

08-05-2002

SUBSTITUTE FORM PTO 1594  
1-31-92

REC



U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

102178997

To the Honorable Commissioner of Patents

attached original documents or copy thereof.

1. Name of conveying party(ies):

Merlin Software Technologies, Inc.

7-30-02

- Individual(s)
- General Partnership
- Corporation-Nevada
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached  Yes  No

3. Nature of Conveyance:

- Assignment
- Security Agreement
- Other:
- Merger
- Change of Name

Execution Date: June 4, 2002

2. Name and address of receiving party(ies):

SDS Merchant Fund, L.P.  
53 Forest Avenue, 2<sup>nd</sup> Floor  
Old Greenwich, Connecticut 06870

(See Schedule B)

- Individual(s) citizenship:
- Association:
- General Partnership:
- Limited Partnership: Delaware
- Corporation:
- Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached  Yes  No

(Designation must be a separate document from Assignment)

Additional name(s) & addresses attached?  Yes  No

FINANCE SECTION  
JUN 11 11:48 AM '02

4. Application number(s) or registration number(s):

A. Trademark Application No.(s): See Schedule A

B. Trademark Reg. No.(s): See Schedule A

Additional numbers attached  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Cheryl L. Slipski, Esq.  
Drinker Biddle & Reath LLP  
One Logan Square  
18<sup>th</sup> & Cherry Streets  
Philadelphia, PA 19103-6996

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41)

\$290.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit Account Number:

Attorney Docket No. 42944-166722

DO NOT USE THIS SPACE

9. 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.

Cheryl L. Slipski

Name of Person Signing

Signature

June 11, 2002

Date

Total number of pages including cover sheet, attachments and document: 5

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

08/02/2002 TDIAZ1 00000161 76282146

01 FC:48  
02 FC:482

40.00 OP  
250.00 OP

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

PHIP3263681

TRADEMARK  
REEL: 002554 FRAME: 0804

## **SCHEDULE B**

SDS Merchant Fund, L.P., a Delaware limited partnership  
53 Forest Avenue  
2<sup>nd</sup> Floor  
Old Greenwich, Connecticut 06870

Pequot Scout Fund, L.P., a Delaware limited partnership  
c/o Pequot Capital Management, Inc.  
500 Nyala Farm Road  
Westport, Connecticut 06880

Narragansett Offshore, Ltd., a Cayman Island corporation  
c/o Narragansett Asset Management LLC  
153 East 53<sup>rd</sup> Street  
26<sup>th</sup> Floor  
New York, NY 10022

Narragansett I, L.P., a Delaware limited partnership  
c/o Narragansett Asset Management LLC  
153 East 53<sup>rd</sup> Street  
26<sup>th</sup> Floor  
New York, NY 10022

**SCHEDULE A**

<b><u>Trademark</u></b>	<b><u>Serial No.</u></b>	<b><u>Filing Date</u></b>	<b><u>Date of First Use</u></b>
YOUR DATA IS YOUR BUSINESS	76/282146	July 9, 2001	ITU
SECUR	76/390,567	April 1, 2002	ITU
TURNING TECHNOLOGY INTO SOLUTIONS	76/282143	July 9, 2001	ITU
COMMUNICADO	76/259,975	October 19, 2000	ITU
YOUR BUSINESS IS YOUR DATA	76/282,173	July 9, 2001	ITU
ESSENTIAL SERVER and Design	76/282,842	July 11, 2001	ITU
SECURCUBE	76/342,871	November 29, 2001	ITU
ESSENTIAL SERVER NAS+	76/282,145	July 9, 2001	ITU
SECURDVR	76/342,870	November 29, 2001	ITU
THE PLUS FACTOR	76/281,957	July 9, 2001	ITU
ESSENTIAL SERVER	76/253,444	May 9, 2001	ITU

GRANT OF SECURITY INTEREST

WHEREAS, MERLIN SOFTWARE TECHNOLOGIES INTERNATIONAL, INC., a Nevada corporation (herein referred to as "Debtor"), owns all right, title and interest in and to the trademarks listed on the annexed Schedule A (the "Trademarks");

WHEREAS, Debtor is obligated to the entities identified on the annexed Schedule B (herein collectively referred to as "Secured Parties"), and has entered into an Amended and Restated Intellectual Property Security Agreement (the "Agreement") in favor of the Secured Parties; and

WHEREAS, Pursuant to the Agreement, Debtor granted to Secured Parties a security interest in, and mortgage on, all right, title and interest of Debtor in and to the Trademarks, together with the goodwill of the business symbolized by the Trademarks and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all past, present and future causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the payment, performance and observance of the obligations, as defined in the Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Debtor does hereby grant to Secured Parties a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of its obligations.

Debtor does hereby further acknowledge and affirm that the rights and remedies of Secured Parties with respect to the security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, Debtor has caused this Grant of Security Interest to be duly executed by its officer thereunto duly authorized as of the 4th day of June 2002.

By: Merlin Software Technologies International, Inc.

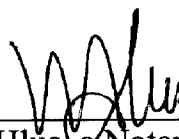
Name:   
Robert Heller

Title: Chief Executive Officer

PROVINCE OF BRITISH COLUMBIA    )  
  )  
CANADA                                    )

ss.:

On this 4th day of June 2002, before me personally appeared Robert Heller, to me known, who, being by me duly sworn, did depose and say that he is Chief Executive Officer, of Merlin Software Technologies International, Inc., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed pursuant to authority of the Board of Directors of said corporation, and that he signed his name thereto pursuant to such authority.



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Virgil Z. Hlus, a Notary Public  
in and for the Province of British  
Columbia, Canada.

**VIRGIL Z. HLUS**  
*Barrister & Solicitor*  
800 - 885 WEST GEORGIA STREET  
VANCOUVER, B.C. V6C 3H1  
TELEPHONE: (604) 687-5700