

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Indiana Business Modernization and Technology Corporation		02/28/2001	CORPORATION: INDIANA

RECEIVING PARTY DATA	
Name:	Charing Cross, Inc.
Street Address:	320 South Boston Avenue
Internal Address:	Suite 500
City:	Tulsa
State/Country:	OKLAHOMA
Postal Code:	74103-3725
Entity Type:	CORPORATION: OKLAHOMA

PROPERTY NUMBERS Total: 6		
Property Type	Number	Word Mark
Registration Number:	2478889	TRUSTED FILE COMMANDER PLUS
Registration Number:	2327216	CREATORS OF THE TRUSTED DESKTOP
Registration Number:	2322267	TRUSTED DESKTOP
Registration Number:	2308348	DESKTOP COMMANDER
Registration Number:	2158235	PINNACLE TECHNOLOGY
Registration Number:	2105206	DESKTOP OBSERVATORY

CORRESPONDENCE DATA	
Fax Number:	(918)591-5360
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	918-582-1211
Email:	rblue@dsla.com
Correspondent Name:	Rachel Blue, Esq.
Address Line 1:	320 South Boston Avenue
Address Line 2:	Suite 500
Address Line 4:	Tulsa, OKLAHOMA 74103-3725

CH \$165.00 2478889

ATTORNEY DOCKET NUMBER:

013812.01

NAME OF SUBMITTER:

Rachel Blue, Esq.

Total Attachments: 10

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AGREEMENT OF SETTLEMENT AND COMPROMISE

NOW on this 26 day of February, 2001, the Indiana Business Modernization and Technology Corporation, an Indiana corporation ("BMT") and Pinnacle Technology, Inc., an Oklahoma corporation ("Pinnacle") enter into the following agreements for good and valuable consideration as recited herein, the receipt and sufficiency of which is hereby acknowledged:

1. BMT and Pinnacle entered into a certain written agreement, denominated Funding Agreement for Product Commercialization Fund, Agreement Number C-94017, effective on May 15, 1996 ("Funding Agreement"). The Funding Agreement was amended from time to time by written amendments of the parties. Pursuant to the Funding Agreement, as amended and in accordance with its terms and provisions, BMT advanced certain funds to Pinnacle and Pinnacle from time to time made certain payments to BMT and in addition thereto, executed and delivered to BMT certain promissory notes.

2. Pursuant to the Funding Agreement, an Escrow Deposit Agreement, a Security Agreement, an Assignment of Patent, and UCC financing statements, Pinnacle granted to BMT an assignment, mortgage, lien and security interest in the following described assets:

All the "Intellectual Property" of Pinnacle Technology, Inc. that is currently in existence and that is created in the future, including without limitation all computer software, methods, processes, formulae, designs, techniques of production, design or assembly, know-how, data bases, trade secrets, inventions, innovations, discoveries, improvements, applications, works of authorship, other proprietary information or items whether or not patentable or copyrightable, patents, patent applications, copyrights and applications or registrations therefor, trademarks and applications or registrations therefor, including all tangible embodiments thereof (such as documentation, drawings, sketches, blueprints, source code, object code, plans and printouts) now owned or whenever created by Pinnacle Technology, Inc. including, but not limited to, software copyrighted or trademarked by Pinnacle Technology, Inc. with the names of "Desktop Observatory" (Copyright Registration TX3-788-775), "Kidproof 2", "Desktop Commander" and any patents thereof including, but not limited to, U.S. Patent Application Serial No. 08/509,688 for "Network Desktop Management Security System and Method".

The above-described assets are hereafter called "Collateral" and the above-described documents and all other documents granting BMT a lien or security interest in the Collateral are hereafter referred to as the "Collateral Documents."

3. On or about June 8, 1998, the parties entered into the First Amendment to Funding Agreement ("First Amendment"). Pursuant to such First Amendment, Pinnacle executed and delivered its certain Promissory Note Number One in the original principal sum of \$66,514.10, denominated a Convertible Note, with a due date of January 23, 2001. The balance due and outstanding on Promissory Note Number One as of January 23, 2001, including principal and accrued interest, was \$75,618.97.

4. On or about June 8, 1998, the parties entered into the Second Amendment to Funding Agreement ("Second Amendment"). Pursuant to the Second Amendment, Pinnacle executed and delivered to BMT its Promissory Note Number Two in an original principal sum of \$100,000.00 denominated as a Convertible Note, with a maturity date of January 23, 2001. As of January 23, 2001, the unpaid principal and accrued interest on Promissory Note Number Two was \$113,688.62.

5. In connection with Promissory Notes One and Two (hereinafter collectively referred to as "the Notes"), Pinnacle executed and delivered to BMT two separate Stock Warrants providing for the conversion of the respective Notes, upon exercise of an option by BMT into a right to obtain Common Stock of Pinnacle in lieu of receipt of cash payment of the Notes (the "Stock Warrants"). BMT has not elected to exercise the Stock Warrants.

6. BMT asserts that Pinnacle has defaulted under the Funding Agreement, as more particularly set forth in an action commenced in Marion County Superior Court Number Five, styled *Indiana Business Modernization & Technology Corporation vs. Pinnacle Technology*,

Inc., Case No. 49D05-0010-CP-001493 (the "BMT Litigation"), in which BMT seeks certain legal and equitable relief. Pinnacle has filed its Answer and asserted certain counterclaims against BMT in the action, as more particularly asserted therein ("Pinnacle Claims").

7. BMT asserts that among other relief it is entitled to, it is entitled to recover its reasonable attorneys' fees ("Attorneys' Fees") expended. BMT represents to Pinnacle that such fees are in the amount of \$28,356.37, and has provided to Robert Barker, counsel for Pinnacle, evidence of invoices for such fees, which have been reviewed by Mr. Barker.

8. BMT asserts that it is also entitled, pursuant to the Funding Agreement, to receive certain substantial sums representing royalty in the amount equal to an annual rate of return to BMT of twenty-five percent (25%) compounded monthly on sums advanced ("Royalty Payments"). The amount of the claimed Royalty Payments is \$132,899.90.

9. The parties, in an effort to resolve their differences, to avoid the uncertainty and costs attendant to a litigated resolution, and to permit a prompt resolution of their disputes, have entered into a settlement and compromise agreement, which is intended to resolve all disputes between BMT and Pinnacle.

The parties covenant, agree and represent as follows:

(a) Pinnacle will pay to BMT on the date hereof the following sums attributable to the categories indicated:

a. Promissory Note Number One (representing principal and interest)	\$ 75,618.97
b. Promissory Note Number Two (representing principal and interest)	\$ 113,688.62
c. Agreed Royalty Sum	\$ 25,000.00
d. Attorneys' Fees	<u>\$ 28,356.37</u>
TOTAL	\$ 242,663.96

Such sum ("Settlement Proceeds") shall be paid by a wire transfer to the account of BMT as BMT shall direct.

(b) In consideration for the payments of the Settlement Proceeds, BMT will (i) assign and endorse the Funding Agreement, Promissory Notes, Stock Warrants, the Security Agreement, the Assignment of Patent, and all other Collateral Documents including UCC-1 form assignment to Charing Cross Corporation, an Oklahoma corporation ("Charing Cross"); and (ii) will deliver all Collateral in its possession, including any all items or matters deposited in the escrow account by Pinnacle pursuant to the Escrow Deposit Agreement, in compliance with the Escrow Deposit Agreement, all pursuant to the direction of Pinnacle. THE ASSIGNMENTS AND DELIVERIES ARE BEING MADE "AS IS", "WHERE IS" AND SHALL EXPRESSLY BE WITHOUT RECOURSE, WARRANTY, REPRESENTATION, OR LIABILITY OF ANY KIND, WHETHER THE SAME BE IN RESPECT TO THE VALIDITY, COLLECTABILITY, OR DEFENSES WHICH MAY BE ASSERTED WITH RESPECT TO THE ASSIGNMENT OR OTHERWISE. FURTHERMORE, BMT HAS BEEN ADVISED AND RELIES UPON THE ACCURACY OF THE STATEMENT THAT CHARING CROSS IS FULLY ADVISED IN THE PREMISES WITH RESPECT OF THE TERMS AND CONDITIONS OF THE FUNDING AGREEMENT, THE DISPUTES WHICH HAVE EXISTED BETWEEN THE PARTIES, AND ALL MATTERS SET FORTH IN THE BMT LITIGATION.

(c) Pinnacle and Charing Cross represent and warrant that they have no knowledge of any claim or claims asserted or threatened against BMT by any third party, including but not limited to shareholders, investors, lenders or creditors of Pinnacle, arising out of (i) the Funding Agreement and any ancillary agreements thereto; and/or (ii) this agreement and the assignments.

(d) BMT represents that it has not sold, licensed or otherwise granted any rights in the Collateral to any third party.

(e) BMT and Pinnacle shall file a Joint Stipulation with the Marion County Superior Court, dismissing the BMT Litigation including all counterclaims asserted therein, with prejudice to the refileing thereof. Such joint stipulation shall recite the assignment of the Promissory Notes which shall remain outstanding in favor of Charing Cross, and shall be in a form mutually agreed upon between the parties.

(f) On the date hereof, BMT shall deliver to Pinnacle's designated representative Robert Barker, the Notes properly endorsed, and assignment and transfers of the Funding Agreement, the Stock Warrants and the Collateral Documents, all source codes or other proprietary information in its possession, or any other form of collateral which may be in its possession. BMT will not retain any copies or duplicates of any source code or proprietary information and pursuant to this Agreement releases any claim it has in or to the Collateral.

(g) Pinnacle and BMT will by this Agreement mutually release all claims either has against the other.

(h) Pinnacle shall deliver to BMT at closing copies of board resolutions from Pinnacle and Charing Cross authorizing the execution and performance of this agreement and the assignments.

10. Pinnacle has advised BMT that it is Pinnacle's intention to market Pinnacle's technology and that Pinnacle may desire to retain the services of Mr. Herb Senft or other third parties to assist in such endeavor. It is expressly agreed that neither BMT nor any of its representatives will seek to dissuade Mr. Senft or any other party from assisting Pinnacle in connection with any such potential business activity. In undertaking such agreement, BMT does

not acknowledge and expressly denies that it is heretofore engaged in any activity with respect to seeking to influence Mr. Senft or any third party in connection with the creation of a business or consulting relationship with Pinnacle, and Pinnacle hereby releases BMT from any claim which Pinnacle might otherwise assert in connection with such claims.

11. The parties each agree that the purpose of this Agreement is to resolve all disputes between them, so that each party may go forward with its business affairs. Each party agrees that at no time following the execution and consummation of this Agreement, will either, directly or indirectly, or through their agents, directors or employees, make any statements or take any actions which could reasonably be expected to impugn or damage the reputation or business standing of the other party, and/or their successors and assigns, including, without limitation, making any disparaging statements or taking similar actions concerning the other party or its business or their successors and assigns.

12. The parties agree that this Agreement, and the terms thereof, shall remain confidential, disclosed only to the extent necessary to obtain the dismissal of the BMT Litigation, or as necessary to inform officers, accountants or third parties for proper business purposes. No party shall reveal, disclose, or communicate to any person, organization, media source or other entity (exempting therefrom their attorneys and tax advisers, providing that they are advised of and agreed to be bound by this confidentiality clause, and also exempting any disclosure required by any governmental regulation including Indiana State Law or by a Court of competent jurisdiction) the terms of this Agreement, unless the other party has given its prior consent to such disclosure.

13. BMT hereby releases Pinnacle and its current and former officers, directors, representatives, shareholders, principals, attorneys, affiliates, employees, predecessors,

successors, heirs, executors and assigns from any and all legal, equitable or other claims, counterclaims, demands, setoffs, defenses, contracts, accounts, suits, debts, agreements, actions, causes of actions, sums of money, reckoning, bonds, bills, specialties, covenants, promises, variances, trespasses, damages, extents, executions, judgments, findings, controversies and disputes, and any past or present duties, responsibilities, or obligations which arise out of, or which may, can or shall arise out of or which could have arisen out of, any relationship or transaction involving BMT and Pinnacle, of any kind, including without limitation any claims arising from or related in any way to the Funding Agreement, as amended, the Notes, any Collateral Documents, or any other agreement between.

14. Pinnacle hereby releases BMT and its current and former officers, directors, representatives, shareholders, principals, attorneys, affiliates, employees, predecessors, successors, heirs, executors and assigns from any and all legal, equitable or other claims, counterclaims, demands, setoffs, defenses, contracts, accounts, suits, debts, agreements, actions, causes of actions, sums of money, reckoning, bonds, bills, specialties, covenants, promises, variances, trespasses, damages, extents, executions, judgments, findings, controversies and disputes, and any past or present duties, responsibilities, or obligations which arise out of, or which may, can or shall arise out of or which could have arisen out of, any relationship or transaction involving BMT and Pinnacle, of any kind, including without limitation the Pinnacle Claims or any Claims arising from or related in any way to the Funding Agreement, as amended, the Notes, any Collateral Documents, or any other agreement.

15. This Agreement is a compromise and settlement of disputed and contested claims, and nothing contained herein shall be construed as an admission by any party hereto of any liability of any kind to any other party.

16. The parties hereto agree to execute such other documents and to take such other action as may be reasonably necessary to further the purpose of this Agreement, including the execution by BMT, after the date hereof, of documents reasonably necessary to effect assignments contemplated herein.

17. This Agreement and any other documents referred to herein shall be governed by, construed and enforced in accordance with the laws of the State of Indiana.

18. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, representatives, successors and assigns.

19. All agreements, covenants, representations and warranties, express or implied, oral or written, of the parties hereto concerning the subject matter hereof are contained herein and in the written documents executed herewith or referred to therein. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties concerning the subject matter hereof are merged herein. This is an integrated agreement.

20. This Agreement may not be modified, amended or terminated, except by an instrument in writing signed by each of the parties affected thereby. No failure to exercise and no delay in exercising any right, remedy or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy or power provided herein or by law or in equity.

21. The parties hereto, and each of them, further represent and declare that they have read this Agreement carefully and know the contents thereof, and that they execute and

consummate the same freely and voluntarily, and each has been advised by legal counsel of its choice.

22. If, for any reason, any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions of this Agreement, nevertheless, shall be construed, performed and enforced as if the invalidated and unenforceable provision had not been included in the text of this Agreement.

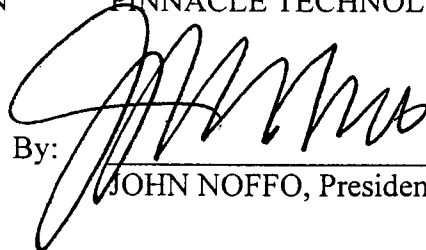
23. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all counterparts so executed shall constitute one agreement, binding upon all of the parties hereto, notwithstanding that all of the parties are not signatory to the same counterpart.

24. The parties hereby signify their agreement to the above terms by their signatures below. BMT and Pinnacle each represent to the other that it is fully authorized to execute this Agreement.

INDIANA BUSINESS MODERNIZATION
& TECHNOLOGY CORPORATION


By: _____
DELBERT SCHUH, President

PINNACLE TECHNOLOGY, INC.

By:  _____
JOHN NOFFO, President

Charing Cross executes this agreement for the purpose of acknowledging this agreement and making the covenants and representations and warranties in Paragraph 9(b) and 9(c).

CHARING CROSS CORPORATION

By:  _____
Printed: JOHN J. NOFFO
Titled: PRESIDENT

consummate the same freely and voluntarily, and each has been advised by legal counsel of its choice.

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INDIANA BUSINESS MODERNIZATION
& TECHNOLOGY CORPORATION

PINNACLE TECHNOLOGY, INC.

By:



DELBERT SCHUH, President

By:

JOHN NOFFO, President

Charing Cross executes this agreement for the purpose of acknowledging this agreement and making the covenants and representations and warranties in Paragraph 9(b) and 9(c).

CHARING CROSS CORPORATION

By: _____
Printed: _____
Titled: _____