

01-31-2002

Form PTO-1595

(Rev. 03/01)

R

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

OMB No. 0651-0027 (exp. 5/31/2002)

101966446

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

## 1. Name of conveying party(ies):

Basic Line, Inc.

12-28-01

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

## 3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other \_\_\_\_\_

12/17/01

Execution Date: \_\_\_\_\_

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

Name: Merrill Lynch Business Financial Services Inc.

Internal Address: 18th Floor

Street Address: 222 North LaSalle Street

City: Chicago State: IL Zip: 60601

Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

A. Patent Application No.(s) \_\_\_\_\_

B. Patent No.(s) \_\_\_\_\_

See attached Schedule A

Additional numbers attached? ☒ Yes ☐ No

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

Name: Goldberg, Kohn et al

Internal Address: Sharon Patterson

Street Address: 55 E. Monroe St., Ste. 3700

City: Chicago State: IL Zip: 60603

## 6. Total number of applications and patents involved: 34

7. Total fee (37 CFR 3.41).....\$ 1,360.00

☒ Enclosed☐ Authorized to be charged to deposit account

## 8. Deposit account number:

DO NOT USE THIS SPACE

## 9. Signature.

Sharon S. Patterson

Name of Person Signing

Signature

12/28/01

Date

Total number of pages including cover sheet, attachments, and documents: ☐Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231PATENT  
REEL: 012513 FRAME: 0239

**SCHEDULE A****PATENTS**

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Issue Date</u>
Bubbling Wall Pattern for a plastic product	D436,253	January 16, 2001
Garment hanger	D432,318	October 24, 2000
Trash Receptacle	D431,703	October 3, 2000
Trash Receptacle	D429,049	August 1, 2000
Colander	D403,210	December 29, 1998
Colander	D396,610	August 4, 1998
Colander	D396,609	August 4, 1998
Colander	D385,756	November 4, 1997
Table Caddy	D367,588	March 5, 1996
Modular storage cube with drawers	D367,381	October 24, 1995
Modular Storage cube with drawer	D363,396	October 24, 1995
Dish rack	D362,943	October 3, 1995
Storage Cube unit with drawer	D362,567	September 26, 1995
Collander	D361,477	August 22, 1995
Lidded Wastebasket	D355,744	February 21, 1995
Pail	D355,736	February 21, 1995
Laundry basket	D351,266	October 4, 1994
Stacking crate	D338,312	August 10, 1993
Clothes hanger	D330,635	November 3, 1991
Vertically mounted rack for hanging garments or the like	D324,314	March 3, 1992
Magazine Rack	D278,773	May 14, 1985
Rack for a wall-mounted telephone	D276,198	November 6, 1984
Combined shelf and storage unit	D275,631	September 25, 1984
Rack for footwear	4,463,853	August 7, 1984
Utility shelf	4,429,638	February 7, 1984
Hanging racks	4,372,450	February 8, 1993
Portable drying racks	4,297,795	November 3, 1981
Adjustable rack for hanging articles	4,287,993	September 8, 1981

# Utility Patents

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Issue Date</u>
Through the neck garment hangar	6,230,945	May 15, 2001
Garment Hangar packaging and display apparatus	6,230,904	May 15, 2001
Folding Garment Hangar	6,050,460	April 18, 2000
Colander with an extended lateral stabilizer portion	6,039,887	March 21, 2000
Magazine Rack	4,538,739	September 3, 1985
Adjustable Rack for hanging articles	4,488,650	December 18, 1984

## PATENT APPLICATIONS

None.

## PATENT MORTGAGE

THIS PATENT MORTGAGE (this "Mortgage"), made as of the 17<sup>th</sup> day of December, 2001 by and between BASIC LINE, INC. a New Jersey Corporation (the "Borrower"), and MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC., a Delaware corporation ("Lender").

### WITNESSETH

WHEREAS, pursuant to a certain (i) WCMA Loan and Security Agreement (ii) WCMA Reducing Revolver Loan and Security Agreement each of even date herewith between the Borrower and Lender and (iii) WCMA Reducing Revolver Loan Agreement between Sheina Associates and Lender (as any and all are amended or otherwise modified from time to time, the "Loan Agreements"), (i) Lender has agreed to make certain loans to the Borrower, and to extend certain other financial accommodations to or for the benefit of the Borrower and (ii) the Borrower has granted to Lender a continuing security interest in certain of the Borrower's assets, including, without limitation, the Patents (as defined below);

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Lender agree as follows:

1. Incorporation of Loan Agreements Definitions. The Loan Agreements and the provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Loan Agreements.

2. Grant and Reaffirmation of Grant of Security Interest. To secure the complete and timely payment and satisfaction of the Obligations, the Borrower hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Loan Agreements of, a continuing security interest in the Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patents").

3. New Patents. The Borrower represents and warrants that the Patents listed on Schedule A constitute all of the federally registered Patents now owned by the

Borrower. If, before the Obligations shall have been satisfied in full and the Loan Agreements has been terminated, the Borrower shall obtain any new federally registered Patents, the Borrower shall give Lender prompt written notice thereof, and in any event within three (3) months of the acquisition thereof. The Borrower hereby agrees that, upon Lender's written request, the Borrower will execute and deliver to Lender one or more supplements to this Mortgage, each in form and content substantially similar to this Mortgage, in respect of any and all new federally registered Patents owned by the Borrower.

4. Term. The term of the security interests granted herein shall extend until the Obligations have been paid in full and the Loan Agreements has been terminated in accordance with its terms.

5. Effect on Other Agreements; Cumulative Remedies. The Borrower acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreements but rather is intended to supplement and facilitate the exercise of such rights and remedies. All of the rights and remedies of Lender with respect to the Patents, whether established hereby or by the Loan Agreements, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently.

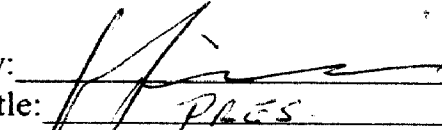
6. Binding Effect; Benefits. This Mortgage shall be binding upon the Borrower and its respective successors and assigns, and shall inure to the benefit of the Lender and its successors and assigns.

7. APPLICABLE LAW; SEVERABILITY. THIS MORTGAGE SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND GOVERNED BY, ALL OF THE PROVISIONS OF THE ILLINOIS UNIFORM COMMERCIAL CODE AND BY THE OTHER INTERNAL LAWS (AS OPPOSED TO CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, EXCEPT FOR THE PERFECTION AND ENFORCEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS OR, AS APPLICABLE, BY THE LAWS OF THE UNITED STATES OF

AMERICA. WHENEVER POSSIBLE, EACH PROVISION OF THIS MORTGAGE SHALL BE INTERPRETED IN SUCH A MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS MORTGAGE SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISIONS OR THE REMAINING PROVISIONS OF THIS MORTGAGE.

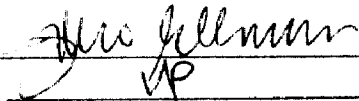
IN WITNESS WHEREOF, the parties hereto have duly executed this Mortgage as of the date first above written.

BASIC LINE, INC.

By:   
Title: PRES.

Accepted and Agreed to as of the date first written above:

MERRILL LYNCH BUSINESS FINANCIAL  
SERVICES INC.

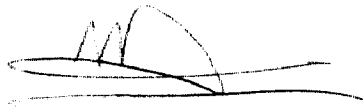
By:   
Its VP

STATE OF NEW JERSEY )

: ss.:

COUNTY OF Essex )

On the 17th day of January, in the year 2001, before me personally came Vincent J. [unclear], to me known, who, being by me sworn, did say that he is the Vincent J. [unclear] of BASIC LINE, INC., which corporation is described in, and which corporation executed, the above instrument, and that he signed his name by order of the Board of Directors of said corporation.



*Vincent J. [unclear]  
Attorney at Law of [unclear]*

**SCHEDULE A****PATENTS**

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Issue Date</u>
Bubbling Wall Pattern for a plastic product	D436,253	January 16, 2001
Garment hanger	D432,318	October 24, 2000
Trash Receptacle	D431,703	October 3, 2000
Trash Receptacle	D429,049	August 1, 2000
Colander	D403,210	December 29, 1998
Colander	D396,610	August 4, 1998
Colander	D396,609	August 4, 1998
Colander	D385,756	November 4, 1997
Table Caddy	D367,588	March 5, 1996
Modular storage cube with drawers	D367,381	October 24, 1995
Modular Storage cube with drawer	D363,396	October 24, 1995
Dish rack	D362,943	October 3, 1995
Storage Cube unit with drawer	D362,567	September 26, 1995
Collander	D361,477	August 22, 1995
Lidded Wastebasket	D355,744	February 21, 1995
Pail	D355,736	February 21, 1995
Laundry basket	D351,266	October 4, 1994
Stacking crate	D338,312	August 10, 1993
Clothes hanger	D330,635	November 3, 1991
Vertically mounted rack for hanging garments or the like	D324,314	March 3, 1992
Magazine Rack	D278,773	May 14, 1985
Rack for a wall-mounted telephone	D276,198	November 6, 1984
Combined shelf and storage unit	D275,631	September 25, 1984
Rack for footwear	4,463,853	August 7, 1984
Utility shelf	4,429,638	February 7, 1984
Hanging racks	4,372,450	February 8, 1983
Portable drying racks	4,297,795	November 3, 1981
Adjustable rack for hanging articles	4,287,993	September 8, 1981



## Utility Patents

<u>Patent Description</u>	<u>U.S. Patent No.</u>	<u>Issue Date</u>
Through the neck garment hangar	6,230,945	May 15, 2001
Garment Hangar packaging and display apparatus	6,230,904	May 15, 2001
Folding Garment Hangar	6,050,460	April 18, 2000
Colander with an extended lateral stabilizer portion	6,039,887	March 21, 2000
Magazine Rack	4,538,739	September 3, 1985
Adjustable Rack for hanging articles	4,488,650	December 18, 1984

## PATENT APPLICATIONS

None.