

RECC



103052688

To the Director of the U.S. Patent and Trademark Office

Indicate the old address(es) and the new address(es) below.

**1. Name of conveying party(ies)/Execution Date(s):**FOTO-WEAR, INC.  
473 Easton Turnpike, Suite D  
Lake Ariel, PA 18436

Execution Date(s) \_\_\_\_\_

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No**3. Nature of conveyance:**

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Government Interest Assignment  
☐ Executive Order 9424, Confirmatory License  
☐ Other \_\_\_\_\_

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

Name: K &amp; H Investments, LLC

Internal Address: \_\_\_\_\_

Street Address: 152 South Franklin Street

City: Wilkes-Barre

State: Pennsylvania

Country: USA Zip: 18701

Additional name(s) & address(es) attached? ☐ Yes ☒ No**4. Application or patent number(s):**A. Patent Application No.(s)  
60618850☐ This document is being filed together with a new application.

B. Patent No.(s)

6,423,466; 6,383,710; 6,338,932B2; 6,067,061; 6,096,475;  
6,531,216; 6,410,200B1Additional numbers attached? ☐ Yes ☒ No**5. Name and address to whom correspondence concerning document should be mailed:**

Name: K &amp; H Investments, LLC

Internal Address: \_\_\_\_\_

Street Address: 152 South Franklin Street

City: Wilkes-Barre

State: PA Zip: 18701

Phone Number: 570-820-3332

Fax Number: 570-820-3262

Email Address: fhoegen@hhkattys.com

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

8

**7. Total fee (37 CFR 1.21(h) & 3.41) \$ 320.00**

- ☐ Authorized to be charged by credit card  
☐ Authorized to be charged to deposit account  
☒ Enclosed  
☐ None required (government interest not affecting title)

**8. Payment Information**a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_

Authorized User Name \_\_\_\_\_

**9. Signature:**

Signature

July 26, 2005

Date

Francis J. Hoegen

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

9

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:  
 Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

Form PTO-1595 (Rev. 09/04)  
OMB No. 0651-0027 (exp. 6/30/2005)

11-02-2004

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

RECOR



102872802

10-25-04

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies)/Execution Date(s):**

FOTO-WEAR, INC.  
1183 Mid-Valley Drive  
Olyphant, PA 18447

Execution Date(s) October 22, 2004

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

**3. Nature of conveyance:**

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Government Interest Assignment  
☐ Executive Order 9424, Confirmatory License  
☐ Other \_\_\_\_\_

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

Name: K & H Investments, LLC

Internal Address: \_\_\_\_\_

Street Address: 152 South Franklin Street

City: Wilkes-Barre

State: Pennsylvania

Country: USA

Zip: 18703

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

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

☐ This document is being filed together with a new application.

**A. Patent Application No.(s)**

60616650

**B. Patent No.(s)**

6,423,466; 6,383,710; 6,338,932B2; 6,087,081;  
6,096,475; 6,531,218; 6,410,200B1;

Additional numbers attached? ☐ Yes ☒ No

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

Name: K & H Investments, LLC

Internal Address: \_\_\_\_\_

Street Address: 152 South Franklin Street

City: Wilkes-Barre

State: Pennsylvania

Zip: 18703

Phone Number: 570-820-3332

Fax Number: 570-820-3262

Email Address: \_\_\_\_\_

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

8

**7. Total fee (37 CFR 1.21(h) & 3.41) \$ 320.00**

- ☐ Authorized to be charged by credit card  
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**8. Payment information**

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_

Authorized User Name \_\_\_\_\_

**9. Signature:**

Francis J. Hoegen

Name of Person Signing

10/25/04

Date

Total number of pages including cover sheet, attachments, and documents: 1


Documents to be recorded (including cover sheet) should be faxed to (703) 305-5595, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, V.A. 22313-1450

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## Security Agreement

THIS AGREEMENT, ("Agreement")  19, 2004 by and between Foto-Wear, Inc., a New Jersey Corporation authorized to do business in Pennsylvania with an office in Olyphant, Lackawanna County, Pennsylvania and Donald Hare an adult individual residing in Hawley, Pennsylvania ( hereinafter collectively called "Debtor") and K&H Investments, LLC, a Pennsylvania Limited Liability Company, with an address of 152 South Franklin Street, Wilkes Barre, Luzerne County Pennsylvania ("Secured Party"),

### WITNESSETH:

- A. Secured Party advanced or provided a guaranty for Debtor in the total sum of Three Hundred Fifty Thousand (\$350,000.00) Dollars to meet its operation expenses.
- B. In consideration of the loan and provision of a guarantee, Debtor has executed and delivered to Secured Party a note, bearing even date herewith, ("Note").
- C. Secured Party desires to secure the Debtor's payment of all amounts due under the Note and the Debtor's performance of all of its obligations under the Note by taking a security interest in certain of Debtor's property.
- D. Secured Party agrees that it shall only be entitled to collect the sums due and owing under the Note, including all costs of collection.

NOW, THEREFORE, intending to be legally bound by this Agreement, Debtor and Secured Party mutually covenant and agree as follows:

**1. Security Interest.** Debtor hereby grants and conveys to Secured Party a continuing security interest in and lien upon all Collateral (as hereinafter defined), now owned or hereafter acquired in connection with the conduct of the Debtor's business, situate in the locations set forth on Schedule A attached hereto, and hereby made a part hereof, all in accordance with the provisions of the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania (the "UCC"). Such security interest is granted as security for the payment of all amounts due by the Debtor to Secured Party under the Note and Debtor's performance of all of its obligations under the Note. This security Agreement also covers and secures all other obligations of the Debtor to Secured Party, direct or indirect, absolute or contingent, due or to become due, whether now existing or hereafter arising.

**2. Collateral.** For purposes of this Agreement, "Collateral" is defined as:

(A) Inventory;

(B) Equipment;

(C) General Intangibles including but not limited to, all present and future patents;

(D) Receivables;

(E) all books, records, ledger cards, files, correspondence, computer programs, tapes, disks and related data processing software which at any time evidence or contain information relating to (A), (B), (C) and (D) above or are otherwise necessary or helpful in the collection thereof or realization thereupon;

(F) documents of title, policies and certificates of insurance, securities, chattel paper, other documents or instruments evidencing or pertaining to (A), (B), (C), (D) and (E) above;

(G) all guaranties, liens on real or personal property, leases, and other agreements and property which in any way secure or relate to (A), (B), (C), (D), (E) and (F) above, or are acquired for purpose of securing and enforcing any item thereof;

(H) (i) all cash held as cash collateral to the extent not otherwise constituting Collateral, all other cash or property at any time on deposit with or held by Secured Party for the account of Debtor (whether for safekeeping, custody, pledge, transmission or otherwise), (ii) all present or future deposits accounts (whether time or demand or interest or non-interest bearing) of Debtor with Secured Party, or any other Person including those to which any such cash may at any time and from time to time be credited, (iii) all investments and reinvestments (however evidenced) of amounts from time to time credited to such accounts, and (iv) all interest, dividends, distributions and other proceeds payable on or with respect to (x) such investments and reinvestments and (y) such accounts; and

(I) all products and proceeds of (A), (B), (C), (D), (E), (F), (G), (H) above (including, but not limited to all claims to items referred to in (A), (B), (C), (D), (E), (F), (G), and (H) above) and all claims of Debtor against third parties for (i) loss of, damage to or destruction of, and (ii) payments due or to become due under leases, rentals and hires of any or all of (A), (B), (C), (D), (E), (F), (G) and (H), above and proceeds payable under, or unearned premiums with respect to policies of insurance in whatever form.

**3. Debtor's Warranties, Representations and Agreements.** The Debtor represents and warrants to Secured Party and agrees that:

(a) Except for the security interest herein granted, and those security interests identified in Schedule B attached hereto, and made a part hereof, Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance; no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office; and the Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;

(b) The Collateral is and will be used for business purposes;

(c) The offices where Debtor keeps the Books and Records (as defined in subparagraph 3(d) below) relating to the Collateral is the address stated after the name of Debtor above, and Debtor shall not remove the Books and Records or keep them at any other place without giving Secured Party thirty

days prior written notice thereof;

(d) Debtor must keep complete and accurate Books and Records (as used herein, the term "Books and Records" is defined to include all books of original and final entry, including computer programs, software, stored material and data banks associated with or arising out of Debtor's business or record keeping) and make all necessary entries therein to reflect the quantities, costs, value and location of the Collateral. Debtor agrees to mark its Books and Records in such fashion as to indicate the security interest granted to Secured Party herein. Debtor will permit Secured Party, its officers, employees and agents, to have access to all of Debtor's Books and Records and any other records pertaining to Debtor's business which Secured Party may request, and will cause all persons including computer service bureaus, bookkeeping services, accountants and the like, to make all such Books and Records available to Secured Party, its officers, employees and agents and, if deemed necessary by Secured Party in Secured Party's sole discretion, permit Secured Party, its officers, employees and agents to duplicate, at Debtor's expense, the Books and Records at Debtor's place of business or any other place where they may be found. Secured Party's right to inspect and duplicate Debtor's Books and Records will be enforceable at law by action of replevin or by any other appropriate remedy at law or in equity;

(e) The Collateral is and will be kept at the locations set forth on Schedule A attached hereto except when temporarily in use at specific job sites in the ordinary course of Debtor's business, and Debtor's chief executive office is at the location set forth in Schedule A; provided, however, that if Debtor removes any of the Collateral from such locations, or changes the location of its chief executive office, Debtor will give to Secured Party prior written notice of such intended removal or change, as well as of Debtor's intent to close any of the locations set forth on Schedule A or to establish any new locations;

(f) Debtor must immediately notify Secured Party in writing of any event causing deterioration, loss or depreciation in value of any of the Collateral and the amount of such loss or depreciation. Debtor must permit Secured Party, its officers, employees and agents, access to the Collateral at any time and from time to time, as and when requested by Secured Party, for the purposes of examination, inspection and appraisal thereof and verification of Debtor's Books and Records pertaining thereto, and Debtor will pay the expenses of these inspections and audits on Secured Party's request. Debtor will promptly notify Secured Party in writing if there is any change in the status or physical condition of any Collateral. Debtor agrees not to return any Collateral to the supplier thereof without obtaining Secured Party's prior written consent;

(g) Debtor will not sell, exchange, lease, rent or otherwise dispose of any of the Collateral or of any Debtor's rights therein, other than in the ordinary course of Debtor's business, without the prior written consent of Secured Party;

(h) Debtor will care for and preserve the Collateral in good condition and repair at all times and will pay the cost of repairs to and maintenance and preservation of the Collateral and will not permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Agreement;

(i) Until the occurrence of an Event of Default (as this term is defined below), Debtor may use the Collateral in any lawful manner not inconsistent with the Agreements herein or with the terms and conditions of any policy of insurance thereon;

(j) No Event of Default has occurred and no event has occurred which, with the passage of time or the giving of notice or both, could be an Event of Default hereunder;

(k) Debtor will notify the Secured Party in writing prior to beginning to engage in business in any

corporate or fictitious name other than its present corporate name;

(l) Debtor will not use the Collateral in violation of any federal, state or local statute or ordinance;

(m) Debtor will comply with each covenant set forth in the Note and the Loan Agreement;

(n) Debtor will not hereafter grant a security interest in the Collateral to any person, firm or corporation;

(o) If any of the Collateral or any of Debtor's Books and Records are at any time to be located on premises leased by Debtor or on premises owned by Debtor subject to a mortgage or other lien, Debtor must obtain and deliver or cause to be delivered to Secured Party prior to delivery of any Collateral or Books and Records concerning the Collateral to said premises, an Agreement, in form satisfactory to Secured Party, waiving the landlord's, mortgagee's or lienholder's rights to enforce any claim against Debtor for moneys due under the landlord's lien, mortgagee's mortgage or other lien by levy of distraint or other similar proceeding against the Collateral or Debtor's Books and Records and assuring Secured Party's ability to have access to the Collateral and Debtor's Books and Records in order to exercise Secured Party's rights to take possession thereof and to remove them from such premises;

(p) Debtor will keep itself and the Collateral insured against all hazards in such amounts and by such insurers as are satisfactory to Secured Party, with insurance policies which provide for at least ten days prior written notice to Secured Party of any cancellation or reduction in coverage. Debtor will cause Secured Party's security interest to be endorsed on all policies of insurance in such manner that all payments for losses will be paid to Secured Party as loss-payee and will furnish Secured Party with evidence of such insurance and endorsements. Debtor will keep such insurance in full force and in effect at all times. In the event that Debtor fails to pay any such insurance premiums when due, Secured Party may but is not required to pay such premiums and add the costs thereof to the amounts due Secured Party by Debtor under the Note. Debtor hereby agrees to pay such premiums to Secured Party with interest at the highest rate of interest being charged to Debtor by Secured Party under the several notes which are herein collectively referred to as the Note at the time of payment of such premiums by Secured Party. Debtor hereby assigns to Secured Party any returned or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Secured Party any amount so due, subject only to the rights of any lender through whom Debtor has financed the payment of such premiums to receive same.

(q) Debtor has not used or been known by any other name, including any trade or fictitious name, at any time during the past five and half years.

**4. Use of Collateral; Casualty.** Until the occurrence of an Event of Default, Debtor may sell and use the Collateral in the course of its business and accept the return of and repossess goods constituting the Collateral. Immediately upon the loss, damage or destruction of any Collateral, Debtor will deliver to Secured Party an amount equal to the greater of Debtor's (a) actual cost or (b) replacement cost of the Collateral so lost, damaged or destroyed, less the amount of any insurance proceeds thereon anticipated to be collected and retained by Secured Party.

**5. Event of Default.** The occurrence of any one or more of the following will be an "Event of Default" hereunder:

(a) The failure of Debtor at any time to observe or perform any of its warranties, representations or agreements contained in this Agreement;

(b) Debtor's default under the terms of either or both of the Note;

(c) The subjection of the Collateral or any rights therein to or the threat of any judicial process, condemnation or forfeiture proceedings;

(d) The insolvency of Debtor, the commencement of a voluntary or involuntary case in bankruptcy against Debtor, the consenting of Debtor to the appointment of a receiver or trustee of any of its property or any part thereof, or the entry of any order of relief against Debtor in any case.

**6. Secured Party's Rights and Remedies.** Upon or after the occurrence of any Event of Default, Secured Party may do any or all of the following, all of which rights and remedies shall be cumulative and any and all of which may be exercised from time to time and as often as Secured Party shall deem necessary or desirable:

(a) Exercise any and all rights, privileges and remedies available to Secured Party under this Agreement and the Note, and of a secured party under the UCC, or any other applicable law, including without limitation the right to require the Debtor to assemble the Collateral and make it available to Secured Party at a designated place reasonably convenient for disposition;

(b) Notify Debtor's lessees, renters and account debtors to make all payments directly to Secured Party and to surrender, at the termination of any lease of any Collateral, the item or items of Collateral so leased or to pay the sale option price, if any, directly to Secured Party;

(c) Cure any default in any reasonable manner and add the cost of any such cure to the amount due under the Note and accrue interest thereon at the rate then being charged by Secured Party under the Notes;

(d) Retain all of Debtor's Books and Records;

(e) Upon five days prior written notice to Debtor, which notice Debtor acknowledges is sufficient, proper and commercially reasonable, Secured Party may sell, lease or otherwise dispose of the Collateral, at any time and from time to time, in whole or in part, at public or private sale, without advertisement or notice of sale, all of which are hereby waived, and apply the proceeds of any such sale:

(i) first, to the expenses of Secured Party in preparing the Collateral for sale, selling and the like, including without limitation reasonable attorneys' fees and expenses incurred by Secured Party (including fees and expenses of any litigation incident to any of the foregoing);

(ii) second, to the payment in full of all sums owing to Secured Party under the Note and the satisfaction of all of the Debtor's obligations under the Note; and

(iii) any excess shall be paid to Debtor.

The waiver of any Event of Default, or Secured Party's failure to exercise any right or remedy hereunder, shall not be deemed a waiver of any subsequent Event of Default or of the right to exercise that or any other right or remedy available to Secured Party.

**7. Debtor's Other Property.** Secured Party is hereby given a lien upon, and a security interest in all property of Debtor now or at anytime hereafter in the possession of Secured Party in any capacity whatsoever, including but not limited to any balance or share of any deposit, trust or agency account, as security for the payment Note, and Secured Party shall have the same rights to such property as it has with respect to the Collateral.

**8. Miscellaneous.** The rights and privileges of Secured Party under this Agreement will inure to the benefit of its endorser, successors and assigns forever. All representations, warranties and agreements of Debtor contained in this Agreement will survive this Agreement. This Agreement will


be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. If any provision of this Agreement will for any reason be held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision hereof, but this Agreement will be construed as if such invalid or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, Debtor and Secured Party have caused this Security Agreement to be duly executed and sealed as of the day and year first above written.

ATTEST:



DEBTOR: Foto-Wear, Inc.,

  
MARK SAWCHAK  
President

WITNESS:

  
DONALD HARE



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