

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Asset Purchase Agreement
CONVEYING PARTY DATA	
Name	Execution Date
David Abrams, as Trustee-Assignee	07/16/2003
RECEIVING PARTY DATA	
Name:	Mail-Well I Corporation
Street Address:	8310 South Valley Highway
Internal Address:	#400
City:	Englewood
State/Country:	COLORADO
Postal Code:	80112
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	D494998
CORRESPONDENCE DATA	
Fax Number:	(203)327-1096
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	(203) 324-6155
Email:	ccobb@ssjr.com
Correspondent Name:	Gene S. Winter
Address Line 1:	986 Bedford Street
Address Line 2:	St. Onge Steward Johnston & Reens LLC
Address Line 4:	Stamford, CONNECTICUT 06905
ATTORNEY DOCKET NUMBER:	04681-D0034A
NAME OF SUBMITTER:	Gene S. Winter
Total Attachments: 22	
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Patent No. D494,998

ASSET PURCHASE AGREEMENT

THIS **ASSET PURCHASE AGREEMENT** (this "Agreement") is made and entered into to be effective as of the commencement of business on this 16th day of July, 2003, by and between **DAVID ABRAMS**, not individually but as Assignee for the Benefit of Creditors of Transo Envelope Company, L.L.C., an Illinois limited liability company ("Seller"), and **MAILWELL I CORPORATION**, a Delaware corporation ("Buyer").

BACKGROUND

On July 16, 2003, Transo Envelope Company, L.L.C., an Illinois limited liability company, made an assignment ("Assignment") of all its assets to David Abrams, not individually but as Assignee for the Benefit of Creditors of Transo Envelope Company, L.L.C., a copy of which Assignment is attached hereto as Exhibit A; and

Seller desires to sell certain assets to Buyer, and Buyer desires to purchase such assets, all as more fully described herein;

NOW, THEREFORE, in consideration of the covenants, agreements, warranties and representations contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Assets and Liabilities.**

1.1. **Purchased Assets.** Buyer hereby agrees to purchase and Seller agrees to sell all of its right, title and interest in and to the following assets of Transo that have been assigned to Seller (the "Purchased Assets") free and clear of the liens of Associated Commercial Finance, Inc. and North Side Community Bank (collectively, the "Banks"):

(a) **Customer Information.** Customer lists, records and information, together with all supporting documents, including but not limited to all sales records, files, electronic and other data, copies of accounting and bookkeeping records for customer accounts, job jackets and job tickets, and all goodwill relating thereto.

(b) **Purchase Orders and Backlog.** All customer sales orders and sales contracts, customer purchase orders and purchase contracts, quotations and bids and backlog, including without limitation those customer orders listed on Schedule 1.1(b) hereto.

(c) **Art Work; Films; Film Files.** All customer art, art work, films and film files, samples and specifications.

(d) **Dies.** All dies, panel cutters and web tooling listed on Schedule 1.1(d) hereto.

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(e) **Intellectual Property.** All intellectual property rights, including, without limitation, patents and applications for patents listed on Schedule 1.1(e) hereto, know-how, unpatented inventions, trade secrets, secret formulas, business and marketing plans, copyrights and applications for copyrights, trademarks and applications for trademarks, service marks and applications for service marks, trade names (including, without limitation, the name "Transo Envelope") and applications for trade names, trade dress, and names and slogans used by Seller, and all goodwill associated with such intellectual property rights.

(f) **Software.** All computer software, including, without limitation, all documentation and source codes with respect to such software and licenses and leases of software to the extent that software assets above-described are legally transferable, except software necessary for the operation of manufacturing equipment and software required by the Seller to administer its estate.

(g) **Domain Names.** All rights pertaining to Internet websites, domain names or uniform resource locators.

(h) **Telephone Numbers.** All telephone numbers and facsimile numbers used by Seller (which may require payment by Buyer of any outstanding telephone and/or Yellow Book charges).

(i) **Inventory.** All finished goods inventory listed on Schedule 1.1(i) hereto, as adjusted by consumption under Section 8 hereof.

(j) **Confidentiality Agreements.** All confidentiality and nondisclosure agreements between Seller and any prospective bidder.

1.2 Buyer is acquiring only the Purchased Assets and no other assets of Seller.

1.3 Buyer is not assuming any liabilities of Seller, other than those obligations to customers under the Signing Date Open Orders and Interim Orders, as each such term is respectively defined in Sections 7 and 8 hereof.

1.4 The Purchased Assets are being sold "AS-IS, WHERE-IS" and "WITH ALL FAULTS," without any representations or warranties by Seller whatsoever, whether express, implied, statutory, common law or otherwise, and specifically, but not by limitation, any representation or warranty of value, merchantability, fitness for use, fitness for a particular purpose, operation or otherwise.

1.5 Buyer agrees to make available to the Banks and Seller copies of and to grant access to the information purchased under Section 1.1(a) hereof at such reasonable times as may be requested by said parties in order to facilitate the collection of all existing account receivables of Transo Envelope Company, L.L.C. by the Banks and Seller.

2. **Purchase Price and Payment.**

2.1. The purchase price for all of the Purchased Assets conveyed under the terms and conditions of this Agreement and for all of the promises of Seller shall be the sum of _____, to be paid in certified or wire transfer within twenty-four (24) hours of the conclusion of the bidding process at the auction. Buyer shall pay an earnest money deposit upon the execution of this Agreement as follows:

An earnest money deposit of _____
(the "Deposit"), the receipt of which is hereby acknowledged, such Deposit to be:
(1) deducted from the Purchase Price, in the event the transactions contemplated by this Agreement are consummated by or at the Closing; (2) immediately refunded to Buyer, in the event the transactions contemplated by this Agreement are not consummated by or at the Closing because Buyer is outbid; or (3) forfeited to Seller, if Buyer is the highest bidder and fails to close within twenty-four (24) hours of the conclusion of the bidding process at the auction, provided such failure does not result from any action or failure to act on the part of the Seller as required hereunder.

2.2 Buyer understands that Seller intends to market the Purchased Assets for sale in a competitive bidding process or auction to be held on July 29, 2003, and that the Purchased Assets will be sold to the bidder that offers to purchase the Purchased Assets and is able to perform and close the sale within twenty-four (24) hours of the conclusion of the bidding process at the auction, unless extended by the mutual written agreement of Buyer and Seller. Buyer further understands that Seller will employ certain bid procedures in connection with the sale of the Purchased Assets. Buyer expressly conditions its offer for the Purchased Assets in reliance on the following procedures being followed:

(A) **Bid Protection.** To induce Buyer to enter into this Agreement, Seller shall provide to Buyer bid protection, requiring any other bidder for the Purchased Assets to submit an opening topping bid ("Topping Bid") in excess of the Purchase Price, in an amount of at least _____ ("Bid Protection").

(B) **Other Bids.** All subsequent competing bids after the Topping Bid submitted for the Purchased Assets shall be required to be made in increments of _____. Buyer shall have the right to increase the Purchase Price and submit a higher bid, in the event any other bidders make bids for the Purchased Assets. If Seller accepts any other bid for the Purchased Assets, in whole or in part, Buyer shall be immediately refunded the Deposit.

(C) **Form of Bid.** Seller agrees that all competing or subsequent bids to Buyer's bid hereunder must be on the same terms and conditions, and substantially in the same form, as this Agreement.

3. **Representations, Warranties and Covenants by Seller.** Seller represents, warrants and covenants as follows:

3.1 **Validity.** Seller states that pursuant to the Assignment documents he is the duly qualified Assignee.

3.2 **Authority.** Seller states that pursuant to the Assignment documents he has full authority to sell the Purchased Assets in question to the highest bidder at a commercially reasonable auction sale.

3.3 **Bid Procedures.** Seller covenants to perform a commercially reasonable sale in accordance with the procedures set forth in Section 2.2 hereof, which shall include advertising such sale in the auction notice section of at least two (2) consecutive weekend editions of a paper of general commercial circulation in the greater Chicago metropolitan area.

4. **Representations, Warranties and Covenants of Buyer.** Buyer represents, warrants and covenants that:

4.2. **Organization.** Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

4.3. **Authorization and Approval of Agreement.** Buyer has the right, power and authority to enter into and perform its obligations under this Agreement, and this Agreement constitutes the valid and binding obligation of Buyer enforceable in accordance with its terms. The execution, delivery, consummation and performance of this Agreement by Buyer have been duly authorized by all necessary corporate action.

5. **Closing Documents to be Delivered.**

5.1. **Closing.** The closing of the transaction contemplated herein (the "Closing") must occur on or before July 30, 2003 (the "Closing Date") or this Agreement shall automatically terminate and be of no further force or effect.

5.2. **Seller's Deliveries.** On the Closing Date, Seller shall deliver to Buyer a (a) Assignee's bill of sale assigning and conveying all of Seller's right, title and interest in the Purchased Assets, (b) U.C.C. release documents from the Banks releasing their interest in the Purchased Assets to be conveyed and (c) such evidence of Seller's compliance with the covenants set forth in Section 3.3 as may be reasonably requested by Buyer.

5.3. **Buyer Delivery.** On the Closing Date, Buyer shall deliver to Seller a certificate from the Secretary of Buyer setting forth the resolutions of the Board of Directors of Buyer authorizing the transactions contemplated by this Agreement.

6. **Conditions Precedent to Closing.** Buyer's obligation to consummate this Agreement and the transactions contemplated hereby are subject to the satisfaction of the following conditions:

- Assets;
- (a) simultaneous release of Banks' liens and encumbrances on the Purchased Assets;
 - (b) delivery of the Bill of Sale;
 - (c) there being no petition for relief under the United States Bankruptcy Code filed by or against the Seller, or any other legal action pending, which, in Buyer's reasonable discretion, would interfere with the purchase of the Purchased Assets hereunder;
 - (d) Buyer's receipt of certain Agreements in the form attached hereto as Exhibits 6(d)(i) and 6(d)(ii), executed by Kenneth A. Merlau and Robert J. Blanke, respectively; provided, that such Agreements shall be executed only for the benefit of the successful bidder at the auction;
 - (e) except for the Banks' liens, no liens encumbering or purporting to encumber the Purchased Assets shall attach to the Purchased Assets or appear of record after the date hereof;
 - (f) Seller shall have complied with the bid procedures set forth in Section 2.1 and as covenanted in Sections 2.2 and 3.3 hereof; and
 - (g) all assets listed on Schedule 1.1(d) and 1.1(i) hereto are substantially in the same condition as on the date hereof, and remain in Seller's possession or control, except as otherwise provided herein.

7. **Pre-Signing Purchase Orders.** Buyer and Seller agree that Seller shall subcontract to Buyer any customer orders which are open as of the date hereof and listed on Schedule 1.1(b) attached hereto (each a "Signing Date Open Order"), provided that Buyer will invoice such Signing Date Open Orders to Seller's customers. If available from Seller, Buyer may purchase from Seller (at a mutually agreed upon price) any raw materials required to complete any Signing Date Open Order. Buyer will invoice customers and collect receivables for the Signing Date Open Orders from such customers and remit all such collections to Seller less the cost of any work performed (including customary sales commissions) with respect to any such Signing Date Open Orders. If the Buyer is not the successful bidder at the auction, Buyer will return all Signing Date Open Orders for which no work has been performed by Buyer. All receivables arising from invoices sent by Buyer as provided herein shall be and remain the property of Buyer, subject to the provisions hereof, regardless of whether Buyer is the successful bidder at the auction. All amounts due from Buyer to Seller under this Section shall be considered a receivable of Transo Envelope Company, L.L.C. subject to the security interest in same of Banks.

8. **Post-Signing Purchase Orders.** Buyer and Seller agree that with respect to any orders received by Seller on or after the date hereof but prior to the Closing Date (each an "Interim Order"), Seller shall subcontract its obligations and duties thereunder to Buyer, and

Buyer will assume Seller's obligations and duties thereunder. If available from Seller, Buyer may purchase from Seller (at a mutually agreed upon price) any raw materials required to complete any Interim Order. If available from Seller, Buyer may purchase from Seller (at 75% of Seller's book value) any of Seller's finished goods inventory listed in Schedule 1.1(i) required to complete any Interim Order. Buyer will invoice customers and collect receivables for the Interim Orders, and Seller will be entitled to receive a five percent (5%) commission (the "Commission") on the invoice amount relating to any Interim Orders, payable at such time and to the extent that the corresponding invoice is paid. All receivables arising from invoices sent by Buyer as provided herein shall be and remain the property of Buyer, subject to the provisions hereof, regardless of whether Buyer is the successful bidder at the auction. To the extent that Seller receives any payment with respect to any Interim Order, it will promptly forward it to Buyer in the form received by Seller. In the event Buyer is the winning bidder in the auction, Buyer's obligation to pay any Commissions relating to Interim Orders which have not been shipped prior to Closing Date shall terminate, and Buyer's obligation to pay for finished goods inventory purchases hereunder prior to the Closing Date shall terminate. If Buyer is not the successful bidder at the auction, Buyer shall account to the Seller for all Interim Orders as of the date of the auction. All amounts due from Buyer to Seller under this Section shall be considered a receivable of Transo Envelope Company, L.L.C. subject to the security interest in same of Banks.

9. **Seller's Premises.** Seller agrees that a reasonable number of Buyer's employees may occupy Seller's premises until Closing, provided that Buyer shall indemnify Seller and hold Seller harmless from and against all claims and liabilities arising out of the acts of Buyer's employees.

10. **Notices.** Any notices given hereunder shall be sufficient if in writing and shall be deemed given upon actual receipt when personally delivered or when mailed, certified mail - return receipt requested, postage prepaid to the following address (or such other address as may designate by notice duly given):

To Assignor:

Transo Envelope Company, L.L.C.
1900 North Austin Avenue
Chicago, Illinois 60639-5001
Attention: Kenneth A. Merlau

with a copy to:

Ungaretti & Harris
3500 Three First National Plaza
Chicago, Illinois 60602
Attention: Michael W. Black

To Assignee-Seller:

Abrams & Jossel Consulting, Inc.

39 South LaSalle Street, Suite 1410
Chicago, Illinois 60603
Attention: David Abrams

With a copy to:

Tishler & Wald, Ltd.
200 S. Wacker Drive, Suite 3000
Chicago, Illinois 60606
Attention: Bruce L. Wald

To Buyer:

Mail-Well Envelope
8310 South Valley Highway, #400
Englewood, Colorado 80112
Attention: Mark Zoeller

11. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives and assigns.

12. **Applicable Law.** The rights and obligations of the parties to this Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Illinois, without regard to conflict of law provisions.

13. **Positions for Income Tax Purposes.** Neither Seller nor Buyer shall take a position for income tax purposes which is inconsistent with this Agreement.

14. **Further Assurances.** Seller agrees with Buyer that at any time and from time to time after Closing upon the request of Buyer, Seller and its successors or assigns shall execute, acknowledge and deliver to Buyer such further instruments of conveyance, assignment, transfer, powers of attorney, consents and assurances and shall take such other action as Buyer may reasonably request in order to more effectively convey, assign, transfer and deliver any of the Purchased Assets.

15. **Counterparts.** This Agreement may be signed in any number of counterparts, each of which shall be an original, and when taken together shall constitute one and the same instrument.

16. **Nondisclosure Agreements.** Seller and Buyer agree that, notwithstanding the terms of the Mutual Nondisclosure Agreement dated June 24, 2003 binding upon Buyer, Buyer shall be permitted to contact customers of Seller for purposes of completing any Signing Date Open Orders and Interim Orders. Seller further agrees to terminate any nondisclosure or nonsolicitation agreement between Seller and any current or former employee of Seller who is or becomes an employee of Buyer prior to the Closing; provided that, in the event Buyer is not the

winning bidder at the auction, Buyer agrees to release such employees from any nondisclosure or nonsolicitation agreement entered into between Buyer and any such employee prior to Closing.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day, month and year first above written.

BUYER:

Mail-Well I Corporation, a Delaware
corporation

By: Robert C. Hart

Name: Robert C. Hart

Title: President and CEO
Mail-Well Envelope**SELLER:**

David Abrams, not individually but solely
as Assignee for the Benefit of Creditors of
Transo Envelope Company, L.L.C.

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winning bidder at the auction, Buyer agrees to release such employees from any nondisclosure or nonsolicitation agreement entered into between Buyer and any such employee prior to Closing.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day, month and year first above written.

BUYER:


Mail-Well I Corporation, a Delaware corporation

By: _____

Name: _____

Title: _____

SELLER:



David Abrams, not individually but solely
as Assignee for the Benefit of Creditors of
Transo Envelope Company, L.L.C.

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Exhibit A

Assignment of Assets

See attached.

TRUST AGREEMENT AND ASSIGNMENT
FOR THE BENEFIT OF CREDITORS
OF

THIS TRUST AGREEMENT AND ASSIGNMENT FOR THE BENEFIT OF
CREDITORS, is made and entered into this 16th day of JULY 2003 by and
between TRANSO ENVELOPE COMPANY,

an Illinois limited liability company, having its principal place of business at

1900 N. AUSTIN AVE, CHICAGO, IL

herein referred to as ("Assignor"), and David Abrams of Chicago, Illinois hereinafter

referred to as the ("Trustee-Assignee").

WITNESSETH:

WHEREAS, Assignor is indebted to various persons, corporations and other
entities and is unable to pay its debt in full, and has decided to discontinue its
business, and is desirous of transferring its property to an Assignee for the benefit of
its creditors so that the property so transferred may be expeditiously liquidated and
the proceeds thereof be fairly distributed to its creditors without any preference or
priority, except such priority as is established and permitted by applicable law:

NOW, THEREFORE, in consideration of Assignor's existing indebtedness to its
creditors, the express undertakings of the Trustee-Assignee and the mutual
covenants contained herein, it is hereby AGREED:

1. Creation and Object of Trust. The name of this Trust shall be the TRANS-ENVELOPE Trust and its object shall be the orderly liquidation of the assets and property of Assignor and the distribution of the proceeds therefrom to creditors of Assignor in accordance with applicable law. Assignor hereby nominates and appoints David Abrams of Abrams & Jossel Consulting, Inc. located at 39 S. LaSalle Street, Suite 1410, Chicago, Illinois as Trustee-Assignee to carry out the purpose of this Trust in accordance with its terms and conditions. The Trustee-Assignee shall have the powers and duties hereinafter set forth, and shall receive reasonable compensation for his services and reimbursement of his expenses, including, but not limited to, reimbursement of his attorney's fees and costs. The Trustee-Assignee may serve without bond. In the event of death, inability or refusal to act, or the resignation of David Abrams, as trustee-Assignee, then in any such event, Mark J. Jossel is hereby appointed as Successor Trustee-Assignee with all the duties, rights, and powers herein imposed upon and granted to David Abrams, as original Trustee-Assignee.

2. Transfer of Assets. Assignor does hereby grant, convey, assign, transfer, and set over the Trustee-Assignee, and his Successor Trustee-Assignee, all property and assets of Assignor, whatsoever and wheresoever situated, which are now, or ever have been, used in connection with the operation of Assignor's business. The property and assets transferred shall include, without limitation, the right to receive incoming mail, if any such assets exist, all real and personal property, tangible and intangible, including, without limitation, all cash on hand, bonds, bank accounts, all accounts receivable, all furniture, fixtures, equipment, leasehold improvements,

Inventory, parts, accessories, machinery, supplies, vehicles, documents, instruments, contracts, contract rights, leases, goodwill, general intangibles, patents, insurance premium and/or policy refunds, tradenames, trademarks, franchises, service marks, and causes of action. Title to the property and assets of Assignor shall immediately vest in the Trustee-Assignee for the use and purpose hereinafter set forth.

3. Powers and Duties of Trustee-Assignee. The Trustee-Assignee shall have, *inter alia*, the following powers, rights, and duties:

(a) To sell and dispose of the said assets in the most practical manner and for the highest and best price reasonably obtainable, including without limitation, the right to operate the business for a limited period of time.

(b) To collect any and all accounts receivable owing to Assignor.

(c) To sell, or otherwise dispose of, if such exists, all real property of Assignor in such manner as the Trustee-Assignee deems best. The Trustee-Assignee shall have the power to execute any and all documents necessary to effectuate a sale of said real property and to convey title to same.

(d) To sell, or otherwise dispose of, if such exists, all tangible and intangible personal property of Assignor including, but not limited to, all of its machinery, equipment, inventory, service marks, tradenames, trademarks, patents, franchises, causes of action and general intangibles, at private or public sale upon such notice and upon such terms as the Trustee-Assignee deems best. The Trustee-Assignee shall have the power to employ an auctioneer to conduct such sale and to advertise such sale in such manner as the Trustee-Assignee deems best. The Trustee-Assignee shall have the power to execute bills of sale and any other documents necessary to convey title to Assignor's personal property. The Trustee-

Assignee shall have the power to enter into an agreement with any party to participate in a liquidation sale with the Trustee-Assignee hereunder for the benefit of creditors sharing in the profits from such sale.

(e) To employ attorneys, accountants, and such additional personnel to whatever extent may be necessary to handle the administrative details of this Trust, including the hiring of additional special counsel by the Trustee-Assignee should he deem it necessary to prosecute, or defend any legal or equitable action or to perform such other duties as may be required in the circumstances.

(f) To require all creditors of Assignor to whom a balance is now owing to submit verified statements of their accounts.

(g) To settle any and all claims against or in favor of Assignor, with full power to compromise, or in the discretion of the Trustee-Assignee, to sue or be sued, and to prosecute or defend any claim or claims of any nature whatsoever existing against or in favor of Assignor.

(h) To pay the creditors of Assignor out of the monies which shall come into his hands as Trustee according to the following priorities:

(1) First, all costs for the preservation of the Trust Assets, including the maintenance and insurance thereon, the expenses of operation, and such other administrative expenses as shall reasonably be incurred.

(2) Second, all costs and expenses incidental to the administration of the trust, including the remuneration of the Trustee-Assignee and the payment of reasonable compensation for the services of attorneys for the Trustee-Assignee. These costs and expenses shall include those incidental to the preparation and execution of this Trust Agreement. The Trustee-Assignee shall also

have the right to pay an accountant reasonable compensation for services performed in connection with the administration of this Trust and the attorneys for Assignor for such services as shall be rendered in aid of the administration of the Trust and its property.

- (3) To pay such debts that are entitled by law to a priority.
- (4) All federal taxes of any nature whatsoever owing as of the date of this Trust Agreement, including, but not limited to, federal withholding tax, federal unemployment tax, and other federal income, excise, property, and employment taxes.
- (5) All state and county taxes of any nature whatsoever owing as of the date of this Trust Agreement, including, but not limited to, state and county employment, property, and income taxes.
- (6) Payrolls and wages owing as of the date of this Trust Agreement.
- (7) With the exception of those classes set forth above, all distributions to other creditors shall be, within each class *pro rata* in accordance with the terms of each creditor's indebtedness, until all such debts are paid in full. The Trustee-Assignee shall make interim distributions whenever the Trustee-Assignee accumulates sufficient funds to enable him to make a reasonable distribution.
- (8) The surplus, if any, of the Trust's funds, when all debts of the Trust shall have been paid in full, shall be paid and transferred to Assignor.
- (f) To do and perform any and all other acts necessary and proper for the orderly liquidation or other disposition, including, but not limited to, abandonment of the assets and property of Assignor and the distribution of the proceeds derived

therefrom to the creditors of Assignor.

4. Rights of Creditors. All rights and remedies of the creditors against any surety or sureties for Assignor are hereby expressly reserved and nothing herein contained shall prevent the creditors or any of them from suing any third parties or persons who may be liable to any of the creditors for all or any part of their claim against Assignor, or from enforcing or otherwise obtaining the full benefit of any mortgage, charge, pledge, lien or their security which they now hold on any property, creditors or effects of Assignor.

5. Administration of Trust. This Trust shall be administered out of court. The Trustee-Assignee shall, however, have the right to ask any court of competent jurisdiction for a declaratory judgment or such other relief as the Trustee-Assignee may deem necessary. If, in his opinion, said action is desirable in connection with any dispute or claim arising hereunder.

6. Liability of Trustee-Assignee. It is understood and agreed that the Trustee-Assignee is to assume no personal liability or responsibility for any of his acts as Trustee-Assignee herein, but his obligation shall be limited to the performance of the terms and conditions of the Trust Agreement, in good faith and in the exercise of his best judgment.

7. Warranties of Assignor. Assignor hereby warrants as follows:

(a) The list of creditors delivered concurrently herewith to the Trustee-Assignee is complete and correct as reflected by the books and records of Assignor, or through its officers and directors, as to names of said creditors, their addresses and the amount due them.

(b) Assignor, through its officers and directors, shall perform any and all

acts reasonably necessary and proper to assist the Trustee-Assignee in the orderly liquidation of Assignor's assets and the collection of monies owing the Assignor, and in the distribution of said monies and the proceeds of asset sales to Assignor's creditors, if requested to do so by the Trustee-Assignee.

8. Acceptance by Trustee-Assignee. The Trustee-Assignee does hereby accept the Trust herein created and agrees to faithfully perform the same according to the best of the Trustee-Assignee's skill, knowledge, and ability. It is understood that the Trustee-Assignee shall receive reasonable compensation for his services rendered in connection with this Trust.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

An Illinois limited liability company

By: P.C. Abrams Robert J. Blau
Manager

By: Kenneth M. Blau
Manager

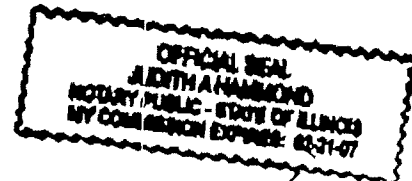
D. Abrams
David Abrams

STATE OF ILLINOIS)
COUNTY OF COOK) SS

I, Judith A. Hammond Notary Public in and for the County and State aforesaid, do hereby certify that Robert V. Clark and Kenneth A. Merlow Managers of Trans-Envelope Co LLC an Illinois limited liability company, appeared before me this day in person and acknowledged to me that they signed the foregoing instrument as their free and voluntary act and as the free and voluntary act of said limited liability company, pursuant to directions and resolutions passed by the Board of Managers of said limited liability company, for the uses and purposes therein set forth.

GIVEN, under my hand and Notarial Seal this ___ day of _____
A. D. 2001.

Notary Public



Judith A. Hammond

WARRANTY

The undersigned hereby warrants to each of the Creditors and to the Assignee for the Benefit of Creditors that the foregoing summary of assets and liabilities is based upon information submitted by the undersigned, that said summary is accurate to the best information and belief of the undersigned, and that no unlawful preferences have been made with respect to any creditors within the ninety days immediately preceding the Assignment for the Benefit of Creditors.

TRANSO ENVELOPS L.L.C.

An Illinois Limited Liability company

By: Kevin Donnell
Manager

By: Robert J. Blawie
Manager

WRITTEN CONSENT BY THE
BOARD OF MANAGERS

The undersigned, being all of the members of the Board of Managers of TRANS ENVELOPE Co. an Illinois limited liability company (the "Company"), in accordance (with Section 3.01 (d) of the operating agreement of the Company,) hereby adopt by this written consent the following resolutions with the same force and effect as if they had been unanimously adopted by the Board of Managers of the Company at a duly convened meeting of the Board of Managers of the Company:

WHEREAS, for some time the Company has suffered from severe financial strain associated with cash flow shortages and other problems; and

WHEREAS, despite efforts by the Board of Managers and management of the Company, the Company remains unable to operate at a net profit; and

WHEREAS, the Company is currently without the operating capital necessary to operate its business and cannot continue to operate its business; and

WHEREAS, the Company is desirous of taking the steps necessary to maximize the expeditious and fair payment of indebtedness due to its creditors; and

WHEREAS, under the above circumstances the principal secured creditor of the Company is desirous of receiving present payment of the amount due it from the Company and is desirous of avoiding the cost and delay of foreclosure proceedings; and

WHEREAS, the Company is desirous of avoiding the commencement of a chapter 7 case under the United States Bankruptcy Code; and

WHEREAS, the Board of Managers believes the Company to be insolvent and has determined that it is in the best interest of the Company and its creditors to make a common law assignment to an assignee for the benefit of the creditors of the Company;

NOW, THEREFORE, BE IT RESOLVED, that any two Managers (the "Authorized Managers") of the Company are hereby authorized and directed to execute and deliver such documentation and to take such other steps as may be necessary to effect a common law assignment to an assignee for the benefit of the creditors of the Company;

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FURTHER RESOLVED, that such assignment be made to such assignee as may be designated by the Authorized Managers of the Company;

FURTHER RESOLVED, that, pending making such assignment, the Authorized Managers are authorized and directed to take such steps as they deem necessary and appropriate to preserve and safeguard the assets of the Company, subject to the rights and direction of the Company's secured creditor(s);

FURTHER RESOLVED, that this consent shall be deemed effective upon the its execution and delivery by all of the Managers of the Company;

FURTHER RESOLVED, that this Consent may be executed in one or more counterparts, all of which taken together, shall constitute one consent.

IN WITNESS WHEREOF, the undersigned have executed this Consent as of the

day of _____

P.C. Adams
Robert J. Blauvelt
Tudor C. J. Culy
Kenneth A. Meade
Renee H. Blauvelt

Schedule 1.1(c)

Patents

U.S. Patent Application for an Embossed Envelope Label

Serial No.: 29168871

Filing Date: 10/10/200