this Agreement, so long as no Event of Default shall have occurred and be continuing, or (notwithstanding an Event of Default) if the Borrower obtains prior written consent from the Secured Party, which consent may be granted or withheld in the Secured Party's sole discretion, the Borrower may license or otherwise transfer the Trademark Collateral in any lawful manner that is in the ordinary course of its business and is not inconsistent with the provisions of this Agreement, and the Loan Documents. Except for the documents evidencing and securing the obligations secured by the First Lien, without limiting the generality of the foregoing, the Borrower shall not permit the

inclusion in any agreement to which it becomes a party of any provision which could or might in any way impair or prevent the creation of a security interest in or the conditional assignment of the Borrower's rights and interests in any property of material value covered by such agreement which is included within the definition of Trademark Collateral.

3.4 Manner of Use of Trademarks. The Borrower shall continue to use the Trademarks in its business in the same or similar manner as it has in the past, for registered Trademarks shall continue to use each Trademark in each jurisdiction of registration (and in interstate commerce for federally registered Trademarks in each and every class of goods or services for which it is registered), and in general shall continue to use the Trademarks in each and every class of goods and services applicable to the Borrower's current use of the Trademarks in its business as reflected in its current catalogs, brochures, advertising and price lists, all in order to maintain the Trademarks in full force, free from any claim or risk of abandonment for non-use.

3.5 Trademark Symbols and Notices; No Abandonment. The Borrower has in the past used, and shall in the future use, the Trademarks with the statutory and other appropriate symbols, notices or legends of the registrations and ownership thereof consistent with customary practice or as deemed necessary or appropriate by the Borrower in its reasonable judgment. The Borrower shall not abandon any of the Trademarks, Trademark Registrations or Trademark Rights, nor do any act nor omit to do any act if such act or omission is of a character that tends to cause or contribute to the abandonment of any Trademark, Trademark Registration or Trademark Right or loss of or adverse effect on any rights in any Trademark, Trademark Registration or Trademark Right. Prohibited acts of the Borrower shall include, but not be limited to, "assignments in gross" of any Trademark or the license of any Trademark without both appropriate contractual use and quality control provisions and proper monitoring, supervision and enforcement by the Borrower of the quality of the licensed goods or services. The Borrower shall take all necessary and appropriate actions to insure that none of the Trademarks shall become generic or merely descriptive.

3.6 No Infringements. There is at present no material infringement or unauthorized or improper use of the Trademarks or the Trademark Registrations or the Trademark Rights related thereto. In the event any such infringement or unauthorized or improper use by any third party has been made and/or reasonably established by the Borrower, the Borrower shall promptly notify the Secured Party and shall take action against such infringement or unauthorized or improper use.

3.7 Filing for Perfection of Interest. Secured Party shall cause this Security Agreement to be recorded with the PTO and appropriate state agencies, in its sole discretion.

4. RIGHTS OF AND LIMITATIONS ON SECURED PARTY.

It is expressly agreed by Borrower that Borrower shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it relating to the Trademark Collateral. Secured Party shall not have any obligation or liability under or in relation to the Trademark Collateral by reason of the execution and delivery of, or arising out of,

this Agreement and Secured Party's rights hereunder, or the grant of a security interest by Borrower to Secured Party of, or the receipt in accordance with this Agreement by Secured Party of, any payment relating to any Trademark Rights, nor shall Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of Borrower relating to the Trademark Collateral or be liable to any party on account of Borrower's use of the Trademark Collateral.

5. REMEDIES UPON AN EVENT OF DEFAULT.

Upon the occurrence of and during the continuance of an Event of Default, subject to the rights of the holder of the First Lien,:

(a) Secured Party may declare all Obligations secured hereby immediately due and payable and shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as now in effect in the State of Texas or under other applicable law.

(b) Secured Party may notify any obligors with respect to the Trademark Collateral of Secured Party's security interest and that such obligors are to make payments directly to Secured Party. Secured Party may send this notice in Borrower's name or in Secured Party's name, and at Secured Party's request Borrower will join in Secured Party's notice, provide written confirmation of Secured Party's security interest and request that payment be sent to Secured Party. Secured Party may enforce this obligation by specific performance. Secured Party may collect all amounts due from such obligors. Upon and after notification by Secured Party to Borrower, Borrower shall hold any proceeds and collections of any of the Trademark Collateral in trust for Secured Party and shall not commingle such proceeds or collections with any other of Borrower's funds, and Borrower shall deliver all such proceeds to Secured Party immediately upon Borrower's receipt thereof in the identical form received and duly endorsed or assigned to Secured Party.

(c) Secured Party will give to the Borrower reasonable notice of the time and place of any public sale of Trademark Collateral, or part thereof, or of the time after which any private sale or other intended disposition thereof is to be made. Such requirement of reasonable notice shall be met if such notice is delivered to the address of the Borrower set forth in this Agreement at least fifteen (15) calendar days before the time of the proposed sale or disposition. Any such sale may take place from Borrower's location or such other location as Secured Party may designate. Borrower shall remain liable for any deficiency in payment of the Obligations after any such sale.

(d) No Obligation of Secured Party. Nothing herein shall be construed as obligating Secured Party to take any of the foregoing actions at any time.

6. LIABILITIES.

6.1 Liability for Uses of Trademark Collateral. The Borrower shall be liable for any and all uses or misuses of any of the Trademark Collateral by itself and its affiliates and for any failure to take reasonable measures to avoid and prevent the improper use or sale (or other transfer or disposition) of the Trademark Collateral by any other party, any failure to use the Trademarks in accordance with this Agreement, or any other claim, suit, loss, damage, expense or liability of any kind or nature (except those resulting from any action or inaction of the Secured Party in the form of gross negligence or willful misconduct) arising out of or in connection with the Trademark Collateral or the production, marketing, delivery, sale, license or other transfer or disposition of the goods and services provided under or in connection with or which use, embody or incorporate any of the Trademarks or other Trademark Collateral. The Borrower shall also be exclusively liable for any claim, suit, loss, damage, expense or liability arising out of or in connection with the fault, negligence, acts or omissions of the Borrower. This Section 6.1 is for the purpose of establishing and allocating, as between the Borrower and the Secured Party, certain liabilities; it is not intended to create any affirmative obligations of the Borrower to the Secured Party other than those set forth elsewhere in this Agreement, and the Loan Documents.

6.2 Indemnification. The Borrower shall indemnify and hold harmless Secured Party from and against, and shall pay to Secured Party on demand, any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations or liabilities of any kind or nature (except those resulting from Secured Party's action or inaction in the form of gross negligence or willful misconduct) arising in any way out of or in connection with this Agreement, the Trademark Collateral, custody, preservation, use, practice, operation, sale, license (or other transfer or disposition) of the Trademark Collateral, any alleged infringement of the intellectual property rights of any third party, the production, marketing, provision, delivery and sale of the goods and services provided under or in connection with or using or practicing any of the Trademarks or the Trademark Collateral, the sale of, collection from or other realization upon any of the Trademark Collateral, the failure of the Borrower to perform or observe any of the provisions hereof, or matters relating to any of the foregoing. The Borrower shall also indemnify and hold harmless Secured Party from and against any and all claims, actions, suits, judgments, penalties, losses, damages, costs, disbursements, expenses, obligations or liabilities arising out of or in connection with any fault, negligence, act or omission of the Borrower (regardless of whether such fault, negligence, act or omission occurred or occurs prior to or after such license termination). The Borrower shall make no claim against Secured Party for or in connection with the exercise or enforcement by Secured Party of any right or remedy granted to it hereunder, or any action taken or omitted to be taken by Secured Party hereunder (except for the gross negligence or willful misconduct of Secured Party).

7. POWER OF ATTORNEY. The provisions of this Section 7 shall be subject in all events to the terms and conditions of the Loan Documents.

7.1. Grant. The Borrower hereby grants to the Secured Party, and any officer or agent of the Secured Party as the Secured Party may designate in its sole discretion, a power of attorney, thereby constituting and appointing the Secured Party (and the Secured Party's

designee) its true and lawful attorney-in-law and attorney-in-fact, effective upon the occurrence and during the continuation of an Event of Default, for the purpose of assigning, selling, licensing or otherwise transferring or disposing of all right, title and interest of the Borrower in and to any of the Trademark Collateral in accordance with the terms hereof and subject to the rights of the holder of the First Lien. The Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

7.2. Irrevocable. The foregoing power of attorney is coupled with an interest and is irrevocable until this Agreement shall terminate (which termination shall occur concurrently with the termination of all Obligations under the Loan Documents).

7.3 Release. The Borrower hereby releases Secured Party from any claims, causes of action and demands at any time arising out of or in connection with any actions taken or omitted to be taken by Secured Party under the power of attorney granted herein (except for the gross negligence or willful misconduct of Secured Party).

8. GENERAL PROVISIONS.

8.1 Purchase Agreement Controls. This Agreement is supplemental to the Purchase Agreement, the terms of which the Borrower expressly accepts, confirms and acknowledges are incorporated herein by reference. In the event of any irreconcilable conflict between the provisions of this Agreement and the Purchase Agreement the provisions of the Purchase Agreement shall control.

8.2 Specific Enforcement. Due to the unique nature of the Trademark Collateral, and in order to preserve its value, the Borrower agrees that the Borrower's agreements, duties and obligations under this Security Agreement shall be subject to specific enforcement and other appropriate equitable orders and remedies.

8.3 Severability. In the event any term or provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable to any extent or in any respect, or otherwise determined to be of no effect, in any jurisdiction, such invalidity, illegality, unenforceability or determination shall affect only such term or provision, or part thereof, in only such jurisdiction. The parties agree they will negotiate in good faith to replace any provision so held invalid, illegal or unenforceable, or so determined, with a valid, enforceable and effective provision which is as similar as possible in substance and effect to the provision which is invalid, illegal, unenforceable or of no effect.

8.4 Second Lien. The lien created by this instrument shall be subordinate to the First Lien. If default occurs under any of the documents evidencing or securing the obligations secured by the First Lien, the indebtedness evidenced by the Note shall become immediately due and payable at the option of Secured Party.

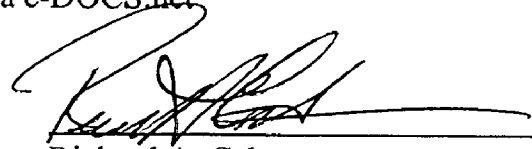
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Borrower has caused this Security Agreement to be executed by its duly authorized officer, as an instrument under seal, as of the date first written above.

WITNESS:

APPLIED VOICE RECOGNITION, INC.,
d/b/a e-DOCS.net

By: _____

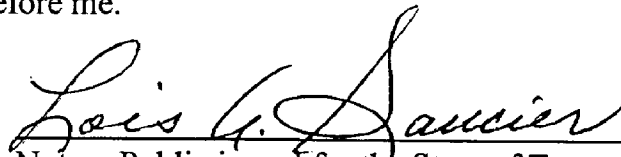
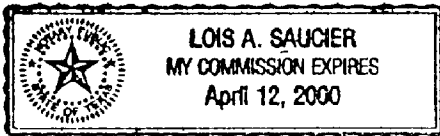


Richard A. Cabrera
Chief Financial Officer

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

November 29, 1999

Then personally appeared the above-named Richard A. Cabrera and stated that he is the duly authorized Chief Financial Officer of Applied Voice Recognition, Inc., d/b/a e-DOCS.net (the "Corporation") and acknowledged the foregoing instrument to be his free act and deed, and the free act and deed of said Corporation, before me.



Notary Public in and for the State of Texas
My Commission Expires: _____

Schedule A
To
Trademark Security Agreement

List of Trademarks

All trademark rights of Applied Voice Recognition, Inc., a Delaware corporation doing business as e-DOCS.net (the "Debtor"), if any, relating to the trademarks set forth on **Attachment I** attached hereto, but excluding all trademark rights of Debtor, if any, relating to the assets conveyed by Debtor pursuant to that certain Asset Purchase Agreement dated effective as of December 20, 1999, executed by and among Lonestar Medical Transcription USA, Inc. and L&H Investment Company, N.V., on the one hand, and Debtor, Debtor's subsidiary, e-DOCS Health Care Information Services, Inc., and such subsidiary's subsidiary, A Word Above, Inc., on the other hand, which assets are set forth on the schedules attached hereto as **Attachment II**.

List of Trademarks

<u>Item</u>	<u>File No.</u>	<u>Serial No.</u>	<u>Status</u>
Applied Voice Recognition	12557	2,285,798	Registered
VoiceCOMMANDER	12621	2,168,908	Registered
SpeechCOMMANDER	12815	75/271,908	Abandoned
LawCOMMANDER	12816	2,194,983	Registered
TeleCOMMANDER	12817	75/271,909	Abandoned
ConsoleCOMMANDER	12818	75/271,910	Abandoned
CadCOMMANDER	12819	75/271,911	Abandoned
InflightCOMMANDER	12820	75/271,988	Abandoned
VoiceCOMMANDER			
Locator	12821	75/271,989	Abandoned
Mike Rofone (word mark)	12828	2,201,084	Registered
Designs of Mike Rofone			
Character	12829	2,161,767	Registered
Giving People Power Over			
Technology	12905	75/310,333	Abandoned
It's About Time	12968	75/363,236	Pending
Voice Experts	13002	75/362,975	Abandoned
StarCOMMANDER	13003	75/363,233	Abandoned
VoiceCOMMANDER			
(CTM)	13154		Registered
PalmCOMMANDER	13199	75/478,828	Abandoned
SOS-The VoiceCOMMANDER			
Speech Operating System	13341	75/590,051	Abandoned
SOS	13342	75/590,050	Abandoned
Physician Internet Portal	13395	75/630,460	Pending
P.I.P.	13396	75/630,461	Pending
E-docs.net (trademark)	13403	75/689,831	Pending
Giving People Power Over			
Technology	13406	2,278,536	Registered
E-Docs.net (service mark)	13409	75/639,832	Pending
E-Docs, Inc. (service mark)	13417	75/645,697	Pending
E-Docs, Inc. (trade mark)	13418	75/645,696	Pending
Virtual Physician Network	13423		Pending
Virtual Physician Private			
Network	13492	75/686,956	Pending
VPN	13503		Abandoned
E-Docs (trademark)	13547	75/741,688	Pending
E-Docs (service mark)	13548	75/741,678	Pending

Schedule 1.1(c)

To

Statline

Asset Purchase Agreement

List of Personal Property

Dictation equipment

VDI voice dictation system
VDI 8 port system
VDI 4 port system #1
VDI 4 port system #2
VDI transcribe station
DVI 12 port #1
DVI 12 port #2
Chanal bank
Lanier transcribe stations #1
Lanier transcribe stations #2
Lanier transcribe stations #3
Dictaphone transcribe stations #1
Dictaphone transcribe stations #2
Dictaphone transcribe stations #3
Black box for display switching #1
Black box for display switching #2

Office equipment

Fax machine
DVI 115 Transcribe Stations
Bell Atlantic - Phones

Office furniture

9 Desks
11 Chairs

A Word Above

Office furniture

Furniture
Mark Vogt-F&F
Chairs
F&F - Ck#6944
F&F - Ck#7096
F&F - Ck#7104
Pictures - Am Exp
F&F - Carrolls
Framed Art

Office equipment

Fax
Phone System - Dictaphone
Phone System - Lanier
Copier - Modern
Equip - Dictaphone
3 Phones
Copier
Car Phone
Bose Music System
Car Phones
Fax
Winfree
Winfree

Schedule 1.1(d)
To
Asset Purchase Agreement
List of Assigned Contracts

Customer contracts

Statline

Staten Island University
Staten Island University North
St. James
St. Michaels

A Word Above

Integrated Health Services
Healthsouth Rehabilitation Hospital of Humble
Healthsouth Rehabilitation Hospital of N. Houston
Charter Hospital of Kingwood
Bayou City Medical Center
Bellaire Surgicare
University of Texas Health Science Center at Houston
Doctors Hospital Tidwell
Houston rehabilitation Institute
Harris County Hospital District
Doctors Hospital Parkway
MD Anderson
Memorial City
South Texas Medical Clinic

See Attached

Leases

AVRI

Lease of Office Space dated December 4, 1996, executed by and between T. Rowe Price Renaissance Fund, Ltd., as landlord, and AVRI, as tenant, for the lease of the premises known as Suite 111 and located at 4615 Post Oak Place, Suite 111, Houston, Texas. (This lease expires at the end of January, 2000, and will not be renewed.)

Statline

Lease dated November 29, 1999, executed by and between HCIS, as tenant, and HSDRY, LLC, as landlord, for the lease of the premises located at 42 Clinton Place, Hackensack, New Jersey.

Master Equipment Lease dated May 13, 1998, executed by and between Cornell Transcription, Inc. ("CTI"), as lessee, and Sterling National Bank, as lessor, which lease was assigned by CTI to HCIS pursuant to that certain Assignment of Lease/Security Agreement and Assumption of Obligation dated December 15, 1998, for the lease of certain computer equipment utilized in the Statline operation.

A Word Above, Inc.

Lease Agreement dated March 23, 1993, executed by and between Lutheran Brotherhood d/b/a Copperfield Professional Center, predecessor-in-interest to Bernstein-Perwien Properties, as landlord, and A Word Above, Inc., as tenant, as amended by that certain Amendment to Lease Agreement dated April 30, 1996, as further amended by that certain Amendment to Lease Agreement dated May 1, 1997, as further amended by that certain Amendment to Lease Agreement dated May 17, 1999, for lease of premises known as Suite 105 of the Copperfield Professional Center located at 7062 Lakeview Haven Drive, Houston, Texas.

Loan Agreements

See Loan Agreement on Schedule 1.3.

Contractor Agreements

All agreements with the Assumed Contractors listed on Schedule 4.10.

Employment Agreements

Employment Agreement dated March 17, 1998, executed by and between AVRI, as employer, and Cathy Clemons, as employee.

Employment Agreement dated December 1, 1998, executed by and between HCIS, as employer, and Yaniv Dagan, as employee.

Employment Agreement dated May 28, 1999, executed by and between HCIS, as employer, and Kay Cook, as employee.

Schedule 1.1(e)

To

Asset Purchase Agreement

Statline

Computer equipment

List of Computer Hardware and Software

Workstation #1
workstation #2
workstation #3
Dell Pentium 75 #1
Dell Pentium 75 #2
Packard Bell Pentium 120
Color display #1
Color display #2
Color display #3
Color display #4
PC Dart dictation system
VP 300 board in 386 computer #1
VP 300 board in 386 computer #2
PII PC #1
PII PC #2
PII PC #3
PII PC #4
PII PC #5
Printer #1
Printer #2
Printer #3
Printer #4
Server
PC 386 w/PC dart board
PC 386 w/PC dart board
PC 386 w/PC dart board
External modem #1
External modem #2
External modem #3
External modem #4
ACER 386SX 1100; Intel modem, HP 4L leading edge color display
Compaq Presario 486, HP 4L
Compaq Presario 486, HP 5L
Compaq Presario 486
Compaq Presario 486, HP 4L, Intel external modem
Compaq Presario 486, HP 4L
Compaq Presario 486, HP 5P
Smart Choice 486, USR External Modem, HP 4
Leading Edge 486, USR external modem, HP 41
PC with PC Dart Board #1
PC with PC Dart Board #2
PC with PC Dart Board #3
486 Computer
Color Monitor
HPL-6 Printer
US Robotic external modem
486 Computer
Color Monitor
HPL-6 Printer
US Robotic external modem
486 Computer
Color Monitor
HPL-6 Printer
US Robotic external modem
Circuit Reconfiguration
Router and installation for 128K dedicated line from NJ to Manila
DA 115 C Phone

HP Laserjet Printer
HP Laserjet Printer
Compatible Intraport 2VPN
DVI Equipment
Digital Voice
Employee Expense Reimbursement - 9/30
Hartcomp
Employee Expense Reimbursement - 11/99
(20) PIII 500 Dell Computers - 96MB - 15" Monitor

A Word Above

Computer equipment

Modem
Telestaff (2) -1
Telestaff (2) - 2
Laser
Modem & PC Update
Laser Printer
Computer At
Dictaphone net of Tr
Cats
Cats Computer -upgrade
Laser Printer
Cats Computer -upgrade
Cats Computer -upgrade
Computer - Cat
386 Computer Upgrade
Dell Computer - Sam's
386 FM 286 - Watson MI
Computer UBM
Computer UBM
Computer - Corporate
Modems - Comp USA
Computer - Accucopy
Computer - Comp USA
Computer - UBM
Computer
Laser Printer/Fax
Computer
Headphone-Dictaphone
Headphone-Dictaphone
Headphone-Dictaphone
Computer
Computer - Upgrade
Computer
Computer
Computer
Computer
New "C" - Dictaphone
Computer
Computer
Printer
Printer
Modem
Moniter
Computer - upgrade
New Computer
New Transmitter
New Transmitter
Print Jet
Headsets
Headsets

MT Computer upgrades
CDW Computers - Modems
Digital Voice
American Express
Hartcomp
Insync Internet
Voice Products
(25) PIII 450 Dell Computers - 64MB - 15" Monitor
(24) PIII 500 Dell Computers - 96MB - 15" Monitor

Computer software

Software
Software - Digital RIV - CC
DOS 6.2
DOS 6.22
Windows 95
Wordperfect 5.1
Office 97
PC Anywhere 4.5
Stedman's
PRD 3.0 for Windows 95/98
DAC Easy Payroll
Carbon copy
Windows NT
DVI software
McAfee Virus Scan

- The following software developed by the Company:

- Oracle-based workflow management system

- Thin transcription workstation software, including
- MS Word integration (support for audio, templates, macros, ASR synchronization, confidence display)
- Background upload/download manager
- Forms engine
- Integration of Instant-text completion
- Setup/install software

- Client (clinic) workstation software, including
- Workflow DB client
- Print utility
- Local MS Access database
- Support for local ASR
- Support for Olympus handheld recorder input

- Medical text corpora (used to build language models)
- Recorded (voice) reports (telephone and handheld recorder)

- Web-based physician management workstation (under development)
- Client support for managing templates and normals
- Web server for above

- Thin client workstation software (under development)
- Packaging, compressing, encrypting
- Printing support

Schedule 1.1(f)
To
Asset Purchase Agreement
List of Intellectual Property

All intellectual property, if any, of Sellers relating only to the Company Assets.

The names: "Statline", "CTI Statline" and "A Word Above"*

* Notwithstanding the conveyance of the name "A Word Above", Sellers shall be entitled to use such name in connection with the liquidation (including by merger) or other winding up of A Word Above, Inc., and Lonestar hereby grants Sellers a royalty free, perpetual, non-exclusive license to use the name "A Word Above" for such purpose.

Schedule 1.1(h)
To
Asset Purchase Agreement
List of Accounts Receivable

See attached.

Terms: Unlimited
 Credit: Unlimited
 Totals: \$713.09 \$0.00 \$0.00 \$0.00 \$0.00 \$713.09
 UNIVE02 UT Mental Sciences Institute Open Item Territory: \$675.25
 User-Defined 1: Salesperson: \$675.25
 AWA1090 SLS 9/15/99
 AWA1108 SLS 9/30/99 \$467.27
 System: 1/5/00

Account Type
 Amount Discount Writeoff 0-30 Days 31 - 60 Days 61 - 90 Days 91 - 120 Days 121 and Over
 \$609.35
 (\$1,002.86)
 (\$635.54)
 (\$408.28)
 (\$2,046.68)
 \$609.35 \$1,142.52 \$0.00
 (\$294.81)
 Ext. 0000
 (713) 500-2690

Contact: Diane Albert
 Terms: Unlimited
 Credit: Unlimited
 VIPME01 VIP Medical Center
 User-Defined 1: SLS 6/30/99 \$39.55
 632
 REYNA1029 SLS 7/30/99 \$129.41
 Contact: () - Ext. \$168.96
 Terms: Unlimited
 Credit: Unlimited
 Grand Totals: \$185,584.19 \$57,108.00 \$23,168.38 \$26,376.9 \$98,387.36
 57 Customer(s)

DETAIL HISTORICAL AGED TRIAL BALANCE
 Receivables Management
 Account Type
 Amount Discount Writeoff 0-30 Days 31 - 60 Days 61 - 90 Days 91 - 120 Days 121 and Over
 \$609.35
 (\$1,002.86)
 (\$635.54)
 (\$408.28)
 (\$2,046.68)
 \$609.35 \$1,142.52 \$0.00
 (\$294.81)
 Ext. 0000
 (713) 500-2690

Actual Billing through 12/15/99
 Estimate 12/15 to total bill 12/1 to 12/30 (prorate) 12/30
 2,031 9,098 4,056 3,033 1,352 68 26 798 2,025
 Harris County - L&J 2,798
 Harris County - Ben Taub 12,131
 Harris County - L&J Rad 5,408
 Harris County - Ben Taub Rad 3,000
 Harris County - Dental Center 201
 Harris County - Quantin Mease 79
 Bellaire Surgicare 798
 Houston Rehab Inst 2,025

TRADEMARK
 REEL: 002041 FRAME: 0025

Doctor's Hospital (idwell) - HTD	5,039	1,680	6,719
Healthsouth North Houston	922	307	1,229
University of Texas Mental Sci	657	219	876
Charter Behavioral - Kingwood	2,121	707	2,828
IMS Hospital	824	275	1,099
Healthsouth Humble	1,064	355	1,419
Harris County - Psych	2,039	680	2,719
Bayou City Medical Center	1,263	421	1,684
RiceLand	760	253	1,013
Doctor's Hospital Parkway	2,594	865	3,459

52,560

Customer	Actual Billing through 12/31/99	Estimate per day	Estimated total bill 12/1 to 12/20
MC Anderson	48,242	1,856	31,124
Dr. Allen King	150	5	97
Dr. Doug Ardoin	758	24	489
Dr. Frank Gerov	181	6	117
Dr. Gildy Babiera	713	23	460
Dr. Kevin Giglio	746	24	481
Dr. Leonard Merchwitz	894	29	577
Dr. Martin Steiner	519	17	335
Dr. Raymond Martin	501	16	323
Houston Digestive Disease	598	19	386
Marshall Prummin	146	5	94

34,483

Customer	Actual Billing For November	Estimate per day	Estimated total bill 12/1 to 12/20
Memorial City	16,337	611.23	12,225
Keyna	2,600	86.67	1,733

13,958

ESTIMATED TOTAL ACCOUNTS RECEIVABLE

286,585

Receivables Management

Ranges:
 Customer ID: First - Last ZIP Code: First - Last
 Customer Class: STAT - STAT State: First - Last
 Salesperson ID: First - Last Telephone: First - Last
 Sales Territory: First - Last Posting Date: First - 1/4/00
 User-Defined 1: First - Last Short Name: First - Last
 Account Type: All Aging Date: 1/4/00

Exclude: Zero Balance, No Activity, Fully Paid Documents, Unposted Applied Credit Documents, Multicurrency Info
 Customer: by Customer ID
 Document: by Document Number
 * - Indicates an unposted credit document that has been applied.

Customer Name	Account Type	Document Number	Type	Date	Amount	Discount	Writeoff	0-30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 and Over

BERGE01	Bergen Gastroenterology, PC		Open Item									
User-Defined 1: Salesperson: Territory: \$1,492.00												
ST1165	SLS 12/3/99				\$1,492.00							

Contact: Dr. Robert B Ein (201) 967-8221 Ext. 0000												
Terms: DUE ON RECEIPT Totals: \$1,492.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00												
Credit: Unlimited												

HOLL101	The Holliswood Hospital		Open Item									
User-Defined 1: Salesperson: Territory: (\$67.03)												
PYMT00000000504	PMT 6/17/99											

Contact: Paulette (518) 399-6446 Ext. 0428												
Terms: DUE ON RECEIPT Totals: (\$67.03) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00												
Credit: Unlimited												

HOSP101	The Hospital Center at Orange		Open Item									
User-Defined 1: Salesperson: Territory: \$10,523.11												
ST1085	SLS 7/31/99				\$10,523.11							

ST1109	SLS 8/31/99				\$12,077.26							

ST1133	SLS 10/1/99				\$9,881.04							

ST1157	SLS 11/1/99				\$10,889.06							

											\$10,889.06	
											\$9,881.04	
											\$12,077.26	
											\$10,523.11	

ST1181 SLS 12/3/99 \$9,881.82 \$9,881.82 \$9,881.82 \$9,881.04 \$22,600.37
 Contact: Theresa Jones (973) 266-2164 Ext. 0000 \$10,889.06 \$9,881.82 \$9,881.04 \$22,600.37
 Terms: DUE ON RECEIPT Totals: \$53,252.29 \$0.00 \$0.00 \$0.00 \$0.00
 Credit: Unlimited

INDUS01 Industrial Medicine Center Open Item Territory: \$245.18
 User-Defined 1: Salesperson: \$245.18
 1016 SLS 4/30/99 \$45.76
 1038 SLS 5/31/99 \$52.78
 ST1061 SLS 6/30/99

Contact: Steve Williams (201) 392-3227 Ext. 0000 \$343.72
 Terms: DUE ON RECEIPT Totals: \$0.00 \$0.00 \$0.00 \$0.00 \$343.72
 Credit: Unlimited

KINGS01 Kings County Hospital Center Open Item Territory: (\$7,965.52)
 User-Defined 1: Salesperson: (\$7,965.52)
 PYMNT000000001555 PMT 12/8/99 \$8,709.95 \$8,709.95
 ST1140 SLS 10/1/99 \$7,965.52 \$7,965.52
 PYMNT000000001379 11/3/99 (\$7,964.84)
 PYMNT000000001401 11/15/99
 ST1164 SLS 11/1/99 \$9,467.30 \$9,467.30
 PYMNT000000001386 11/8/99
 ST1188 SLS 12/3/99

Contact: Joann Dash (000) 000-0000 Ext. 0000 \$1,504.25
 Terms: DUE ON RECEIPT Totals: (\$7,965.52) \$9,467.30 \$0.68 \$1.79 \$0.00
 Credit: Unlimited

MASSA01 Massapequa General Hospital Open Item Territory: (\$6,647.00)
 User-Defined 1: Salesperson: (\$6,647.00)
 PYMNT000000001383 PMT 11/8/99 \$6,267.50 \$6,267.50
 ST1121 SLS 10/1/99 \$7,403.50 \$7,403.50
 RIN00000000000015 11/1/99
 ST1145 SLS 11/1/99 \$7,708.00 \$7,708.00
 ST1169 SLS 12/3/99

Contact: Howard Kasten (516) 520-3228 Ext. 0000

TRADEMARK

System: 1/5/00 MTCAR01 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR02 Mt Carmel Guild MHC Union City Open Item Territory: \$204.00
 Credit: User-Defined 1: Salesperson: (\$24.00)

System: 1/5/00 MTCAR03 Mt Carmel Guild MHC Jersey City Open Item Territory: \$108.00
 Credit: User-Defined 1: Salesperson: (\$24.00)

System: 1/5/00 MTCAR04 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR05 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR06 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR07 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR08 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR09 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR10 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR11 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR12 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR13 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

System: 1/5/00 MTCAR14 Mt Carmel Guild MHC Newark Open Item Territory: \$99.82
 Credit: User-Defined 1: Salesperson: (\$229.00)

TRADEMARK

ST1156 SLS 11/1/99 \$14,096.25

ST1180 SLS 12/3/99 \$10,143.75

System: 1/5/00 \$14,096.25 \$10,143.75 Page: 3

DETAIL HISTORICAL AGED TRIAL BALANCE
Receivables Management

Customer Name Account Type
Document Number Type Date Amount Discount Writeoff 0-30 Days 31 - 60 Days 61 - 90 Days 91 - 120 Days 121 and Over

Contact: Elizabeth Slavits (914) 348-2932 Ext. 0000
Terms: DUE ON RECEIPT Totals: \$0.00 \$10,143.75 \$14,096.25 \$0.00 \$12,559.25
Credit: Unlimited

OAKR101 Oakridge Medical Group Open Item Territory:
User-Defined 1: Salesperson: \$3,078.04
ST1182 SLS 12/3/99 \$3,078.04

Contact: Steve Maiworm (954) 565-4811 Ext. 0000
Terms: DUE ON RECEIPT Totals: \$0.00 \$3,078.04 \$0.00 \$0.00 \$0.00
Credit: Unlimited

PAINM01 Pain Management Center (Meadow Open Item Territory:
User-Defined 1: Salesperson: (\$0.30)
PYMNT000000001329 PMT 10/27/99 (\$5,788.81)

PYMNT000000001572 PMT 12/16/99 (\$3,782.09)
ST1095 SLS 8/31/99 \$2,850.51
ST1120 SLS 10/1/99 \$1,392.04

ST1144 SLS 11/1/99 \$2,086.24
ST1168 SLS 12/3/99 \$1,524.38
Totals: \$1,524.38 \$2,086.24 \$1,392.04 \$2,850.51

Contact: Steve Williams (201) 392-3227 Ext. 0000
Terms: DUE ON RECEIPT Totals: \$7,509.15 (\$344.02) \$1,524.38 \$2,086.24 \$1,392.04 \$2,850.51
Credit: Unlimited

QUEEN01 Queens Hospital Center Open Item Territory:
User-Defined 1: Salesperson: \$1,692.60
1029 SLS 5/31/99 \$1,692.60
PYMNT000000000769 7/31/99

ST1156 SLS 11/1/99 \$14,096.25
ST1180 SLS 12/3/99 \$10,143.75
System: 1/5/00 \$14,096.25 \$10,143.75 Page: 3

TRADEMARK

ST1148 SLS 11/1/99 \$2,858.44 \$2,858.44
 ST1172 SLS 12/3/99 \$2,270.97 \$2,270.97
 Contact: Al Lombardi (718) 883-2410 Ext. 0000 \$2,858.44 \$0.00 \$850.20
 Terms: DUE ON RECEIPT Totals: \$5,979.61
 Credit: Unlimited

SAINT01 Saint Michael's Medical Center Open Item Territory:
 User-Defined 1: Salesperson: \$19,728.77 \$19,728.77
 ST1081 SLS 7/31/99 \$19,728.77
 ST1105 SLS 8/31/99 \$12,724.40 \$10,548.72
 ST1154 SLS 11/1/99 \$10,548.72
 ST1178 SLS 12/3/99 \$14,620.71 \$14,620.71
 Contact: Sallie Hummel (973) 877-5325 Ext. 0000 \$10,548.72 \$0.00 \$32,453.17
 Terms: DUE ON RECEIPT Totals: \$57,622.60
 Credit: Unlimited

SAINT02 Saint James Hospital Open Item Territory:
 User-Defined 1: Salesperson: \$6,820.84 \$6,820.84
 931 SLS 12/31/98 \$6,820.84
 ST1106 SLS 8/31/99 \$6,763.38 \$4,652.05
 ST1131 SLS 10/1/99 \$4,652.05 \$7,070.57
 ST1155 SLS 11/1/99 \$7,070.57
 ST1179 SLS 12/3/99 \$6,466.46 \$6,466.46
 Contact: Sallie Hummel (973) 877-5325 Ext. 0000 \$7,070.57 \$4,652.05 \$13,584.22
 Terms: DUE ON RECEIPT Totals: \$31,773.30
 Credit: Unlimited

STAT001 Staten Island Univ Hospital Open Item Territory:
 User-Defined 1: Salesperson: \$9,292.64 \$9,292.64
 ST1184 SLS 12/3/99 \$9,292.64
 Contact: Marsha Diponti (718) 226-4656 Ext. 0000 \$9,292.64 \$0.00 \$0.00
 Terms: DUE ON RECEIPT Totals: \$9,292.64

TRADEMARK

Credit: Unlimited

STATE02 Staten Island North Open Item

User-Defined 1: Salesperson: (\$0.02)

PYMT000000001570 PMT 12/16/99 (\$19,174.98)

System: 1/5/00 DETAIL HISTORICAL AGED TRIAL BALANCE

Page: 4

Receivables Management

Customer Name Account Type

Document Number Type Date Amount Discount Writeoff 0-30 Days 31 - 60 Days 61 - 90 Days 91 - 120 Days 121 and Over

ST1186 SLS 12/3/99 \$19,099.50 (\$0.02) \$19,099.50 \$0.00 \$0.00 \$0.00 \$0.00

Contact: Marsha Diponti (\$16,456.59) \$96,989.39 \$55,401.46 \$21,567.6 \$85,489.44

Terms: DUE ON RECEIPT Unlimited (\$16,456.59) \$96,989.39 \$55,401.46 \$21,567.6 \$85,489.44

Credit: Unlimited Grand Totals: \$242,991.37 (\$16,456.59) \$96,989.39 \$55,401.46 \$21,567.6 \$85,489.44

Customer	Actual Billing through 12/31/99	Estimated total bill 12/1 to 12/20
Bergen Gastroenterology	1,696	55
Mc Carmel Guild Newark	952	31
Head and Neck Surgical	155	5
Pain Management Center	1,812	58
Massapequa General Hospital	6,655	215
Mc Carmel Guild Union	216	7
Mc Carmel Guild Jersey City	132	4
Queens Hospital	2,150	69
Mt. Carmel Guild MHC Cranford	60	2
Mt. Carmel Guild MHC JC2	200	6
Mt. Carmel Guild Kearny	104	3
Dr. Lynne Carmickle	1,623	52
Saint Michaels Medical Center	10,622	343
Saint James Hospital	7,100	229
The Hospital Center at Orange	2,005	65
Gakridge Medical Group	304	10
Diami Heart	43	1
Staten Island University	8,249	266
Staten Island North	13,559	437
Kings County	6,840	221
Grand Totals:	41,598	41,598

TRADEMARK

284,589

ESTIMATED TOTAL ACCOUNTS RECEIVABLE



February 17, 2000

VIA FEDERAL EXPRESS

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Re: Recordation of Patents and Trademarks

Dear Sir or Madam:

In connection with the grant of a security interest in certain of its patents and trademarks from Applied Voice Recognition, Inc. d/b/a e-DOCS.net to G-51 Capital, LLC, enclosed please the following documents to be recorded with the U.S. Patent and Trademark Office:


1. One (1) original of the Recordation Form Cover Sheet (PATENTS ONLY), together with a copy of the related Patent Security Agreement.
2. One (1) original of the Recordation Form Cover Sheet (TRADEMARKS ONLY), together with a copy of the related Trademark Security Agreement.

In addition, enclosed is a check in the amount of \$160.00 (Patent recordation fee) and \$1,120.00 (Trademark recordation fee) to cover the necessary recording fees.

Thank you for your assistance. Please call me if you have any questions on the enclosures.

Very truly yours,

BOYAR & MILLER


Bill L. Manning
Paralegal