

Docket No.: 5022-102

FORM PTO-1585 (Modified)
(Rev. 03-01)
OMB No. 0651-0027 (exp. 5/31/2002)
POB/REV03

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

PATENTS ONLY

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To the Director of the United States Patent and Trademark Office: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
CARROSELL, INC.

Additional names(s) of conveying party(ies) Yes No

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

Name: **John S. Arnone**

Internal Address: _____

Street Address: **30 Penbrook Court**

City: **Shrewsbury** State: **NJ** ZIP: **07702**

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

3. Nature of conveyance:

Assignment Merger

Security Agreement Change of Name

Other **Promissory Note**

Execution Date: **March 29, 2002**

4. Application number(s) or patent numbers(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)
	5,165,526
	6,044,961
	5,280,831
	5,330,044
	6,186,314

Additional numbers attached? Yes No

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

Name: **Robert G. Shepherd, Esq.**

Internal Address: **Mathews, Collins, Shepherd & McKay**

Street Address: **100 Thanet Circle**

Suite 306

City: **Princeton** State: **NJ** ZIP: **08540**

6. Total number of applications and patents involved: **5**

7. Total fee (37 CFR 3.41):.....\$ **200.00**

Enclosed - Any excess or insufficiency should be credited or debited to deposit account

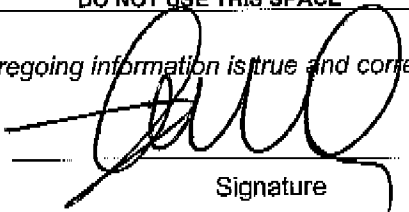
Authorized to be charged to deposit account

8. Deposit account number: **13-2165**

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Robert G. Shepherd  **October 31, 2003**

Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: **12**

Mail documents to be recorded with required cover sheet information to:
Mail Stop Assignment Recordation Services
Director of the United States Patent and Trademark Office, P. O. Box 1450, Alexandria, VA 22313-1450

PATENT

700050906

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PROMISSORY NOTE
(the "Note")

\$50,000 Principal Amount

As of March 29, 2002
New York, New York

FOR VALUE RECEIVED, the undersigned, CARROSELL, INC., a Delaware corporation having its principal place of business at 260 Madison Avenue, New York, New York 10016 (the "Maker"), does hereby unconditionally promise to pay to the order of JOHN S ARNONE, an individual residing at 30 Penbrook Court, Shrewsbury, New Jersey 07702 (the "Holder") the principal sum of fifty thousand (\$50,000) dollars, together with interest on the unpaid principal balance outstanding hereunder, in accordance with the terms hereof, as follows:

1. Interest. Interest shall accrue on the principal balance at an annual rate of ten (10%) percent, computed quarterly on the basis of a 360-day year, for the number of actual days elapsed during which the principal is outstanding or deemed to be outstanding from the date hereof until all the obligations evidenced by this Note are paid in full.

2. Payment of Interest and Principal.

(a) Payments. Subject to earlier payments, including any prepayments, principal and interest payments will be made in accordance with the payment schedule set forth on Schedule 1 hereto in lawful money of the United States of America. Principal and all interest payable pursuant to this Note shall be payable in immediately available funds to the Holder by wire transfer to an account designated by the Holder in writing or at such other place as the Holder may designate in writing. Failure by the Holder to assert any right hereunder shall not be deemed a waiver thereof or otherwise affect the terms of this Note or the payments required hereunder. Payments due under this Note shall be made without any withholding, set-off, deduction or counterclaim of any kind whatsoever.

(b) Security. As collateral security for the payment and performance in full of the obligation of the Maker under this Note, the Maker hereby pledges, assigns, transfers and grants to the Holder a first priority security interest in all of the Maker's rights, title and interests in and to the Pledged Collateral. "Pledged Collateral" shall have the meaning set forth in Section 2(c) below. All United States and foreign government patents included in the Pledged Collateral set forth on Exhibit A hereto, all of which are wholly-owned by the Maker. The Maker represents and warrants that it is the owner of the Pledged Collateral and that the Pledged Collateral is free from any liens or encumbrances. The Maker hereby expressly agrees that it will not directly and/or indirectly make any assignment, pledge, hypothecation or disposition of the Pledged Collateral without the Holder's express written consent. The Maker agrees to take any and all action requested by the Holder so that the Holder may, to its sole satisfaction, perfect his priority security interest in the Pledged Collateral.

(c) Pledged Collateral. For purposes of this Agreement, "Pledged Collateral" shall mean the following:

(A) (i) all raw materials, work in process, finished goods and inventory of whatsoever kind or nature and all wrapping, packaging, advertising and shipping materials, and any documents relating thereto, and all labels and other devices, names and marks affixed or to be affixed thereto for purposes of selling or of identifying the same or the seller or manufacturer thereof, and all right, title and interest of Maker therein and thereto, wherever located, whether now owned or hereafter acquired by Maker; (ii) all equipment, machinery, vehicles, tools, dies, jigs, furniture and fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and all substitutions and replacements thereof, wherever located, whether now owned or hereafter acquired by Maker; and (iii) all books, records and other property relating to the foregoing;

(B) (i) all of Maker's present and future accounts, contract rights, general intangibles, chattel paper, documents and instruments, as such terms are defined in the Uniform Commercial Code ("UCC"), including (without limitation) all present and future choses in action and reversionary interests in property rights of Maker, and all obligations for the payment of money arising out of Maker's sale of goods or rendition of services (all of the foregoing, collectively, "Accounts"); (ii) all of Maker's rights, remedies, security and liens in, to and in respect of the Accounts, including, without limitation, rights of stoppage in transit, replevin, repossession and reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, guaranties or other contracts of suretyship with respect to the Accounts, deposits or other security for the obligation of any debtor or obligor in any way obligated on or in connection with any Account, and credit and other insurance; (iii) all of Maker's right, title, and interest in, to and in respect of all goods relating to, or which by sale have resulted in, Accounts, including, without limitation, all goods described in invoices or other documents or instruments with respect to, or otherwise representing or evidencing, any Account, and all returned, reclaimed or repossessed goods; (iv) all of Maker's deposit accounts, as such term is defined in the UCC; (v) all books, records, ledger cards, computer programs and other property and general intangibles at any time evidencing or relating to the Accounts; (vi) each of the Trademarks (as hereinafter defined), and the goodwill of the business symbolized by each of the Trademarks, all customer lists and other records of Maker relating to the distribution of products bearing the Trademarks and each of the registrations described in Schedule A. "Trademarks" shall mean (A) all trademarks, trade names, trade styles, service marks, prints and labels on which said trademarks, trade names, trade styles and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now owned or hereafter acquired by Maker, including, but not limited to, those described in Schedule A annexed hereto and made a part hereof, and (B) all reissues, extensions or renewals thereof and all licenses thereof; (vii) each of the Patents (as hereinafter defined) and each of the registrations listed on Schedule 2 hereto. "Patents" shall mean (A) all letters patent of the United States or any other country, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications,

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registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, all whether now owned or hereafter acquired by Maker, including, but not limited to, those described in Schedule B annexed hereto and made a part hereof, and (B) all reissues, continuations, continuations-in-part or extensions thereof and all licenses thereof, and (viii) all of Maker's other general intangibles of every kind and description, whether now existing or hereafter arising, including (without limitation) copyrights and Federal, State and local tax refund claims of all kinds;

(C) any and all monies, securities, drafts, notes, items and other property of Maker and the proceeds thereof, now or hereafter held or received by, or in transit to, Secured Party from or for Maker, whether for safekeeping, custody, pledge, transmission or otherwise, and any and all balances, sums, proceeds and credits of Maker with, and any and all claims of Maker against Secured Party, at any time existing; and

(D) any and all products and proceeds of any of the foregoing, in any form (including, without limitation, any insurance proceeds or claims by Maker against third parties for loss or damage to or destruction of any or all of the foregoing property, and any claims by Maker against third parties for infringement of Trademarks, Patents or copyrights).

(d) Further Assurances. The Maker agrees to take such further actions, and to execute and deliver to the Holder such additional assignments, agreements, supplements, powers and instruments, as the Holder may deem reasonably necessary or appropriate, wherever required or permitted by law, in order to perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to the Holder hereunder. The Maker shall be entitled to all rights and remedies available to a secured party under applicable law including, without limitation, the New York Uniform Commercial Code.

3. Default

(a) Payment Default. Upon the occurrence and during the continuation of a default in making any payment when due of interest or principal (a "Payment Default"), the Maker shall pay interest on the unpaid principal balance hereof at a rate per annum (based on a year of 360 days and actual days lapsed) equal to the lesser of (i) eighteen (18%) percent per annum or (ii) the maximum rate allowed by applicable law (the "Default Rate"). Interest at the Default Rate will accrue before and after any judgment has been entered. To the extent that the Default Rate would be at any time usurious under applicable law, such Default Rate shall be deemed reduced to the maximum rate permitted by law as not being usurious. At any time after a Payment Default has occurred, the Holder may declare the entire unpaid principal balance of this Note, and any interest thereon, immediately due and payable.

(b) Insolvency Default. Should the Maker seek the benefit of any bankruptcy or insolvency statute (whether state or federal), fail to discharge any bankruptcy or insolvency proceedings within thirty (30) days after the commencement thereof, make an assignment for the benefit of creditors, or if a substantial portion of the Maker's assets should be levied upon or attached, or if there should be material adverse change to the Maker's financial condition, then a default shall be deemed to have occurred (an "Insolvency Default"). Should any such

Insolvency Default not be cured within ten (10) calendar days of the occurrence thereof, the Holder may declare the entire unpaid principal balance of this Note, and any interest thereon, immediately due and payable.

(c) Disbursement Default. Prior to disbursing or utilizing any funds advanced pursuant to this Note, the Maker shall obtain the Holder's prior written approval. Failure to obtain the Holder's prior written consent to application of funds shall constitute a default (a "Disbursement Default"), upon which the Holder may declare the entire unpaid principal balance of this Note, and any interest thereon, immediately due and payable.

(d) Waiver of Presentment. The Maker hereby waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note.

(e) Costs and Expenses. The Maker agrees to pay all costs of collection as and when incurred, including reasonable attorneys' fees and disbursements, which costs, with interest at the Default Rate, may be added to the amount due under this Note and be receivable therewith.

4. Prepayment. The Maker reserves the right at any time to make payments of principal or interest before they are due without penalty or premium. All prepayments shall be applied first to accrued interest, and the balance of the prepayment shall be applied to reduce the amount of principal payments under this Note in the order of their maturity.

5. Notices. All notices, demands and requests of any kind which either party may be required or may desire to serve upon the other party hereto in connection with this Note ("Notice") shall be delivered pre-paid by courier or by registered or certified mail, return receipt requested. Service of any Notice shall be deemed complete on the date of actual delivery. Notices shall be delivered to each party at the following address (or to such other address as each party may from time to time provide):

If to the Holder:

Mr. John S. Arnone
30 Penbrook Court
Shrewsbury, New Jersey 07702

With a copy to:

Gusrae, Kaplan & Bruno, PLLC
120 Wall Street
New York, New York 10005
Attention: Lawrence G. Nusbaum, Esq.

If to the Maker:

CarroSell, Inc.
260 Madison Avenue
New York, New York 10016

6. General Provisions.

(a) Choice of Law, Etc. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the conflicts of laws principles thereof. The parties hereto hereby irrevocably agree that any suit or proceeding arising directly and/or indirectly pursuant to or under this Agreement, shall be brought solely in a federal or state court located in the City, County and State of New York. By its execution hereof, the parties hereby covenant and irrevocably submit to the *in personam* jurisdiction of the federal and state courts located in the City, County and State of New York and agree that any process in any such action may be served upon any of them personally, or by certified mail or registered mail upon them or their agent, return receipt requested, with the same full force and effect as if personally served upon them in New York City. The parties hereto waive any claim that any such jurisdiction is not a convenient forum for any such suit or proceeding and any defense or lack of *in personam* jurisdiction with respect thereto. In the event of any such action or proceeding, the party prevailing therein shall be entitled to payment from the other party hereto of its reasonable counsel fees and disbursements in an amount judicially determined.

(b) Amendment and Waiver. This Note may not be changed or terminated orally, except in a writing duly executed by both the Maker and the Holder. The Holder shall not by virtue of any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Holder and then only to the extent set forth therein.

(c) Invalidity. If any one or more of the provisions of this Note shall be found invalid, illegal or unenforceable, all other provisions of this Note shall nevertheless be effective to the fullest extent permitted by law. The Maker may not assign any of its rights or interests under this Note without the prior written consent of the Holder. Any purported assignment in violation of the foregoing shall be null and void.

(d) Transaction Expenses. All expenses of the Holder (including but not limited to legal fees) associated with this transaction shall be for the account of the Maker and shall be deducted from the principal amount made available to the Maker.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, CarroSell, Inc. has caused this Note to be executed by its authorized officer effective as of the date and year first above written.

CARROSELL, INC.

By: _____

Name:

Title:

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PAYMENT SCHEDULE

Principal: \$50,000

Interest Rate: 10%

All accrued interest shall be payable quarterly, with the first interest payment date falling ninety (90) calendar days after the date of the Promissory Note to which this Schedule is attached.

Principal is due and payable on August 28, 2002.

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SCHEDULE 2**United States and Foreign Government Intellectual Property Owned by the Maker Comprising
Pledged Collateral (as of February 21, 2002)**

- I. **Patents(*) and Patent Applications for "INFORMATION PANELS FOR USE ON
CONVEYOR SYSTEMS AND METHOD OF USE"**
- A. U.S. Patent No. 5,280,831*
based on U.S. Appln. No. 07/996,707, filed 12/24/92
- B. Indonesian Patent Appln. No. P-007329
based on U.S. Appln. No. 07/996,707
- C. South African Patent No. 93/9659*
based on U.S. Appln. No. 07/996,707
- D. Mexico Patent Appln. No. 940140 (ABANDONED)
based on U.S. Appln. No. 07/996,707
- E. Malaysian Patent Appln. No. PI 9302820
based on U.S. Appln. No. 07/996,707
- F. Int'l Appln. No. PCT/US93/12706, Filed Dec. 23, 1993
based on U.S. Appln. No. 07/996,707 (SUPERCEDED)
- G. Canadian Patent Appln. No. 2,152,372
based on Int'l Appln. No. PCT/US93/12706
- H. Australian Patent No. 689461*
based on Int'l Appln. No. PCT/US93/12706
- I. Korean Patent Reg. No. 119695*
based on Int'l Appln. No.: PCT/US93/12706
Korean Patent Appln. No. 1995-702638
- J. New Zealand Patent No. 261427*
based on Int'l Appln. No. PCT/US93/12706
- K. European Patent No. E195488*
based on Int'l Appln. No. PCT/US93/12706

Corresponding National Patents to European Patent No. E195488.

1. Austrian Patent*
2. Belgian Patent*
3. Swiss Patent*
4. German Patent*
5. Danish Patent*
6. Spanish Patent*
7. French Patent*
8. U.K. Patent*
9. Greek Patent*
10. Irish Patent*
11. Italian Patent*
12. Luxembourg Patent*
13. The Netherlands Patent*
14. Portuguese Patent*
15. Swedish Patent*

II. Patents(*) and Patent Applications for "CONVEYOR SYSTEM WITH PANELS CONTAINING VISUAL INFORMATION":

- A. U.S. Patent No. 5,165,526*
based on U.S. Appl. No. 07/807,186 filed 12/16/91
- B. PCT Patent Appln. No. PCT/US92/03227 (SUPERCEDED)
Based on U.S. Appln. No. 07/807,186 (12/16/91)
- C. Canadian Patent Appln. No. 2,125,032
based on PCT/US92/03227
- D. Korean Patent No. 119695*
based on PCT/US92/03227
Korean Pat. Reg. No. 119695
- E. Malaysian Patent No. 109759-A*
based on PCT/US92/03227
- F. Mexico Patent Appln. No. 932222 (ABANDONED)
Based on PCT/US92/03227

G. Japanese Patent No. 3203369*
based on PCT/US92/03227

H. European Patent No. 0616593*

Corresponding National Patents:

1. German Patent *
2. Italian Patent *
3. French Patent*
4. The Netherlands Patent *
5. U.K. Patent *

III. Patents(*) and Patent Applications for "CONVEYOR WITH PLATFORM CONTAINING INDICIA":

- A. Int'l Appln. No.: PCT/US91/05602, filed 8/7/91 (ABANDONED)
- B. U.S. Patent No. 5,330,044*
based on U.S. National Phase of PCT Appln.
U.S. Appln. No. 08/047,580 filed 4/14/93 based on PCT/US91/05602

IV. Patents(*) and Patent Applications for "CONVEYOR PANEL WITH INDICIA AND METHOD OF PRESENTATION":

- A. U.S. Patent No. 6,186,314*
based on U.S. Appln. No. 354,877 filed July 16, 1999.
- B. Int'l Appln. No.: PCT/US00/18839, filed 7/10/00
related to U.S. Appln. S/N 09/354,877 (ABANDONED)

- * V. United States Patent No. 6,044,961*
based on U.S. Appln. No. 060108, filed April 15, 1998.

VI. Trademarks:

- A. Mark: CARROSELL
Reg. No.: 1806132; S/N: 74/296246 Reg. Date: 11/23/93
(Assignment from Revolving Media, Inc.)
- B. Mark: CARROSELL
Appln. No.: 184796; Mexican Trademark No. 475331
Granting Date: 9/29/94
(Assignment from Revolving Media, Inc.)

Yes

C. Mark: It's Not Just How You Say It ... It's How You Convey It
Appln. No.: []; S/N 76212033
Filed as ITU
Filing Date: 2/15/01

D. Mark: Moving Ads ... Moving Business
Appln. No.: []; S/N 76212034
Filed as ITU
Filing Date: 2/15/01

VII. Service marks:

A. Mark: CARROSELL
Reg. No. 2506797; S/N 76194824 Reg. Date 11/13/01

B. Mark: [DESIGN ONLY]
Appln. No.: []; S/N 76212035
Filed as ITU
Filing Date: 2/15/01

C. Mark: Moving Ads ... Moving Business
Appln. No.: []; S/N 76212036
Filing Date: 2/15/01

D. Mark: It's Not How You Say It ... It's How You Convey It
Appln. No.: []; S/N 76212037
Filing Date: 2/15/01

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