

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 10, 2009

MITEK SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of
Incorporation)

0-15235

(Commission File Number)

87-0418827

(IRS Employer Identification No.)

**8911 Balboa Ave., Suite B
San Diego, California**

(Address of Principal Executive Offices)

92123

(Zip Code)

Registrant's telephone number, including area code: **(858) 503-7810**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry Into a Material Definitive Agreement.

On December 10, 2009, we entered into a securities purchase agreement with accredited investors pursuant to which we agreed to issue in exchange for aggregate consideration of approximately \$1.0 million the following securities: (i) 5% senior secured convertible debentures in the principal amount of approximately \$1.0 million, and (ii) warrants to purchase an aggregate of 334,167 shares of our common stock with an exercise price of \$0.91 per share. The debentures are convertible into shares of our common stock at any time at the discretion of the holder at a conversion price per share of \$0.75, subject to adjustment for stock splits, stock dividends and the like. Each investor received a warrant to purchase that number of shares of our common stock that equals 25% of the quotient obtained by dividing such investor's aggregate subscription amount by \$0.75. The transaction resulted in net proceeds to us of approximately \$930,000, excluding transactions costs and expenses. We refer to this financing as our December 2009 financing in this report.

The following summarizes the terms of the debentures we issued:

Term: Due and payable on December 10, 2011.

Interest: Interest is payable in cash or stock at the rate of 5% on each conversion date (as to the principal amount being converted), on each early redemption date (as to the principal amount being redeemed) and on the maturity date.

Principal Payment: The principal amount, if not paid earlier, is due and payable on December 10, 2011.

Early Redemption: We have the right to redeem all or a portion of the debenture before maturity by payment in cash of the outstanding principal amount plus accrued and unpaid interest being redeemed. The payment of the debenture would occur on the 10th trading day following the date we gave the holder notice of our intent to redeem the debenture. We agreed to honor any notices of conversion that we receive from the holder before the date we pay off the debenture.

Voluntary Conversion: The debentures are convertible at anytime at the discretion of the holder at a conversion price per share of \$0.75, subject to adjustment for stock splits, stock dividends and the like.

Forced Conversion: We have the right to force conversion of the debentures if (i) the closing price of our common stock exceeds 200% of the then effective conversion price for 20 trading days out of a consecutive 30 trading day period or (ii) the average daily trading volume for our common stock exceeds 100,000 shares per trading day for 20 trading days out of a consecutive 30 trading day period and the closing price of our common stock exceeds 100% of the then effective conversion price for 20 trading days out of a consecutive 30 trading day period.

Covenants: The debentures impose certain covenants on us including restrictions against paying cash dividends or distributions on shares of our outstanding common stock.

Security Interest: The debentures are secured by all of our assets under the terms of a security agreement we entered into with the investors dated December 10, 2009.

The foregoing summary of the terms of the securities we issued and the terms of the agreements related to the December 2009 financing is qualified in its entirety by reference to the form of securities purchase agreement, debenture, warrant and security agreement, each of which is filed as an exhibit to this report and incorporated herein by this reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in response to Item 1.01 of this report is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information provided in response to Item 1.01 of this report is incorporated by reference into this Item 3.02. The investors in our December 2009 financing were accredited investors as such term is defined in Rule 501 of the Securities Act. The securities were issued in a private placement under Section 4(2) of the Securities Act and/or Rule 506 of Regulation D under the Securities Act. The offering was not conducted in connection with a public offering, and no public solicitation or advertisement was made or relied upon by the investor in connection with the offering.

The maximum number of shares of common stock issuable upon conversion of the debentures and upon exercise of the warrants we issued in the December 2009 financing is, respectively, 1,101,648 and 334,167, assuming the conversion price and exercise price is the initial conversion price and exercise price at the time of conversion and exercise, respectively.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
4.1	Form of debenture issued in connection with December 2009 financing
4.2	Form of warrant issued in connection with December 2009 financing
10.1	Form of securities purchase agreement entered into in connection with December 2009 financing
10.2	Form of security agreement dated December 10, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: December 10, 2009

MITEK SYSTEMS, INC.

By: /s/ James B. DeBello

James B. DeBello
President and Chief Executive Officer

Exhibit Index

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4.2	Form of warrant issued in connection with December 2009 financing
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NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Original Issue Date:	December 11, 2009
Original Conversion Price (subject to adjustment herein):	\$0.75
Original Principal Amount:	\$ _____

**5% SECURED CONVERTIBLE DEBENTURE
DUE DECEMBER 10, 2011**

THIS 5% SECURED CONVERTIBLE DEBENTURE is one of a series of duly authorized and validly issued 5% Secured Convertible Debentures of Mitek Systems, Inc., a Delaware corporation (the "Company"), having its principal place of business at 8911 Balboa Ave, Suite B, San Diego, California 92123, designated as its 5% Secured Convertible Debenture due December 10, 2011 (this debenture, the "Debenture" and, collectively with the other debentures of such series, the "Debentures").

FOR VALUE RECEIVED, the Company promises to pay pursuant to the terms hereunder to _____ or its registered assigns (the "Holder"), the principal sum of \$ _____ on December 11, 2011 (the "Maturity Date") or such earlier date as this Debenture is required or permitted to be repaid as provided hereunder, and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture in accordance with the provisions hereof. This Debenture is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Debenture, the following terms shall have the following meanings:

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of California are authorized or required by law or other governmental action to close.

"Common Stock" means the common stock of the Company, par value \$0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Conversion Schedule" means the Conversion Schedule in the form of Schedule 1 attached hereto.

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of this Debenture in accordance with the terms hereof.

"Debenture Register" means the records of the Company regarding registration and transfers of this Debenture.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Original Issue Date" means the date of the first issuance of the Debentures, regardless of any transfers of any Debenture and regardless of the number of instruments which may be issued to evidence such Debentures.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Purchase Agreement" means the Securities Purchase Agreement, dated as of December 10, 2009 among the Company and the original holders of Debentures, as amended, modified or supplemented from time to time in accordance with its terms.

"Rule 144" means Rule 144 promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE Amex, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing); provided, however, if on the date in question the Common Stock is not listed or quoted for trading on any of the foregoing markets or exchanges, "Trading Market" shall mean the New York Stock Exchange.

Section 2. Interest.

a) Payment of Interest in Cash or Kind. The Company shall pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture at the rate of 5% per annum, payable on each Conversion Date (as to that principal amount then being converted), on each Optional Redemption Date (as to that principal amount then being redeemed) and on the Maturity Date (each such date, an “Interest Payment Date”) (if any Interest Payment Date is not a Business Day, then the applicable payment shall be due on the next succeeding Business Day), in cash or duly authorized, validly issued, fully paid and non-assessable shares of Common Stock at the Conversion Price (the dollar amount to be paid in shares of Common Stock, the “Interest Share Amount”) or a combination thereof.

b) Interest Calculations. Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30 calendar day periods, and shall accrue daily commencing on the Original Issue Date until payment in full of the principal sum, together with all accrued and unpaid interest and other amounts which may become due hereunder, has been made. Payment of interest in shares of Common Stock shall occur pursuant to Section 4(c) herein and, solely for purposes of the payment of interest in shares, the Interest Payment Date shall be deemed the Conversion Date. Interest hereunder will be paid to the Person in whose name this Debenture is registered on the Debenture Register. Except as otherwise provided herein, if at any time the Company pays interest partially in cash and partially in shares of Common Stock to the holders of the Debentures, then such payment of cash shall be distributed ratably among the holders of the then-outstanding Debentures based on their (or their predecessor’s) initial purchases of Debentures pursuant to the Purchase Agreement.

c) Late Fee. All overdue accrued and unpaid interest to be paid hereunder shall entail a late fee at an interest rate equal to the lesser of 12% per annum or the maximum rate permitted by applicable law which shall accrue daily from the date such interest is due hereunder through and including the date of payment in full.

Section 3. Registration of Transfers and Exchanges.

a) Different Denominations. This Debenture is exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be payable for such registration of transfer or exchange.

b) Investment Representations. This Debenture has been issued subject to certain investment representations of the original Holder set forth in the Purchase Agreement and may be transferred or exchanged only in compliance with the Purchase Agreement and applicable federal and state securities laws and regulations.

c) Reliance on Debenture Register. Prior to due presentment for transfer to the Company of this Debenture, the Company and any agent of the Company may treat the Person in whose name this Debenture is duly registered on the Debenture Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Debenture is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

Section 4. Conversion.

a) Voluntary Conversion. Subject to the provisions of this Section 4(a), at any time after the Original Issue Date until this Debenture is no longer outstanding, this Debenture shall be convertible, in whole or in part, into shares of Common Stock at the option of the Holder, at any time and from time to time. The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a "Notice of Conversion"), specifying therein the principal amount of this Debenture to be converted and the date on which such conversion shall be effected, which date shall be no earlier than the tenth (10) Business Day after such Notice of Conversion is deemed delivered hereunder (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that is the tenth (10) Business Day after such Notice of Conversion is deemed delivered hereunder. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Debenture in an amount equal to the applicable amount being converted. The Holder and the Company shall maintain records showing the principal amount(s) converted and the date of such conversion(s). The Company may deliver an objection to any Notice of Conversion within three Business Days of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Debenture, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Debenture, the unpaid and unconverted principal amount of this Debenture may be less than the amount stated on the face hereof.**

b) Conversion Price. The conversion price in effect on any Conversion Date shall be equal to \$0.75, subject to adjustment herein (the "Conversion Price").

c) Mechanics of Conversion.

i. Conversion Shares Issuable Upon Conversion. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Debenture to be converted by (y) the Conversion Price.

ii. Delivery of Certificate Upon Conversion. Not later than five Trading Days after each Conversion Date, the Company shall deliver, or cause to be delivered, to the Holder a certificate or certificates representing the number of Conversion Shares being acquired upon the conversion of this Debenture.

iii. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of this Debenture as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Debentures), not less than such aggregate number of shares of the Common Stock as shall (subject to the terms and conditions set forth in the Purchase Agreement) be issuable (taking into account the adjustments of Section 5) upon the conversion of the then outstanding principal amount of this Debenture. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

iv. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Debenture. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

v. Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of this Debenture shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates; provided, however, that, the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder and the Company shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 5. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Company, at any time while this Debenture is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 5(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

b) Calculations. All calculations under this Section 5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 5, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

c) Notice to the Holder of Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 5, the Company shall promptly deliver to the Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

d) Notice to Allow Conversion by Holder. If the approval of any stockholders of the Company shall be required in connection with any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, then, the Company shall cause to be delivered to the Holder at its last address as it shall appear upon the Debenture Register, at least 15 calendar days prior to the applicable effective date hereinafter specified, a notice stating the date on which such consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to convert this Debenture in accordance with the terms of this Debenture during the 15-day period commencing on the date of such notice through the effective date of the event triggering such notice.

Section 6. Redemption and Forced Conversion.

a) Optional Redemption at Election of Company. Subject to the provisions of this Section 6(a), at any time after Original Issue Date, the Company may deliver a notice to the Holder (an "Optional Redemption Notice" and the date such notice is deemed delivered hereunder, the "Optional Redemption Notice Date") of the Company's election to redeem all or a portion of the then outstanding principal amount of this Debenture for cash in an amount equal to the outstanding principal amount of this Debenture then being redeemed plus accrued and unpaid interest on such amount (the "Optional Redemption Amount") on the 10th Trading Day following the Optional Redemption Notice Date (such date, the "Optional Redemption Date", and such redemption, the "Optional Redemption"). The Optional Redemption Amount shall be paid in full to the Holder on the Optional Redemption Date. The Company covenants and agrees that it will honor all Notices of Conversion tendered from the time of delivery of the Optional Redemption Notice through the date all amounts owing thereon are due and paid in full. The Company's determination to effect an Optional Redemption shall be applied ratably to all of the holders of the then outstanding Debentures based on their (or their predecessor's) initial purchases of Debentures pursuant to the Purchase Agreement.

b) **Forced Conversion.** Notwithstanding anything herein to the contrary, if after the Original Issue Date, either (i) the closing price of the Common Stock as reported on the Trading Market for any 20 Trading Days in any 30 consecutive Trading Day Period, which 30 Trading Day period shall have commenced only after the Original Issue Date (such 30 Trading Day period, the “Threshold Period”), exceeds 200% of the then-applicable Conversion Price (subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the Original Issue Date) or (ii) the average daily trading volume for the Common Stock on the principal Trading Market exceeds 100,000 shares per Trading Day for any 20 Trading Days in any Period and the closing price of the Common Stock as reported on the Trading Market for any 20 Trading Days in any Threshold Period exceeds 100% of the then-applicable Conversion Price (subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the Original Issue Date), the Company may, within five Trading Days after the end of any such Threshold Period, deliver a written notice to the Holder (a “Forced Conversion Notice” and the date such notice is delivered to the Holder, the “Forced Conversion Notice Date”) to cause the Holder to convert all or part of the then outstanding principal amount of this Debenture plus, if so specified in the Forced Conversion Notice, accrued but unpaid interest and other amounts owing to the Holder under this Debenture, it being agreed that the “Conversion Date” for purposes of Section 6(b) shall be deemed to occur on the third Trading Day following the Forced Conversion Notice Date. Any conversion effected pursuant to this Section 6(b) shall be applied ratably to all holders based on their initial purchases of Debentures pursuant to the Purchase Agreement, provided that any voluntary conversions by a Holder shall be applied against such Holder’s pro rata allocation, thereby decreasing the aggregate amount forcibly converted hereunder if only a portion of this Debenture is forcibly converted.

Section 7. Negative Covenants. As long as any portion of this Debenture remains outstanding, unless the holders of at least two-thirds of the principal amount of the then outstanding Debentures shall have otherwise given prior written consent, the Company shall not pay cash dividends or distributions on any equity securities of the Company.

Section 8. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile to the facsimile number of the Company set forth on the signature page hereof, or sent by a nationally recognized overnight courier service addressed to the Company at the address set forth above, or such other facsimile number or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 8(a). Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (Pacific time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (Pacific time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Pari Passu. This Debenture ranks *pari passu* with all other Debentures now or hereafter issued under the terms set forth herein.

c) Lost or Mutilated Debenture. If this Debenture shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Debenture, or in lieu of or in substitution for a lost, stolen or destroyed Debenture, a new Debenture for the principal amount of this Debenture so mutilated, lost, stolen or destroyed, but only upon receipt of an affidavit and indemnity agreement from the Holder and evidence of such loss, theft or destruction of such Debenture, and of the ownership hereof, in each case, reasonably satisfactory to the Company.

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Debenture shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of San Diego in the State of California (the "California Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the California Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such California Courts, or such California Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Debenture and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Debenture or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Debenture, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Debenture shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Debenture. The failure of the Company or the Holder to insist upon strict adherence to any term of this Debenture on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Debenture on any other occasion. Any waiver by the Company or the Holder must be in writing.

f) Severability. If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Debenture as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this indenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

g) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

h) Headings. The headings contained herein are for convenience only, do not constitute a part of this Debenture and shall not be deemed to limit or affect any of the provisions hereof.

i) Amendments. This Debenture may be modified or amended or the provisions hereof waived with the prior written consent of the Company and holders holding Debentures at least equal to a majority of the aggregate principal amount then outstanding under all Debentures.

j) Secured Obligations. The obligations of the Company under this Debenture shall be secured by all of the assets of the Company in accordance with the provisions of a security agreement among the Company and the original holders of Debentures, as amended, modified or supplemented from time to time in accordance with its terms.

(Signature Pages Follow)

IN WITNESS WHEREOF, the Company has caused this Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

MITEK SYSTEMS, INC.

By: _____

Name:

Title:

Facsimile No. for delivery of Notices:

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 5% Secured Convertible Debenture due December 10, 2011 of Mitek Systems, Inc., a Delaware corporation (the "Company"), into shares of common stock (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

(Complete each line below)

- (1) **Conversion Date:** _____
- (2) **Principal Amount of Debenture to be Converted:** _____
- (3) **Conversion Price:** \$ _____
- (4) **Number of Conversion Shares to be Issued:** _____
- (5) **Principal Amount of Debenture After Conversion:** _____
- (6) **Address for Delivery of Conversion Shares:** _____

Holder:

Signature: _____
Printed Name: _____
Title (if applicable): _____

Schedule 1

CONVERSION SCHEDULE

The 5% Secured Convertible Debentures due on _____, 2011 in the aggregate principal amount of \$_____ are issued by Mitek Systems, Inc., a Delaware corporation. This Conversion Schedule reflects conversions made under Section 4 of the above referenced Debenture.

Date of Conversion	Amount of Conversion	Aggregate Principal Amount Remaining Subsequent to Conversion	Company Attest

MITEK SYSTEMS, INC.
WARRANT

NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED WITH THE SEC UNDER SECTION 5 OF THE SECURITIES ACT IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION AFFORDED BY THE SECURITIES ACT AND/OR RULES PROMULGATED BY THE SEC PURSUANT THERETO. NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED OR QUALIFIED (AS THE CASE MAY BE) UNDER THE SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES, IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION (AS THE CASE MAY BE) AFFORDED UNDER SUCH SECURITIES LAWS. THIS WARRANT HAS BEEN ACQUIRED FOR THE HOLDER'S OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW FOR RESALE OR DISTRIBUTION.

Warrant Shares: [_____]

Effective Date: December 10, 2009

THIS CERTIFIES THAT, for value received, _____ ("**Holder**") is entitled, subject to the terms and conditions of this Warrant, to purchase from Mitek Systems, Inc., a Delaware corporation ("**Company**"), up to _____ shares of Common Stock (such shares and all other shares issued or issuable pursuant to this Warrant referred to hereinafter as "**Warrant Shares**") at a purchase price of \$0.91 per share (the "**Exercise Price**").

1. **Term.** This Warrant is exercisable at the option of the Holder, at any time or from time to time, in whole or in part (but not for a fraction of a share), at any time following the Effective Date and before 5:30 P.M. San Diego, California time on the earlier to occur of (a) the five year anniversary of the Effective Date or (b) (i) the closing of a merger or consolidation of the Company with or into another corporation where the Company is not the surviving corporation, or a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's capital stock outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash, or otherwise, or (ii) the closing of the sale of all or substantially all of the properties and assets of Company, unless the Company's shareholders of record prior to such acquisition or sale shall hold at least fifty percent (50%) of the voting power of the acquiring or surviving entity immediately after the acquisition or sale (the earlier to occur of (a) or (b), the "**Expiration Date**"). At least 10 days prior to the occurrence of an event specified in (b) of this Section 1, the Company shall send to Holder notice of such event and that Holder's rights under this Warrant shall terminate upon the occurrence of such event; provided that if the Company sends such notice less than 10 days prior to the occurrence of such event, Holder's right to exercise this Warrant shall be extended for a period of five days after the date of the notice, after which time Holder's rights under this Warrant shall terminate.

2. **Exercise.**

2.1 **Payment.** Subject to compliance with the terms and conditions of this Warrant and applicable securities laws, this Warrant may be exercised, in whole or in part at any time or from time to time, from and after the Effective Date and on or before the Expiration Date by delivery of:

- (a) a Notice of Exercise duly executed by the Holder to the Company at its principal office,
- (b) this Warrant to the Company at its principal office, and

- (c) payment in cash, by check or by wire transfer of an amount equal to the product obtained by multiplying the number of shares of Warrant Shares being purchased upon such exercise by the then effective Exercise Price.

2.2 Cashless Exercise. In lieu of the payment methods set forth in Section 2.1(c), this Warrant may also be exercised, in whole or in part at any time or from time to time, from and after the one year anniversary of the Effective Date and on or before the Expiration Date, by means of a “cashless exercise” in which Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

- (A) = the Fair Market Value of one share of Common Stock on the Trading Day immediately preceding the Exercise Date
(B) = the Exercise Price of one share of Warrant Shares (as adjusted to the date of such calculation)
(X) = the number of Warrant Shares purchasable under this Warrant or, if only a portion of this Warrant is being exercised, the portion of this Warrant being canceled (at the date of such calculation)

If the Holder elects to exercise this Warrant as provided in this Section 2.2, the Holder shall tender this Warrant for the amount being exercised, along with a Notice of Exercise duly executed by the Holder, to the Company at its then principal office, and the Company shall issue to the Holder the number of Warrant Shares computed using the formula above. Notwithstanding anything to the contrary herein, this Warrant may not be exercised on a cashless exercise basis if a registration statement registering the resale of the Warrant Shares issuable upon such exercise is effective as of the Exercise Date.

2.3 Stock Certificates; Fractional Shares. As soon as practicable on or after any date of exercise of this Warrant pursuant to this Section 2, the Company shall issue and deliver to Holder a certificate or certificates for the number of whole shares of Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share equal to such fraction of the current Fair Market Value of one whole share of Warrant Shares as of the date of exercise of this Warrant. No fractional shares or scrip representing fractional shares shall be issued upon an exercise of this Warrant.

2.4 Partial Exercise; Effective Date of Exercise. In case of any partial exercise of this Warrant, the Company shall cancel this Warrant upon surrender hereof and shall execute and deliver a new Warrant of like tenor and date for the balance of the shares of Warrant Shares purchasable hereunder. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above. Holder shall be treated for all purposes as the holder of record of the Warrant Shares to which it is entitled upon exercise of this Warrant as of the close of business on the date the Holder is deemed to have exercised this Warrant.

2.5 Exercise Price Adjustment.

(a) The Exercise Price in effect at any time and the number of Warrant Shares purchased upon the exercise of this Warrant shall be subject to adjustment from time to time as follows. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 2.5(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b) Calculations. All calculations under this Section 2.5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 2.5, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

(c) Notice to the Holder of Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 2.5, the Company shall deliver to the Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(d) Notice to Allow Exercise of Warrant. If the approval of any stockholders of the Company shall be required in connection with any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, then, the Company shall cause to be delivered to the Holder at its last address as it shall appear upon the books and records of the Company, at least 15 calendar days prior to the applicable effective date hereinafter specified, a notice stating the date on which such consolidation, merger, sale, transfer or share exchange is expected to become effective, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant in accordance with the terms of this Warrant during the 15-day period commencing on the date of such notice through the effective date of the event triggering such notice.

3. **Valid Issuance; Taxes.** All Warrant Shares issued upon the exercise of this Warrant shall be validly issued, fully paid and non-assessable; provided that Holder shall pay all taxes and other governmental charges that may be imposed in respect of the issue or delivery thereof. The Company shall not be required to pay any tax or other charge imposed in connection with any transfer involved in the issuance of any certificate representing any Warrant Shares in any name other than that of the Holder, and in such case the Company shall not be required to issue or deliver any stock certificate or security until such tax or other charge has been paid, or it has been established to the Company's satisfaction that no tax or other charge is due.

4. **Restrictions On Transfer.** This Warrant and the Warrant Shares are subject to transfer restrictions as set forth in the Purchase Agreement. The Holder, by acceptance hereof, agrees that, it shall not Transfer any or all of this Warrant or Warrant Shares, as the case may be, except in compliance with the provisions set forth in the Purchase Agreement.

5. **Definitions:** For the purposes hereof, (i) capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement dated December 10, 2009 by and among the Company and the purchasers signatory thereto (the "**Purchase Agreement**") and (ii) in addition to the terms defined elsewhere in this Warrant, the following terms shall have the following meanings:

“**Effective Date**” means the date first set forth above.

“**Exercise Date**” means, in the case of an exercise pursuant to Section 2.1, the date on which the aggregate Exercise Price is received by the Company, together with delivery of the Notice of Exercise and this Warrant, in accordance with Section 2.1, and, in the case of an exercise pursuant to Section 2.2, the date on which the Notice of Exercise and this Warrant are delivered to the Company in accordance with Section 2.2.

“**Fair Market Value**” of a share of Common Stock as of a particular date means:

- (a) If the Common Stock is then listed or quoted on a Trading Market, the Fair Market Value shall be deemed to be the average of the closing price of the Common Stock on such Trading Market over the 10 Trading Days ending on the Trading Day immediately prior to the Exercise Date;
- (b) If the Common Stock is not then quoted or listed on a Trading Market and if prices for the Common Stock are then reported in the “Pink Sheets” published by Pink Sheets, LLC (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported; and
- (c) If the Common Stock is not then quoted or listed on a Trading Market and if prices for the Common Stock are not then reported in the “Pink Sheets,” the Fair Market Value shall be the value thereof, as agreed upon by the Company and the Holder; provided, however, that if the Company and the Holder cannot agree on such value, such value shall be determined by an independent valuation firm experienced in valuing businesses such as the Company and jointly selected in good faith by the Company and the Holder. Fees and expenses of the valuation firms shall be paid equally by the Company and the Holder.

“**Notice of Exercise**” means the form of notice of exercise attached hereto as Exhibit A.

“**Trading Day**” means a day on which the principal Trading Market is open for trading.

“**Trading Market**” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE Amex, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing); provided, however, if on the date in question the Common Stock is not listed or quoted for trading on any of the foregoing markets or exchanges, “Trading Market” shall mean the New York Stock Exchange.

“**Transfer**” means any sale, assignment, transfer, conveyance, pledge, hypothecation or other disposition, voluntarily or involuntarily, by operation of law, with or without consideration, or otherwise (including by way of intestacy, will, gift, bankruptcy, receivership, levy, execution, charging order or other similar sale or seizure by legal process).

“**Warrant**” means this Warrant and any warrant delivered in substitution or exchange therefor as provided herein.

6. **Miscellaneous.**

6.1 **Notices.** Any and all notices or other communications or deliveries to be provided by the Holder hereunder shall be in writing and delivered personally, by facsimile to the facsimile number of the Company set forth on the signature page hereof, or sent by a nationally recognized overnight courier service addressed to the Company at the address set forth above, or such other facsimile number or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 6.1. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to the Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of the Holder as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (Pacific time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (Pacific time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

6.2 **Lost or Mutilated Warrant.** If this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Warrant, or in lieu of or in substitution for a lost, stolen or destroyed Warrant, a new Warrant of like tenor as the lost, stolen, destroyed or mutilated Warrant, but only upon receipt of an affidavit and indemnity agreement from the Holder and evidence of such loss, theft or destruction of this Warrant, and of the ownership hereof, in each case, reasonably satisfactory to the Company.

6.3 **Waiver.** Any waiver by the Company or the Holder of a breach of any provision of this Warrant shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Warrant. The failure of the Company or the Holder to insist upon strict adherence to any term of this Warrant on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Warrant on any other occasion. Any waiver by the Company or the Holder must be in writing.

6.4 **Severability.** If any provision of this Warrant is invalid, illegal or unenforceable, the balance of this Warrant shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

6.5 **Headings.** The headings contained herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

6.6 **Amendments.** This Warrant may be modified or amended or the provisions hereof waived with the prior written consent of the Company and the Holder.

6.7 **Saturdays, Sundays and Holidays.** If the Expiration Date falls on any day that is not a Trading Day, the Expiration Date shall automatically be extended until 5:30 P.M. the next Trading Day.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned duly authorized representative of the Company has executed this Warrant as of the day and date first written above.

Mitek Systems, Inc.

By: _____

Agreed and Accepted:

Holder:

EXHIBIT A

NOTICE OF EXERCISE

(To be executed upon exercise of Warrant)

TO: MITEK SYSTEMS, INC.

1. The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any. If said number of Warrant Shares shall not be all the Warrant Shares purchasable under the attached Warrant, a new Warrant is to be issued in the name of the undersigned for the balance remaining of the shares purchasable thereunder rounded up to the next higher whole number of shares.
2. Payment shall take the form of (check applicable box):

in lawful money of the United States; or

the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in Section 2.2, to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in Section 2.2.

Date: _____

Holder

By:
Its:

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "**Agreement**") dated as of December 10, 2009 is entered into by and among Mitek Systems, Inc., a Delaware corporation (the "**Company**"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively the "**Purchasers**").

RECITALS

Subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings set forth in this Section 1.1:

"**Accredited Investor Questionnaire**" means the accredited investor questionnaire, substantially in the form attached hereto as Exhibit A, delivered by the Purchasers to the Company hereunder.

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such term is used in and construed under Rule 405 promulgated under the Securities Act. With respect to a Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Purchaser will be deemed to be an Affiliate of such Purchaser.

"**Business Day**" means Monday through Friday, excluding any day of the year on which banks are required or authorized to close in the State of California.

"**Closing**" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"**Closing Date**" means the Business Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto pursuant to Sections 2.2(a) and 2.2(b), and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount and (ii) the Company's obligations to deliver the Securities, in each case, have been satisfied or waived.

"**Common Stock**" means the common stock of the Company, par value \$0.001 per share.

"**Debentures**" means the 5% Secured Convertible Debentures due December 10, 2011, substantially in the form attached hereto as Exhibit B, issued by the Company to the Purchasers hereunder.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Governmental Entity" means any foreign, federal, state, municipal or local government, governmental, regulatory or administrative authority, agency, instrumentality or commission or any United States court, tribunal, or judicial or arbitral body of any nature; or any United States body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Person" means an individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Entity.

"Rule 144" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such rule.

"Security Agreement" means the Security Agreement, dated the date hereof, among the Company and the Purchasers, in the form attached hereto as Exhibit C.

"SEC" means the United States Securities and Exchange Commission.

"Securities" means the Debentures, the Warrants and the Underlying Shares.

"Short Sales" include (i) all "short sales" as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and all types of direct and indirect stock pledges, forward sale contracts, options, puts, calls, short sales, swaps, "put equivalent positions" (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements (including on a total return basis), and (ii) sales and other transactions through non-U.S. broker dealers or foreign regulated brokers.

"Subscription Amount" means, as to each Purchaser, the aggregate amount to be paid for Debentures and Warrants purchased at the Closing and as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars in immediately available funds.

"Transaction Documents" means this Agreement, the Security Agreement, the Debentures, the Warrants, all exhibits and schedules hereto and thereto and any other agreements executed in connection with the transactions contemplated hereunder.

"Underlying Shares" means the shares of Common Stock issued and issuable upon conversion or redemption of the Debentures and upon exercise of the Warrants.

"Warrants" shall mean the common stock purchase warrants, substantially in the form attached hereto as Exhibit D, delivered to the Purchasers at the Closing in accordance with Section 2.2(b)(3)(D).

ARTICLE II

PURCHASE AND SALE

2.1 The Debentures and Warrants; Closings.

(a) Issuance of Debentures. Subject to all of the terms and conditions hereof, the Company agrees to sell to each Purchaser, and each Purchaser, severally and not jointly, agrees to purchase from the Company, a Debenture in the principal amount equal to the amount of such Purchaser's Subscription Amount.

(b) Issuance of Warrants. Concurrently with the issuance of a Debentures to a Purchaser, the Company will issue to such Purchaser a Warrant registered in the name of such Purchaser to purchase up to a number of shares of Common Stock equal to 25% of the quotient obtained by dividing such Purchaser's Subscription Amount by \$0.75, rounded up to the closest whole share.

(c) Closing. Each purchase and sale of the Debentures and Warrants shall take place at a Closing to be held at such time and location as the Company and the Purchasers participating in such Closing shall mutually agree and upon satisfaction of the covenants and conditions set forth in Section 2.2. At each Closing, each Purchaser participating in such Closing shall deliver to the Company via wire transfer or a certified check of immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to such Purchaser its respective Debenture and Warrant as determined pursuant to Sections 2.1(a) and 2.1(b) above. In addition, at each Closing, the Company and each Purchaser shall deliver the items set forth in Section 2.2 deliverable at a Closing. At each Closing, the Company shall update the Schedule of Purchasers attached as Schedule I hereto to identify the relevant Closing Date and list the name and address for each Purchaser participating in such Closing, together with such Purchaser's Subscription Amount, which update shall not require any formal amendment hereunder pursuant to Section 5.5.

2.2 Closing Conditions.

(a) The obligations of the Company to a Purchaser hereunder in connection with a Closing are subject to the following conditions being met, to the extent not waived by the Company in writing:

(1) the accuracy in all respects when made and on such Closing Date of the representations and warranties of such Purchaser contained herein;

(2) all obligations, covenants and agreements of such Purchaser required to be performed at or prior to such Closing Date shall have been performed; and

(3) the Company shall have received:

(A) this Agreement duly executed by such Purchaser;

(B) the Security Agreement duly executed by such Purchaser;

(C) the full amount of such Purchaser's Subscription Amount by wire transfer to the account specified in writing by the Company; and

(D) the Accredited Investor Questionnaire completed and duly executed by such Purchaser.

(b) The respective obligations of the Purchasers hereunder in connection with a Closing are subject to the following conditions being met to the extent not waived by such Purchaser:

(1) the accuracy in all material respects (except to the extent that such representations and warranties are qualified by materiality, material adverse effect, or words of like effect, in which case such representations and warranties shall be true in all respects) when made and on such Closing Date of the representations and warranties of the Company contained herein;

(2) all obligations, covenants and agreements of the Company required to be performed at or prior to such Closing Date shall have been performed; and

(3) such Purchaser shall have received:

(A) this Agreement duly executed by the Company;

(B) the Security Agreement duly executed by the Company;

(C) a Debenture in principal amount calculated as set forth in Section 2.1(a) and as shall be set forth on Schedule I attached hereto, registered in the name of such Purchaser;

(D) a Warrant registered in the name of such Purchaser to purchase the number of shares of Common Stock as set forth in such Warrant; and

(E) a certificate signed by the Company's Chief Executive Officer or Chief Financial Officer, in such Person's capacity as an officer of the Company, to the effect that the representations and warranties of the Company in Section 3.1 are true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, material adverse effect, or words of like effect, in which case such representations and warranties shall be true in all respects) as of, and as if made on, the date of this Agreement and as of such Closing Date and that the Company has satisfied in all material respects all of the conditions set forth in this Section 2.2(b); provided, however, that the foregoing certificate shall not be required if such Closing Date occurs on the date of this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants as of the date hereof and as of the applicable Closing Date to each Purchaser as follows:

(a) Organization and Qualification. The Company is an entity duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to perform its obligations under this Agreement. The Company is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not result in (i) a material adverse effect on the business of the Company taken as a whole, or (ii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

(b) Authorization. The execution, delivery and performance by the Company of this Agreement and each other Transaction Document to which it is a party and each of the transactions contemplated hereby or thereby have been duly and validly authorized by the Company, and no other corporate act or proceeding on the part of the Company, its board of directors or its stockholders is necessary to authorize the execution, delivery or performance by the Company of this Agreement or any Transaction Document to which it is a party or the consummation of any of the transactions contemplated hereby or thereby. This Agreement has been duly executed and delivered by the Company and this Agreement constitutes, and the other Transaction Documents upon execution and delivery by the Company will each constitute, a valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(c) No Conflict. The execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which it is a party and the consummation of each of the transactions contemplated hereby or thereby will not (i) violate or conflict with the certificate of incorporation or bylaws of the Company, (ii) violate, conflict with, result in any material breach of, constitute a default under, result in the termination of, result in the acceleration of any obligations under, result in a material change in terms of, create in any party the right to accelerate, terminate, modify or cancel, or require any consent or notice under, or create an event that, with the giving of notice or the lapse of time, or both, would be a default under or material breach of, any judgment, order, writ, injunction, decree or demand of any Governmental Entity that materially affects the ability of the Company to perform its obligations under this Agreement; (iii) result in the creation or imposition of any Lien upon any assets or any of the equity of the Company, or which affects the ability to conduct its business as conducted prior to the date of this Agreement or perform its obligations under this Agreement; (iv) require any declaration, filing or registration with, or authorization, consent or approval of, exemption or other action by or notice to, any Governmental Entity or other Person under the provisions of any law or any agreement to which the Company is subject other than the filing of a Form D with the SEC and such filings as are required to be made under applicable state securities laws.

(d) Legal Proceedings. There is no action, claim, suit or proceeding pending by or against the Company that challenges or may have the effect of preventing, delaying, making illegal or otherwise interfering with the execution and delivery by the Company of this Agreement or any of the Transaction Documents to which it is a party or the performance of the Company hereunder or thereunder.

(e) Issuance of Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(f) SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, since October 1, 2008 (the foregoing materials filed since October 1, 2008, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "**SEC Reports**") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports (i) were complete and accurate in all material respects and (ii) complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable.

(g) Preemptive and Other Rights. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents.

(h) Financial Statements. The SEC Reports fairly present, in all material respects, the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments.

(i) Private Placement. Assuming the accuracy of each Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the applicable Closing Date to the Company as follows:

(a) Organization; Authority. Such Purchaser, if not a natural person, is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder, and the execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate or similar action on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser (i) understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law (ii) is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities (within the meaning of Section 2(11) of the Securities Act) or any part thereof in violation of the Securities Act or any applicable state securities law, (iii) has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and (iv) has no direct or indirect arrangement or understandings with any other Persons to distribute or regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser's right to sell the Securities in compliance with applicable federal and state securities laws).

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act.

(d) Residency. Such Purchaser's principal executive offices (or residence, in the case of a Purchaser that is an individual) are in the jurisdiction set forth in the Accredited Investor Questionnaire.

(e) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives (who are unaffiliated with and who are not compensated by the Company or any Affiliate of the Company and who are not selling agents of the Company), has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(f) No Representations. Such Purchaser confirms that neither the Company nor any of its authorized agents has made any representation or warranty to such Purchaser about the Company or the Securities other than those set forth in this Agreement, and that such Purchaser has not relied upon any other representation or warranty, express or implied, in connection with the transactions contemplated by this Agreement.

(g) Investment Risks. Such Purchaser acknowledges and is aware that: (i) there are substantial restrictions on the transferability of the Securities, (ii) the Securities will not be, and such Purchaser does not have the right to require that the Securities be, registered under the Securities Act; and (iii) the certificates representing the Securities shall bear a legend similar to the legend set out in Section 4.1.

(h) Opportunity to Ask Questions. During the course of the transaction contemplated by this Agreement, and before acquiring the Securities, such Purchaser has had the opportunity (i) to be provided with financial and other written information about the Company, and (ii) to ask questions and receive answers concerning the business of the Company and its finances. Such Purchaser has, to the extent it has availed itself of this opportunity, received satisfactory information and answers.

(i) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting or, to its knowledge, in any other form of general solicitation or general advertisement.

(j) Investor Questionnaire. The Accredited Investor Questionnaire completed by such Purchaser is accurate, true and complete in all respects.

(k) No Governmental Review. Such Purchaser understands that no Governmental Entity has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(l) Regulation M. Such Purchaser is aware that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of Common Stock and other activities with respect to the Common Stock by the Purchasers.

(m) Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon the Company or such Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of such Purchaser.

(n) Certain Trading Activities. Other than with respect to the transactions contemplated herein, since the time that such Purchaser was first contacted regarding the transactions contemplated hereby until the date hereof, neither such Purchaser nor any Affiliate of such Purchaser that (i) had knowledge of the transactions contemplated hereby, (ii) has or shares discretion relating to such Purchaser's investments or trading or information concerning such Purchaser's investments, including in respect of the Securities, and (iii) is subject to such Purchaser's review or input concerning such Affiliate's investments or trading (collectively, "**Trading Affiliates**") has directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser or Trading Affiliate, effected or agreed to effect any transactions in the securities of the Company (including any Short Sales involving the Company's securities).

(o) Reliance by the Company. Such Purchaser understands that the foregoing representations and warranties are to be relied upon by the Company as a basis for exemption of the sale of the Securities under the Securities Act and under the securities laws of all applicable states and for other purposes.

ARTICLE IV

OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or in compliance with Rule 144 or to the Company, the Company may require the transferor thereof to provide to the Company, at the transferor's sole expense, an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act and such transfer is in compliance with applicable state securities laws. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any certificate representing any of the Securities in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION AFFORDED BY THE SECURITIES ACT AND/OR RULES PROMULGATED BY THE COMMISSION PURSUANT THERETO. THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE ALSO NOT BEEN REGISTERED OR QUALIFIED (AS THE CASE MAY BE) UNDER THE SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES (THE "BLUE SKY LAWS"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION (AS THE CASE MAY BE) AFFORDED UNDER SUCH SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR THE HOLDER'S OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW FOR RESALE OR DISTRIBUTION.

4.2 Securities Laws Disclosure; Publicity. The Company shall have sole control over any press release, public announcement, statement or acknowledgment with respect to this Agreement and the consummation of the transactions contemplated herein. The Company shall issue a press release regarding the consummation of the transactions contemplated herein within 15 days of the Closing.

4.3 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary to obtain an exemption for or to qualify the Securities for sale to the Purchasers at the Closing under applicable securities or "Blue Sky" laws of the states of the United States.

ARTICLE V

MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by either the Company or any Purchaser (as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers), by written notice to the other parties, if a Closing hereunder has not been consummated on or before December 31, 2009; provided, however, that such termination will not affect the right of any party to sue for any breach by the other party (or parties) and provided that this ARTICLE V shall survive the termination of this Agreement and shall remain in full force and effect.

5.2 Fees and Expenses. Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. This Agreement and the other Transaction Documents contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. All notices or other communications which are required or permitted hereunder shall be in writing and shall be sufficiently given if (a) delivered personally or (b) sent by registered or certified mail, postage prepaid, or (c) sent by overnight courier with a nationally recognized courier, or (d) sent via facsimile confirmed in writing in any of the foregoing manners, as set forth on the signature pages attached hereto if delivered to Purchasers, or as follows if delivered to the Company:

Mitek Systems, Inc.
8911 Balboa Ave., Suite B
San Diego CA 92123
Attention: James B. DeBello
Fax: 858.503.7820

With a copy to: Sheppard Mullin Richter & Hampton, LLP
501 W. Broadway, 19th Floor
San Diego, CA 92101
Attention: Robert Copeland
Fax: 619.515.4128

If sent by mail, notice shall be considered delivered five Business Days after the date of mailing, and if sent by any other means set forth above, notice shall be considered delivered upon receipt thereof. Any party may by notice to the other parties change the address or facsimile number to which notice or other communications to it are to be delivered or mailed.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and Purchasers holding Debentures representing two-thirds of the aggregate principal amount then outstanding of the Debentures then held by Purchasers or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns (including by merger, share exchange or other similar corporate reorganization or similar transaction).

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective directors, officers, shareholders, employees or agents) shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

5.10 Survival. The representations and warranties of the Company and each Purchaser shall survive the Closing and the delivery of the Securities for the applicable statute of limitations.

5.11 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Facsimile and PDF signatures shall be treated as if they were originals.

5.12 Severability. If any term or provision of this Agreement or the application thereof to any circumstance shall, in any jurisdiction, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable such term or provision in any other jurisdiction, the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or enforceable.

5.13 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under this Agreement. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agrees to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.14 Independent Nature of Purchasers' Obligations and Rights; Separate Counsel. The obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under this Agreement or any other related agreement. Nothing contained herein, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to independently protect and enforce its rights, including the rights arising out of this Agreement or out of any related agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser acknowledges and agrees that such Purchaser has been represented by its own separate legal counsel in their review and negotiation of the Agreement.

5.15 Attorney's Fees. In any proceeding arising out of this Agreement, including with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and actual attorneys' fees. As used in this Agreement, "actual attorneys' fees" shall mean the full and actual cost of any legal services actually performed in connection with the matters involved, calculated on the basis of the usual hourly fees charged by the attorneys performing such services.

5.16 Construction. This Agreement has been negotiated by the parties and is to be interpreted according to its fair meaning as if the parties had prepared it together and not strictly for or against any party. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Currency amounts referenced herein, unless otherwise specified, are in U.S. dollars. Unless the context otherwise requires, references herein: (i) to the masculine, feminine or neuter gender includes others (ii) to articles, sections, schedules and exhibits are to articles, sections, schedules and exhibits of or to this Agreement; (iii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (iv) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Mitek Systems, Inc.,
a Delaware corporation

By: _____
Name: _____
Title: _____

[Signature Pages For Purchasers Follow]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____
Signature of Authorized
Signatory of Purchaser: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Facsimile Number of Purchaser: _____
Address for Notice of Purchaser: _____

Address for Delivery of
Securities for Purchaser (if not
same as address for notice): _____

Subscription Amount: _____
Warrants: _____
EIN Number: _____

SECURITY AGREEMENT

This Security Agreement (the "Agreement") is made as of December 10, 2009 by and between Mitek Systems, Inc., a Delaware corporation (the "Debtor"), in favor of each of the parties listed on Exhibit A hereto (each a "Secured Party," and collectively, the "Secured Parties").

RECITALS

The Debtor and the Secured Parties are parties to a Securities Purchase Agreement of even date with this Agreement (the "Purchase Agreement") pursuant to which the Secured Parties shall purchase the Debentures (as defined in the Purchase Agreement) from the Debtor. The parties intend that the Debtor's obligations to repay the Debentures be secured by all of the assets of the Debtor.

AGREEMENT

In consideration of the purchase of the Debentures by the Secured Parties and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Debtor hereby agrees with the Secured Parties as follows:

1. **Grant of Security Interest.**

(a) To secure the Debtor's full and timely performance of the Obligations, the Debtor hereby grants to the Secured Parties a continuing Lien on and security interest (the "Security Interest") in, all of the Debtor's right, title and interest in and to all of its personal property and assets (both tangible and intangible), including, without limitation, the following, whether now owned or hereafter acquired and wherever located: (a) all Receivables; (b) all Equipment; (c) all Fixtures; (d) all General Intangibles; (e) all Inventory; (f) all Investment Property; (g) all Deposit Accounts; (h) all Cash; (i) all other Goods of the Debtor; (j) all Intellectual Property; and (k) all Proceeds of each of the foregoing and all accessions to, and replacements for, each of the foregoing (collectively, the "Collateral") provided that, notwithstanding anything herein to the contrary, in no event shall the Collateral include, and Debtor shall not be deemed to have granted a security interest in, (i) any of Debtor's rights or interests in or under, any license, contract, permit, or franchise to which Debtor is a party or any of its rights or interests thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract, permit, or franchise, result in a breach of the terms of, or constitute a default under, such license, contract, permit, or franchise (other than to the extent that any such term would be rendered ineffective pursuant to the UCC or any other applicable law or principles of equity) or (ii) Equipment which is the subject of a purchase money or capital lease lien, the terms of related documents for which effectively prohibit the granting of a Lien to Secured Parties. Secured Parties agree that that the Security Interest shall be subject to and subordinate to the security interests in the Collateral created by secured credit facilities with one or more commercial or financial institutions, now existing or hereafter arising, in an amount of up to \$2,000,000 million in the aggregate (collectively, the "Senior Debt"); provided that Debtor does not issue any of its equity securities in connection with the creation of such Senior Debt to the lender thereof. In order to facilitate Debtor's ability to obtain new Senior Debt (or if any holder of Senior Debt so requests), Secured Parties agree, upon the request of Debtor: (y) to enter into a subordination agreement acceptable to such holder of Senior Debt, provided that such subordination is limited to subordination to loans that do not exceed \$2,000,000 in aggregate principal amount, or (z) if any holder (or proposed holder) of Senior Debt is unwilling to permit Secured Parties to have a junior security interest in the Collateral, Secured Parties shall terminate and release their security interest in the Collateral; provided, however, that such termination and release of security interest in the Collateral by the Secured Parties shall not affect their senior position as Debenture holders to the common stockholders of the Company.

(b) The following terms shall have the following meanings for purposes of this Agreement:

“Account” means any “Account,” as such term is defined in the UCC now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest and, in any event, shall include, without limitation, all accounts receivable, book debts, rights to payment and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments) now owned or hereafter received or acquired by or belonging or owing to the Debtor whether or not arising out of goods or software sold or services rendered by the Debtor or from any other transaction, whether or not the same involves the sale of goods or services by the Debtor and all of the Debtor’s rights in, to and under all purchase orders or receipts now owned or hereafter acquired by it for goods or services, and all of the Debtor’s rights to any goods represented by any of the foregoing, and all monies due or to become due to the Debtor under all purchase orders and contracts for the sale of goods or the performance of services or both by the Debtor or in connection with any other transaction (whether or not yet earned by performance on the part of the Debtor), now in existence or hereafter occurring, including, without limitation, the right to receive the proceeds of said purchase orders and contracts, and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

“Cash” means all cash, money, currency, and liquid funds, wherever held, in which the Debtor now or hereafter acquires any right, title, or interest.

“Chattel Paper” means any “Chattel paper,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“Deposit Accounts” means any “Deposit accounts,” as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“Documents” means any “Documents,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“Equipment” means any “Equipment,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest and any and all additions, upgrades, substitutions and replacements of any of the foregoing, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires interest.

“Fixtures” means any “Fixtures,” as such term is defined in the UCC, together with all right, title and interest of the Debtor in and to all extensions, improvements, betterments, accessions, renewals, substitutes, and replacements of, and all additions and appurtenances to any of the foregoing property, and all conversions of the security constituted thereby, immediately upon any acquisition or release thereof or any such conversion, as the case may be, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“General Intangible” means any “General intangible,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest and, in any event, shall include, without limitation, all right, title and interest that the Debtor may now or hereafter have in or under any contracts, rights to payment, payment intangibles, confidential information, interests in partnerships, limited liability companies, corporations, joint ventures and other business associations, permits, goodwill, claims in or under insurance policies, including unearned premiums and premium adjustments, uncertificated securities, deposit, checking and other bank accounts, but shall not include any Intellectual Property (including the right to receive all proceeds and damages therefrom), rights to receive tax refunds and other payments and rights of indemnification.

“Goods” means any “Goods,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“Instruments” means any “Instrument,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“Intellectual Property” means, collectively, all rights, priorities and privileges of the Debtor relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, inventions, patents, patent licenses, trademarks, trademark licenses and trade secrets (including customer lists), domain names, Web sites and know-how.

“Inventory” means any “Inventory,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest, and, in any event, shall include, without limitation, all inventory, goods and other personal property that are held by or on behalf of the Debtor for sale or lease or are furnished or are to be furnished under a contract of service or that constitute raw materials, work in process or materials used or consumed or to be used or consumed in the Debtor’s business, or the processing, packaging, promotion, delivery or shipping of the same, and all finished goods, whether or not the same is in transit or in the constructive, actual or exclusive possession of the Debtor or is held by others for the Debtor’s account, including, without limitation, all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers and all such property that may be in the possession or custody of any carriers, forwarding agents, truckers, warehousemen, vendors, selling agents or other Persons.

“Investment Property” means any “Investment property,” as such term is defined in the UCC, and includes certificated securities, uncertificated securities, money market funds and U.S. Treasury bills or notes, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“Letter of Credit Right” means any “Letter of credit right,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest, including any right to payment or performance under any letter of credit.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, any lease in the nature of a security interest, and the filing of any financing statement (other than a precautionary financing statement with respect to a lease that is not in the nature of a security interest) under the UCC or comparable law of any jurisdiction.

“Obligations” shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Debtor to the Secured Parties of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising pursuant to the terms of the Purchase Agreement and the Debentures, including without limitation all interest, fees, charges, expenses, attorneys’ fees and accountants’ fees chargeable to the Debtor or payable by the Debtor thereunder.

“Permitted Liens” shall mean (a) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith, provided that adequate reserves for the payment thereof have been established in accordance with generally accepted accounting principals, (b) Liens of carriers, warehousemen, mechanics, materialmen, vendors, and landlords and other similar Liens imposed by law incurred in the ordinary course of business for sums not overdue more than 60 days or being contested in good faith, provided that adequate reserves for the payment thereof have been established in accordance with generally accepted accounting principals, (c) deposits under workers’ compensation, unemployment insurance and social security laws or to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, or to secure statutory obligations of surety or appeal bonds or to secure indemnity, performance or other similar bonds in the ordinary course of business, (d) zoning restrictions, easements, rights-of-way, title irregularities and other similar encumbrances, which alone or in the aggregate are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Debtor, (e) banker’s Liens and similar Liens (including set-off rights) in respect of bank deposits, (f) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties and in connection with the importation of goods in the ordinary course of the Debtor’s business, (g) Liens on the property or assets of any subsidiary of the Debtor in favor of the Debtor, (h) purchase money Liens that will be discharged upon the Debtor’s payment of the purchase price for the applicable property, to the extent such Liens relate solely to the property so purchased, (i) Liens securing Senior Debt and (j) other Liens, provided that the aggregate amount of indebtedness secured by such other Liens does not exceed \$500,000 at any time.

“Person” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

“Proceeds” means “Proceeds,” as such term is defined in the UCC and, in any event, shall include, without limitation, (a) any and all Accounts, Chattel Paper, Instruments, cash or other forms of money or currency or other proceeds payable to the Debtor from time to time in respect of the Collateral, (b) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Debtor from time to time with respect to any of the Collateral, (c) any and all payments (in any form whatsoever) made or due and payable to the Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting under color of governmental authority), (d) the proceeds, damages, or recovery based on any claim of the Debtor against third parties (i) for past, present or future infringement of any copyright, patent or patent license or (ii) for past, present or future infringement or dilution of any trademark or trademark license or for injury to the goodwill associated with any trademark, trademark registration or trademark licensed under any trademark license and (e) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Receivables” means all of the Debtor’s Accounts, Instruments, Documents, Chattel Paper, Supporting Obligations, and letters of credit and Letter of Credit Rights.

“Supporting Obligation” means any “Supporting obligation,” as such term is defined in the UCC, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest.

“UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Secured Parties’ Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of California, the term “UCC” shall mean the Uniform Commercial Code as enacted and in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

Unless otherwise defined herein, all capitalized terms used herein and defined in the Purchase Agreement shall have the respective meaning given to those terms in the Purchase Agreement, and terms that are defined in the UCC and used herein shall have the meanings given to them in the UCC.

2. **Agreement Among the Secured Parties.**

(a) **Payment Pro Rata.** Payment to the Secured Parties of the Obligations under the Debentures shall be made in proportion to the principal and accrued interest then outstanding on any such date of payment to each, until such obligations are paid or retired in full.

(b) **Sharing of Payments.** If any Secured Party shall at any time receive any payment of principal, interest or other charge arising under a Debenture, or upon any other obligation of Debtor or any sums by virtue of counterclaim, offset, or other lien that may be exercised, or from any security, other than payments made on the same date to all Secured Parties, such Secured Party shall share such payment or payments ratably with the other Secured Parties as to maintain as near as possible the unpaid balance of the Obligations pro rata according to the Secured Parties' aggregate proportionate interests.

(c) **Sharing of Collateral.** Upon the occurrence of any Event of Default, as defined in Section 5, and if the Secured Parties proceed to exercise any rights with respect to the Collateral, the Secured Parties shall share the Collateral and the proceeds of such Collateral ratably, without priority of one over the other.

(d) **Appointment of Agent.** The Secured Parties agree that Secured Parties holding two-thirds in interest of the principal amount of Debentures outstanding may act together as the agent of all Secured Parties to execute and deliver in their names such instruments, documents, statements and amendments thereto as may be necessary or appropriate to perfect or continue the perfection of the security interest granted in this Agreement.

(e) **Enforcement.** Enforcement of the Secured Parties' rights hereunder shall be taken by Secured Parties holding two-thirds in interest of the principal amount of Debentures outstanding acting together as the agent for all of the Secured Parties. The action of such percentage taken in accordance with the preceding sentence, shall in each case bind all the Secured Parties. Each of the Secured Parties agrees that any Secured Party acting under Sections 2(d) and 2(e) shall not be liable for any acts taken in good faith in enforcing the rights of the Secured Parties hereunder.

3. **Representations and Warranties.** The Debtor hereby represents and warrants to the Secured Parties that:

(a) **Ownership of Collateral.** The Debtor is the legal and beneficial owner of the Collateral (or, in the case of after-acquired Collateral, at the time the Debtor acquires rights in the Collateral, will be the legal and beneficial owner thereof). Except for the Security Interest granted to the Secured Parties pursuant to this Agreement, the Debtor has rights in or the power to transfer the Collateral free and clear of any adverse Lien, security interest or encumbrance except as created by this Security Interest and except for Permitted Liens.

(b) **Valid Security Interest.** The Security Interest granted pursuant to this Agreement will constitute a valid and continuing security interest in favor of the Secured Parties in the Collateral for which perfection is governed by the UCC or filing with the United States Copyright Office or United States Patent and Trademark Office.

(c) **Organization and Good Standing.** The Debtor has been duly incorporated, and is validly existing and in good standing, under the laws of the State of California.

(d) **Location, State of Organization and Name of the Debtor.** The Debtor's state of organization is Delaware and the Debtor's exact legal name as it appears in the official filings in the State of Delaware is as set forth in the first paragraph of this Agreement. The Debtor has only one jurisdiction of organization.

4. **Covenants.** The Debtor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Obligations are paid in full:

(a) **Other Liens.** Except for the Security Interest and Permitted Liens, the Debtor has rights in or the power to transfer the Collateral and its title and will be able to do so hereafter free from any adverse Lien, security interest or encumbrance, and the Debtor will defend the Collateral against the claims and demands of all persons at any time claiming the same or any interest therein.

(b) **Further Documentation.** At any time and from time to time, upon the written request of the Secured Parties, and at the sole expense of the Debtor, the Debtor will promptly and duly authenticate and deliver such further instruments and documents and take such further action as the Secured Parties may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted including, without limitation, filing any financing or continuation statements under the UCC in effect with respect to the Liens created hereby. The Debtor also hereby authorizes the Secured Parties to file any such financing, amendment or continuation statement without the authentication of the Debtor to the extent permitted by applicable law. A reproduction of this Agreement shall be sufficient as a financing statement (or as an exhibit to a financing statement on form UCC-1) for filing in any jurisdiction.

(c) **Maintenance of Records.** The Debtor will keep and maintain at its own expense records of the Collateral.

(d) **Inspection Rights.** The Secured Parties shall have full access during normal business hours, and upon reasonable prior notice, to all the books, correspondence and other records of the Debtor relating to the Collateral.

(e) **Compliance with Laws, etc.** The Debtor (i) will comply with all laws, rules, regulations and orders of any governmental authority applicable to any material portion of the Collateral or to the operation of the Debtor's business, the failure of which to comply with will have a material adverse effect on the Debtor, and (ii) shall not use or permit any Collateral to be used in violation of any provision of the Purchase Agreement and the Debentures, any law, rule or obligation or order of any governmental authority, or any policy of insurance covering any material portion of the Collateral, the failure of which to comply with will have a material adverse effect on the Debtor; provided, however, that in each case, the Debtor may contest any such law, rule, regulation or order; in any reasonable manner which does not, in the reasonable opinion of the Debtor, adversely affect in any material manner the Secured Parties' rights or the priority of its Liens on the Collateral.

(f) **Payment of Obligations.** The Debtor will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or with respect to any its income or profits derived from the Collateral, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity of such charge is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest in the Collateral and (iii) such charge is adequately reserved against on the Debtor's books in accordance with generally accepted accounting principles.

(g) **Limitation on Liens on Collateral.** The Debtor will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is reasonably necessary to remove, any Lien or claim on or to the Collateral, other than the Security Interest and Permitted Liens, and will defend the right, title and interest of the Secured Parties in and to any of the Collateral against the claims and demands of all other persons.

(h) **Limitations on Dispositions of Collateral.** The Debtor will not sell, transfer, lease, or otherwise dispose of any material portion of the Collateral, or attempt, offer or contract to do so other than dispositions of Collateral in the ordinary course of the Debtor's business; provided, however that the Debtor will be allowed to grant licenses to its products and related documentation in the ordinary course of business and to establish or provide for escrows of related intellectual property in connection therewith.

(i) **Further Identification of Collateral.** The Debtor will furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Parties may reasonably request, all in detail acceptable to the Secured Parties.

(j) **Notice of Change of State of Incorporation.** Without 10 days' prior written notice to the Secured Parties, the Debtor shall not change the Debtor's name, state of incorporation or organization, organizational identification number or place of business (or, if the Debtor has more than one place of business, its chief executive office).

(k) **Insurance.** The Debtor shall maintain and keep in force insurance of the types and in amounts customarily carried from time to time during the term of this Agreement in its lines of business.

5. **Event of Default; the Secured Parties' Appointment as Attorney-in-Fact.**

(a) **Event of Default.** For purposes of this Agreement, the occurrence of any one of the following events (each, an "**Event of Default**") shall constitute a default hereunder and under the Debenture:

(i) The Debtor's failure to pay or discharge the Obligations in accordance with the terms of the Debenture;

(ii) The Debtor's failure to observe or perform any material covenant, obligation, condition or agreement contained in this Agreement and such failure shall continue for 15 business days after the earlier of (i) the Debtor's written acknowledgement of such failure and (ii) written notice by the Secured Parties to the Debtor of such failure.

(iii) The commission of any act of bankruptcy by the Debtor, the execution by the Debtor of a general assignment for the benefit of creditors, the filing by or against the Debtor of a petition in bankruptcy or any petition for relief under the federal bankruptcy act or the continuation of such petition without dismissal for a period of 90 days or more, or the appointment of a receiver or trustee to take possession of the property or assets of the Debtor.

(b) **Powers.** The Debtor hereby appoints each Secured Party and any officer or agent of each such Secured Party, with full power of substitution, as its attorney-in-fact with full irrevocable power and authority in the place of the Debtor and in the name of the Debtor or its own name, from time to time in the Secured Parties' discretion so long as an Event of Default has occurred and is continuing, for the purpose of carrying out the terms of this Agreement, to take any appropriate action and to authenticate any instrument which may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the foregoing, so long as an Event of Default has occurred and is continuing, the Secured Parties shall have the right, without notice to, or the consent of, the Debtor, to do any of the following on the Debtor's behalf:

(i) to pay or discharge any taxes or Liens levied or placed on or threatened against the Collateral;

(ii) to direct any party liable for any payment under any of the Collateral to make payment of any and all amounts due or to become due thereunder directly to the Secured Parties or as the Secured Parties direct;

(iii) to ask for or demand, collect, and receive payment of and receipt for, any payments due or to become due at any time in respect of or arising out of any Collateral;

(iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Collateral;

(v) to defend any suit, action or proceeding brought against the Debtor with respect to any Collateral;

(vi) to settle, compromise or adjust any suit, action or proceeding described in subsection (v) above and to give such discharges or releases in connection therewith as the Secured Parties may deem appropriate;

(vii) to assign any patent right included in the Collateral of the Debtor (along with the goodwill of the business to which any such patent right pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Parties shall in their sole discretion determine; and

(viii) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral and to take, at the Secured Parties' option and the Debtor's expense, any actions which the Secured Parties deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' Liens on the Collateral and to carry out the intent of this Agreement, in each case to the same extent as if the Secured Parties were the absolute owner of the Collateral for all purposes.

The Debtor hereby ratifies whatever actions the Secured Parties shall lawfully do or cause to be done in accordance with this Section 5. This power of attorney shall be a power coupled with an interest and shall be irrevocable.

(c) **No Duty on the Secured Parties' Part.** The powers conferred on the Secured Parties by this Section 5 are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither the Secured Parties nor any of their respective officers, directors, employees or agents shall, in the absence of willful misconduct or gross negligence, be responsible to the Debtor for any act or failure to act pursuant to this Section 5.

6. **Performance by the Secured Parties of the Debtor's Obligations.** If the Debtor fails to perform or comply with any of its agreements or covenants contained in this Agreement and the Secured Parties perform or comply, or otherwise cause performance or compliance, with such agreement or covenant in accordance with the terms of this Agreement, then the reasonable expenses of the Secured Parties incurred in connection with such performance or compliance shall be payable by the Debtor to the Secured Parties within ten days of request by the Secured Parties and shall constitute Obligations secured by this Agreement.

7. **Remedies.** If an Event of Default has occurred and is continuing, the Secured Parties may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the foregoing, the Secured Parties, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the Debtor or any other person (all of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances collect, receive, appropriate and realize upon any or all of the Collateral, and/or may sell, lease, assign, give an option or options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the foregoing), in one or more parcels at a public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as the Secured Parties may deem advisable, for cash or on credit or for future delivery without assumption of any credit risk. The Secured Parties shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase all or any part of the Collateral so sold, free of any right or equity of redemption in the Debtor, which right or equity is hereby waived or released. The Secured Parties shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable expenses incurred therein or in connection with the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties under this Agreement (including, without limitation, reasonable attorneys' fees and expenses) to the payment in whole or in part of the Obligations, in such order as the Secured Parties may elect, and only after such application and after the payment by the Secured Parties of any other amount required by any provision of law, need the Secured Parties account for the surplus, if any, to the Debtor. To the extent permitted by applicable law, the Debtor waives all claims, damages and demands it may acquire against the Secured Parties arising out of the exercise by the Secured Parties of any of their respective rights hereunder, except to the extent caused by the willful misconduct or gross negligence of any Secured Party. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten days before such sale or other disposition. The Debtor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Secured Parties to collect such deficiency.

8. **Limitation on Duties Regarding Preservation of Collateral.** Each Secured Party's sole duty with respect to the custody, safekeeping and preservation of the Collateral, under Section 9207 of the UCC or otherwise, shall be to deal with it in the same manner as such Secured Party deals with similar property for its own account. Neither the Secured Parties nor any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so other than as a result of the gross negligence or willful misconduct of the same or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Debtor or otherwise.

9. **Powers Coupled with an Interest.** All authorizations and agencies contained in this Agreement with respect to the Collateral are irrevocable and are powers coupled with an interest.

10. **No Waiver; Cumulative Remedies.** The Secured Parties shall not by any act (except by a written instrument pursuant to Section 12(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default under the Debenture or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Parties of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy which the Secured Parties would otherwise have on any subsequent occasion. The rights and remedies provided in this Agreement are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

11. **Termination of Security Interest.** Upon satisfaction of the Debtor's obligations pursuant to the Debentures, or conversion of the Debentures into shares of the Company's equity securities pursuant to the terms of the Debentures, the security interest granted herein shall terminate and all rights to the Collateral shall revert to the Debtor. Upon any such termination, the Secured Parties shall authenticate and deliver to the Debtor such documents as the Debtor may reasonably request to evidence such termination.

12. **Miscellaneous.**

(a) **Amendments and Waivers.** Any term of this Agreement may be amended with the written consent of the parties or their respective successors and assigns. Any amendment or waiver effected in accordance with this Section 12(a) shall be binding upon the parties and their respective successors and assigns.

(b) **Transfer; Successors and Assigns.** The terms and conditions of this Agreement shall be binding upon the Debtor and its successors and assigns, as well as all persons who become bound as a debtor to this Agreement and inure to the benefit of the Secured Parties and its successors and assigns. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(c) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(d) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(e) **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the party to be notified at such party's address or facsimile number as set forth below or as subsequently modified by written notice.

(g) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(h) **Entire Agreement.** This Agreement, and the documents referred to herein constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements existing between the parties hereto concerning such subject matter are expressly canceled.

[Signature Page Follows]

The Debtor and the Secured Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

DEBTOR:

MITEK SYSTEMS, INC.

By: _____

Name: _____

Title: _____

Address: _____

Facsimile Number: _____

SECURED PARTIES:

By: _____

Name: _____

Title: _____

Address: _____

Facsimile Number: _____

By: _____

Name: _____

Title: _____

Address: _____

Facsimile Number: _____

Media Contact:
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Mitek Systems Announces \$1.0 Million Private Placement

Funds Targeted for Marketing its Mobile Applications which include
Mobile Deposit, Mobile Receipt and Mobile Phax

SAN DIEGO, DECEMBER 16, 2009— Mitek Systems, Inc. (OTC: MITK.OB; www.miteksystems.com) today announced that it closed a financing transaction, principally with institutional investors, to generate gross proceeds to Mitek of approximately \$1.0 million. Craig-Hallum Capital Group LLC acted as the exclusive placement agent for the transaction.

As part of the transaction, Mitek issued 5% convertible notes that are due December 10, 2011. The notes bear interest at the rate of 5% per annum, have a two year maturity date, and are convertible into shares of common stock at the initial conversion price of \$0.75 per share. The Company also issued investors 5-year warrants exercisable at \$0.91 per share to purchase approximately 334,167 shares of common stock. The funds will be used by Mitek to support marketing activities and grow the user base for its recently introduced Oomph™ (“Office On My Phone™”) suite of mobile payments and document capture applications.

"As Mitek continues to expand into new markets, external funding gives us more flexibility to support new products and expand our share of the fast growing market for smartphone apps, primarily our flagship Mobile Deposit product," said James DeBello, president and CEO, Mitek Systems.

Over the past year Mitek has built and distributed a family of innovative Oomph apps that unlock the potential of the millions of mobile phones with cameras sold each year. The apps include Mobile Deposit® which allows users to deposit checks via camera-equipped mobile phones, Mobile Receipt™ which enables professionals on the go to create and submit expense reports with receipt photos from their smartphone, and Mobile Phax™, which allows a user to take a photo of any document or page and send it as a PDF to any email address or fax machine.

Oomph products are available for the Apple iPhone and several models of BlackBerry smartphones from RIM. Users can purchase Oomph products from the Apple App Store and RIM's BlackBerry App World.

Follow us on [Twitter.com/MitekSystems](https://twitter.com/MitekSystems)

About Mitek Systems

Mitek Systems (OTC: MITK.OB; www.miteksystems.com) is an innovator of advanced image analytics and mobile document capture applications for camera phones. For over twenty years, the company has developed a comprehensive suite of intelligent character recognition software used to test, clean, authenticate and extract data from imaged checks, documents and objects, and its software is used to process more than ten billion transactions per year. For more information about Mitek Systems, contact the company at 858-503-7810 or visit www.miteksystems.com.

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Statements in this press release regarding Mitek's business that are not historical facts may be "forward-looking statements" that involve risks and uncertainties. Forward-looking statements include, among other things, statements concerning the company's future financial performance, the acceptance of its products and other statements qualified by words such as "anticipate," "believe," "intend," "may" and other words of similar import. These statements are neither promises nor guarantees, but involve risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. Reference is also made to other factors detailed from time to time in the company's periodic reports filed with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this press release and the company undertakes no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this release.
