

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Agreement"), dated March __, 2015, is made between ERGO (E.B. 2014) LTD., having an address at 1 Shaul Hamelech Boulevard, Tel-Aviv 6473301, Israel ("Borrower") and SOUTHERN TRUST COMPANY, INC., having an address at 6100 Red Hook Quarter, B3, St. Thomas, USVI 00802 ("Lender").

WITNESSETH:

WHEREAS, Borrower is the General Partner of a certain Israeli limited liability partnership, which the Borrower is in the process of forming and registering under Israeli law (the "LLP");

WHEREAS, the LLP is being formed for the purpose of purchasing from Reporty Homeland Security Ltd., an Israeli private company ("Reporty"), shares of Reporty's Series A Preferred Shares (said Series A Preferred Shares, including all such shares initially to be acquired and all such shares that may hereafter be acquired, are hereinafter referred to as the "Purchased Shares") upon the terms and conditions set forth in that certain Series A Preferred Share Purchase Agreement substantially in the form attached as Exhibit A hereto (the "Purchase Agreement");

WHEREAS, on the date hereof Lender made a loan to Borrower in trust for the LLP in the amount of \$1,000,000, the full proceeds of which Borrower, in the name and for the benefit of the LLP, is to use to purchase Purchased Shares from Reporty substantially upon the terms and conditions set forth in the Purchase Agreement (the "Loan");

WHEREAS, to document the obligation to repay the Loan, Borrower has executed and delivered to Lender that certain non-recourse promissory note made by Borrower to Lender of even date herewith payable to Lender in the principal amount of \$1,000,000.00 in the form attached as Exhibit B hereto (the "Note"); and

WHEREAS, in order to induce Lender to accept the Note, Borrower has agreed to enter into this Agreement and to grant to Lender the security interests hereinafter provided to secure Borrower's obligations under the Note and this Agreement (collectively hereinafter referred to in this Agreement as the "Obligations").

NOW, THEREFORE, for the consideration recited above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. RECITALS. The above premises are true and correct and are incorporated herein by reference.

SECTION 2. DEFINITIONS; INTERPRETATION. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Note.

SECTION 3. PLEDGE AND GRANT OF SECURITY INTEREST.

(a) As security for the payment and performance of the Obligations by Borrower to Lender, Borrower hereby pledges, assigns, transfers, conveys and grants a continuing security interest in favor of Lender, for security purposes, in all of Borrower's right, title and interest in and to any and all the Purchased Shares, now owned or hereafter acquired by from time to time by Borrower, and all of Borrower's rights and interests, including, without limitation, ownership, economic rights, voting rights, registration rights, liquidation rights, preference rights, rights of first refusal, rights of redemption, other contract rights, rights to dividends, distributions, instruments, other property and other rights of any kind from time to time received, receivable, or otherwise distributed, in respect of such Purchased Shares, and all proceeds of any of the foregoing (the "Reporty Collateral").

(b) This Agreement shall create a continuing security interest in the Reporty Collateral, which shall remain in effect until terminated in accordance with the terms and conditions of this Agreement.

SECTION 4. VOTING RIGHTS AND DISTRIBUTIONS

(a) So long as no Event of Default shall have occurred and be continuing, Borrower shall be entitled to exercise all voting and other consensual rights, if any, for any purpose not inconsistent with the terms of this Agreement or the Note.

(b) So long as no Event of Default shall have occurred and be continuing, any and all dividends, distributions and other proceeds pertaining to the Reporty Collateral shall be delivered to Lender to be held in pledge hereunder and shall become part of the Reporty Collateral.

(c) Upon the occurrence and during the continuance of any Event of Default, (i) all rights of Borrower to exercise the voting and other consensual rights, if any, which Borrower would otherwise be authorized to exercise pursuant to Section 4(a) shall cease, and all such rights shall thereupon become vested in Lender who then shall have the sole right to exercise any such voting and other consensual rights, and (ii) Lender shall have the right to apply all dividends, distributions and any cash so received to the Obligations. Effective upon the occurrence and during the continuance of an Event of Default, Borrower hereby grants to Lender an irrevocable proxy coupled with an interest for the Reporty Collateral, pursuant to which proxy Lender shall be entitled to vote or consent with respect to the Reporty Collateral in its sole discretion, as applicable.

(d) If during the term of this Agreement any non-cash distribution, reclassification, readjustment or other change is declared or made with respect to any of the Reporty Collateral, or if warrants or any other rights or options are issued in connection with any of the Reporty Collateral, or if additional interests, units or other securities are issued in connection with any of the Reporty Collateral (whether or not for valuable consideration), Borrower shall give Lender immediate notice of the same, and hereby automatically pledges all such new, substituted and/or additional interests, units or other securities to Lender and, if necessary, shall separately pledge the same to Lender, to be held under the terms of this

Agreement in the same manner as the Reporty Collateral are held hereunder, and shall become part of the Reporty Collateral.

SECTION 5. FURTHER ASSURANCES; APPOINTMENT OF LENDER AS ATTORNEY-IN-FACT.

(a) With respect to the Reporty Collateral, Borrower shall, if requested by Lender, cause Reporty to duly authorize and execute, and deliver to Lender an agreement for the benefit of Lender pursuant to which, following the occurrence of and during the continuance of an Event of Default, Reporty agrees to comply with any and all instructions regarding the Reporty Collateral or any and all voting rights, other consensual rights or contractual rights of Borrower in connection with the Reporty Collateral originated by Lender without further consent by Borrower (or any other registered owner) and not to comply with instructions regarding the Reporty Collateral originated by any person or entity other than Lender or other than a court of competent jurisdiction.

(b) All certificates (if and when available) and instruments representing or evidencing any of the Reporty Collateral shall be delivered to Lender in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Lender.

(c) Immediately and without further notice, upon the occurrence of and during the continuance of any Event of Default, Lender, at any time and at its sole discretion, may have any or all of the Reporty Collateral registered in Lender's name or that of its nominee or nominees.

(d) Borrower at its expense shall execute and deliver, or cause to be executed and delivered, to Lender any and all documents and instruments, in form and substance satisfactory to Lender, and take any and all action, which Lender may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Lender's security interest in the Reporty Collateral and to accomplish the purposes of this Agreement. Lender shall have the right to, in the name of Borrower, or in the name of Lender or otherwise, without notice to or assent by Borrower, and Borrower hereby irrevocably constitutes and appoints Lender (and any of Lender's officers or employees or agents designated by Lender) as Borrower's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Borrower on all or any of such documents or instruments and perform all other acts that Lender deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Lender's security interest in, the Reporty Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Borrower, which Lender may deem necessary or advisable to maintain, preserve and protect the Reporty Collateral and to accomplish the purposes of this Agreement, including, without limitation, (A) to defend, settle, adjust or (after the occurrence and during the continuance of any Event of Default) institute any action, suit or proceeding with respect to the Reporty Collateral, and (B) after the occurrence and during the continuance of any Event of Default, to assign any and all of the Reporty Collateral to any person or entity, including itself, without Borrower's written consent. The power of attorney set

forth in this Section 5(d), being coupled with an interest, is irrevocable, so long as this Agreement shall not have terminated in accordance with Section 19.

(e) The foregoing shall in no way limit Lender's rights and remedies upon or after the occurrence and during the continuance of an Event of Default, which shall also include all rights and remedies available under applicable law.

SECTION 6. LENDER'S DUTIES. Notwithstanding any provision contained in this Agreement, Lender shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Borrower or any other person or entity for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Lender hereunder or in connection herewith, Lender shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Reporty Collateral.

SECTION 7. REPRESENTATIONS AND WARRANTIES. Borrower represents, warrants and covenants to Lender that:

(a) The Purchased Shares, when issued, will be duly authorized and fully paid, and will constitute all of the shares, economic interests and ownership interests in Reporty issued to or held by Borrower;

(b) When the Purchased Shares are issued, Borrower or the LLP will be the legal, record and beneficial owner of the Purchased Shares and will have good and marketable title thereto, free and clear of any lien, hypothecation, security interest, option or other charge or encumbrance, except for the security interest created by this Agreement, and will have the full right to pledge, assign, transfer and deliver the Purchased Shares;

(c) Borrower has full legal capacity, right, power and authority, without the consent of any other person or entity, to execute and deliver this Agreement, to pledge the Reporty Collateral, and to carry out the transactions contemplated hereby;

(d) This Agreement constitutes the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms; and

(e) None of the Purchased Shares has been or will be issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject. To Borrower's knowledge, Borrower's execution and delivery of this Agreement and the pledge of the Reporty Collateral hereunder do not, directly or indirectly, violate or result in a violation of any such laws.

(f) Lender has been granted a first priority perfected Lien on the Reporty Collateral.

The representations and warranties set forth in this Section shall survive the execution and delivery of this Agreement.

SECTION 8. COVENANTS.

(a) Borrower will appear in and defend any action, suit or proceeding which may affect to a material extent its right, title or interest in the Reporty Collateral.

(b) Borrower will not sell, convey, transfer, or otherwise dispose of any Reporty Collateral or any interest therein or create, incur or permit to exist any pledge, mortgage, lien, charge, security interest or other encumbrance with respect to the Reporty Collateral or the proceeds thereof, other than that created hereby or other than any encumbrance created under any documents or instruments pursuant to which any Reporty Collateral is acquired by Borrower.

(c) Borrower will deliver promptly to Lender any cash or non-cash property received in exchange for or as a dividend or other distribution on or with respect to any Reporty Collateral (with any necessary endorsement).

(d) Borrower will promptly execute and deliver all further instruments and documents, and take all further action that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest intended to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Reporty Collateral.

(e) Borrower, upon obtaining any additional shares of capital stock, options, warrants or other rights to acquire the same, or other ownership or economic interests, in or with respect to Reporty which are not already Reporty Collateral, promptly (and in any event within three (3) Business Days) deliver to Lender a Pledge Amendment, duly executed by Borrower, modifying this Agreement by adding such shares, options, warrants, other rights to acquire, or other ownership or economic interests, and confirming the pledge of the same pursuant to this Agreement; provided, however, that the failure of Borrower to execute and deliver any such Pledge Amendment shall not prevent such additional shares, options, warrants, other rights to acquire, or other ownership or economic interests from being subject to the security interest created by this Agreement. Borrower hereby authorizes Lender to attach each Pledge Amendment to this Agreement and agrees that all such shares, options, warrants, other rights to acquire, or other ownership or economic interests listed on any Pledge Amendment delivered to Lender shall for all purposes hereunder be considered pledged hereunder and shall be included in the Reporty Collateral.

(f) Borrower will pay all taxes, assessments and charges levied, assessed or imposed by any governmental authority upon the Reporty Collateral before the same become delinquent or become liens upon any of the Reporty Collateral, except where such taxes, assessments and charges may be contested in good faith by appropriate proceedings.

(g) As soon as possible after the execution of this Agreement, Borrower will take all necessary steps to cause the LLP to be formed, organized and registered under Israeli law with Borrower as the sole General Partner thereof and the only limited partners thereof being Ehud Barak or entities beneficially owned exclusively by Ehud Barak, and shall promptly provide all documentation of such formation, organization, registration and beneficial ownership to Lender.

(h) Immediately upon the formation, organization and registration of the LLP as provided in Section 8(g) above, Borrower shall take all steps necessary to transfer any and all Reporty Collateral then held by Borrower to the LLP, and shall cause to be prepared and shall execute, in its own capacity and as the General Partner of the LLP, any and all documents and instruments necessary or as may reasonably be requested by Lender in order to effectuate the assignment of the rights and obligations of Borrower under the Note and this Agreement by Borrower to the LLP, as a primary obligor (with the LLP being substituted for the Borrower in all places in this Agreement where Borrower appears as if the LLP were the original signatory hereof), and the assumption of all such rights and obligations by the LLP, as a primary obligor; provided, however, that notwithstanding such assignment (and substitution) and assumption, Borrower shall remain severally liable as a primary obligor under the Note and this Agreement to the same extent as if there had been no such assignment and assumption.

(i) At all times while this Agreement remains in effect and there remains any balance on the Note, there shall be no beneficial owner other than Ehud Barak of any interest in the LLP, including, without limitation, any interest as a General Partner or limited partner of the LLP

(j) Borrower will pay all taxes, assessments and charges levied, assessed or imposed by any governmental authority upon the Reporty Collateral before the same become delinquent or become liens upon any of the Reporty Collateral, except where such taxes, assessments and charges may be contested in good faith by appropriate proceedings.

SECTION 9. LENDER'S RIGHTS AND REMEDIES.

(a) Lender shall have all rights and remedies available to it under this Agreement, the Note, any other documents executed or to be executed hereafter in connection with the Obligations, and applicable law with respect to the security interests in any of the Reporty Collateral or any other collateral. Borrower agrees that such rights and remedies include, but are not limited to, the right of Lender as a secured party to sell or otherwise dispose of the Reporty Collateral after any Event of Default pursuant to the Uniform Commercial Code as enacted in the United States Virgin Islands.

(b) Each right, power and remedy of Lender provided for in this Agreement, the Note, or any related agreement or instrument now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy.

SECTION 10. PRIVATE SALE. In view of the fact that applicable securities laws may impose certain restrictions upon the method by which may be effected a sale of any of the Reporty Collateral that consists of securities, it is agreed that upon and after an Event of Default, Lender may from time to time attempt to sell all or any part of the Reporty Collateral by means of a private sale, restricting the bidders and prospective purchasers to those who are qualified to receive offers therefor or to participate in sales thereof under applicable securities laws. Borrower acknowledges that such private sales may be at prices and on terms less favorable to the seller than if the Reporty Collateral were sold at a public sale and that the Lender

has no obligation to delay the sale of any Reporty Collateral to permit the registration of the Reporty Collateral for public sale under any securities law.

SECTION 11. NOTICES. All notices or other communications hereunder shall be given in the manner and to the addresses specified in the Note. All such notices and other communications shall be effective when given as provided in the Note.

SECTION 12. NO WAIVER; CUMULATIVE REMEDIES. No failure on the part of Lender to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to Lender.

SECTION 13. COSTS AND EXPENSES; INDEMNITY.

(a) Borrower agrees to pay on demand all costs and expenses of Lender, including, without limitation, all reasonable attorneys' fees, in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement, and the assignment, sale or other disposal of any of the Reporty Collateral.

(b) Borrower agrees to indemnify Lender and any of his affiliates, and their respective employees, agents, counsel and other advisors (each an "Indemnified Person") against, and hold each of them harmless from, any and all liabilities, obligations, losses, claims, damages, demands, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against any Indemnified Person, in any way relating to or arising out of this Agreement, including in connection with any action taken or omitted to be taken by it hereunder (the "Indemnified Liabilities"); provided that Borrower shall not be liable to any Indemnified Person for any portion of such Indemnified Liabilities to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from such Indemnified Person's gross negligence or willful misconduct. If and to the extent that the foregoing indemnification is for any reason held unenforceable, Borrower agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(c) Any amounts payable to Lender under this Section 13 or otherwise under this Agreement if not paid upon demand shall bear interest from the date of such demand until paid in full, at the default rate of interest set forth in the Note.

SECTION 14. BINDING EFFECT; ASSIGNMENT. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Borrower, Lender and their respective permitted successors and permitted assigns. Except for the assignment and assumption between Borrower and the LLP provided for in Section 8(h) hereof, Borrower shall not have the right to assign its rights or obligations or any interest herein without the prior written consent of Lender. Lender reserves the right freely to sell, assign, transfer or grant participations in all or any portion of Lender's rights and obligations hereunder to any other person or entity.

SECTION 15. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the law of the United States Virgin Islands, except as required by mandatory provisions of law and to the extent the validity or perfection of the security interests hereunder, or the remedies hereunder, in respect of any Reporty Collateral are governed by the law of a jurisdiction other than the United States Virgin Islands.

SECTION 16. AMENDMENT. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement signed by both parties hereto.

SECTION 17. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 18. COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 19. TERMINATION. Upon payment and performance in full of all Obligations, this Agreement shall terminate and Lender shall promptly execute and deliver to Borrower such documents and instruments reasonably requested by Borrower as shall be necessary to evidence termination of all security interests given by Borrower to Lender hereunder; provided, however, that (i) the obligations of Borrower under Section 13 hereof shall survive such termination and (ii) in the event a voluntary proceeding in bankruptcy is filed by Borrower or an involuntary proceeding in bankruptcy is filed against Borrower, this Agreement and Lender's interest in the Reporty Collateral created hereby shall survive such proceeding.

SECTION 20. NO INCONSISTENT REQUIREMENTS. Borrower acknowledges that this Agreement and the Note may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Borrower agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 21. FAX AND SCANNED SIGNATURES. Signatures of this Agreement transmitted by fax, or scanned and then transmitted by email transmission shall have the same effect as original signatures.

[Remainder of page left intentionally blank; signatures follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Membership Interest Pledge Agreement, as of the date first above written.

BORROWER:

ERGO (E.B. 2014) LTD.

By: _____
Ehud Barak,

LENDER:

SOUTHERN TRUST COMPANY,
INC.

By: _____
Jeffrey E. Epstein, President

EXHIBIT A
PURCHASE AGREEMENT
(See Attached)

EXHIBIT B

**NON-RECOURSE PROMISSORY NOTE OF ERGO (E.B. 2014) LTD.
PAYABLE TO THE ORDER OF SOUTHERN TRUST COMPANY, INC.**

(See Attached)