

11-24-2009



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

50-38-11

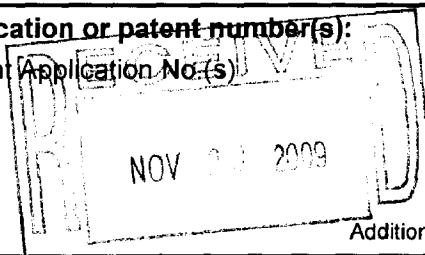
**1. Name of conveying party(ies)**  
 American of Martinsville, Inc.  
 Additional name(s) of conveying party(ies) attached?  Yes  No

**2. Name and address of receiving party(ies)**  
 Name: Capital Business Credit LLC  
 Internal Address: \_\_\_\_\_

**3. Nature of conveyance/Execution Date(s):**  
 Execution Date(s) November 11, 2009  
 Assignment  Merger  
 Security Agreement  Change of Name  
 Joint Research Agreement  
 Government Interest Assignment  
 Executive Order 9424, Confirmatory License  
 Other \_\_\_\_\_

Street Address: 15800 John J. Delaney Drive  
Suite 300  
 City: Charlotte  
 State: North Carolina  
 Country: United States Zip: 28277  
 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) \_\_\_\_\_  
 B. Patent No.(s) \_\_\_\_\_  
 Additional numbers attached?  Yes  No



6,736,468; D497,742; D499,579; D500,220; D506,326; D507,912;  
 D509,681; D514,849

**5. Name and address to whom correspondence concerning document should be mailed:**  
 Name: John M. Flynn, Esq.  
 Internal Address: \_\_\_\_\_  
 Street Address: 235 N. Edgeworth Street  
 City: Greensboro  
 State: North Carolina Zip: 27401  
 Phone Number: (336) 379-8651  
 Fax Number: (336) 478-1145  
 Email Address: jmf@crlaw.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 to deposit account  
 Enclosed  
 None required (government interest not affecting title)

**8. Payment Information**  
 Deposit Account Number \_\_\_\_\_  
 Authorized User Name \_\_\_\_\_  
11/24/2009 NJAMA1 00000003 6736468

**9. Signature:** [Signature]  
 Signature  
 John M. Flynn, Esq.  
 Name of Person Signing

01 FC:8821 11/20/2009 320.00 OP  
 Date  
 Total number of pages including cover sheet, attachments, and documents: 9

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement"), is made and entered into this    day of November, 2009, between AMERICAN OF MARTINSVILLE, INC., a Delaware corporation ("Debtor"), and CAPITAL BUSINESS CREDIT LLC, a Delaware corporation ("Secured Party").

### WITNESSETH:

WHEREAS, Debtor proposes to enter into a certain Recourse Collection Factoring Agreement dated of even date herewith (as they may hereafter be amended, modified, supplemented or restated from time to time, being herein called collectively, the "Factoring Agreement"), with Secured Party, pursuant to which Secured Party will factor the accounts of Debtor and make loans and advances and extend credit to Debtor, all as more particularly described therein; and

WHEREAS, as a condition precedent to Secured Party's entering into the Factoring Agreement and making loans and extending credit to Debtor pursuant thereto, Secured Party has required the execution of this Agreement by Debtor in favor of Secured Party.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Debtor agrees with Secured Party as follows:

1. Defined Terms. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Factoring Agreement.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, Debtor hereby assigns, grants, transfers and conveys to Secured Party, for security purposes, a security interest in and lien on all of Debtor's right, title and interest in, to and under the following property, in each case whether now existing or hereafter existing or in which the Debtor now has or hereafter acquires or develops an interest wherever the same may be located (the "Patent Collateral"):

(a) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held (whether pursuant to a license or otherwise) or used by Debtor in whole or in part, including all existing U.S. patents and patent applications of Debtor which are described in Schedule A attached hereto, as the same may be amended or supplemented pursuant hereto from time to time, and including all patent licenses held by Debtor (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of the termination or permitting termination of the license for breach and where the licensor, other than any affiliate of Debtor, has elected such termination remedy), together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof

and the inventions disclosed therein, and all rights corresponding thereto throughout the world, including the right to make, use, lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof, including without limitation all license royalties and proceeds of infringement suits (collectively, the "Patents");

(b) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;

(c) all general intangibles (as defined in the Code) and all intangible intellectual or other similar property of the Debtor of any kind or nature, whether now owned or hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and

(d) all proceeds of any and all of the foregoing Patent Collateral, including, without limitation, license royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason or loss or damage to or otherwise with respect to the foregoing Patent Collateral.

3. Representations, Warranties and Covenants of Debtor. Debtor represents, warrants and covenants that:

(a) The Patent Collateral is, to the best of its knowledge, subsisting and has not been judged invalid or unenforceable;

(b) Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patent Collateral, free and clear of any liens, charges and encumbrances; and

(c) Debtor has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

4. Restrictions on Future Agreements. Debtor agrees that, until all of the Obligations have been satisfied in full and the Factoring Agreement has been terminated in writing, it will not without Secured Party's prior written consent, enter into any agreement which is inconsistent with Debtor's duties under this Agreement, and Debtor further agrees that, except as provided in Section 11(a) hereof, it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity and enforcement of the rights granted to Secured Party under this Agreement.

5. After-Acquired Patent Rights. If, before the Obligations have been satisfied in full, Debtor shall obtain rights to any new patentable inventions, or become entitled to the benefit

of any patent application or any patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 1 hereof shall automatically apply thereto, and Debtor shall give to Secured Party prompt notice thereof in writing. Debtor authorizes Secured Party to modify this Agreement by amending Schedule A to include any future patents and patent applications which are Patent Collateral under paragraph 1 hereof or this paragraph 5.

6. Debtor's Rights Prior to Event of Default. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Factoring Agreement), Debtor shall continue to own, and may use and enjoy the Patent Collateral in connection with its business operations, but only in a manner consistent with the presentation of their current substance, validity and registration.

7. Remedies Upon Event of Default. If an Event of Default shall have occurred and be continuing, Secured Party shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and, specifically, those of a Secured Party under the Code. Notice of any sale or other disposition of the Patent Collateral shall be deemed reasonable and sufficient if given the Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of any of the Patent Collateral is to be made.

8. Power of Attorney. Debtor hereby makes, constitutes and appoints Secured Party and any officer or agent of Secured Party as Secured Party may select as Debtor's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse Debtor's name on all applications, documents, papers and instruments necessary for Secured Party to use the Patent Collateral, or to grant or issue any exclusive or nonexclusive license under the Patent Collateral to anyone else as necessary for Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone else. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all of the Obligations shall have been satisfied in full and the Factoring Agreement shall have been terminated in writing.

9. Release of Security Interest. At such time as all of the Obligations shall have been satisfied and paid in full, Secured Party shall execute and deliver to Debtor all releases, termination statements, and other instruments as may be necessary or proper to release or reflect the release of Secured Party's security interest in the Patent Collateral.

10. Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Secured Party in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Patent Collateral, shall be borne and paid by Debtor on demand by Secured Party

and until so paid shall be added to the amount of the Obligations and shall bear interest at the rate prescribed in the Factoring Agreement.

11. Litigation and Proceedings.

(a) Debtor shall have the duty, through counsel acceptable to Secured Party, to prosecute diligently any patent application of the Patents pending as of the date of this Agreement or thereafter, other than those discontinued or abandoned in the ordinary course of business, until the Obligations shall have been paid in full, to make application on unpatented but patentable inventions, and to preserve and maintain all rights in patent applications and patents of the Patents in the ordinary course of business. Any expenses incurred in connection with such an application shall be borne by Debtor. Debtor shall not abandon any right to file a patent application, or any pending patent application or patent, other than those discontinued or abandoned in the ordinary course of business without the consent of Secured Party, which consent shall not be unreasonably withheld.

(b) Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name, as the holder of a security interest in the Patent Collateral, to enforce the Patents, and any license thereunder, in which event Debtor shall at the request of Secured Party do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Secured Party in aid of such enforcement and Debtor shall promptly, upon demand, reimburse and indemnify the Secured Party for all costs and expenses incurred in the exercise of its rights under this paragraph 11. Nothing herein shall be deemed to prohibit Debtor from bringing any such suit in its own name at any time that an Event of Default does not exist, if Secured Party declines to institute suit.

12. Secured Party May Perform. If Debtor fails to comply with any of its obligations hereunder, Secured Party may do so in Debtor's name or in Secured Party's name, but at Debtor's expense, and Debtor agrees to reimburse Secured Party in full for all expenses, including reasonable attorney's fees, incurred by Secured Party in prosecuting, defending or maintaining the Patents or Secured Party's interest therein pursuant to this Agreement.

13. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 5 hereof.

15. Binding Effect; Benefits. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

16. Notices. All notices, requests and demands to or upon a party hereto, to be effective, shall be in writing and shall be sent by certified or registered mail, return receipt requested, by personal delivery against receipt, by overnight courier or by facsimile transmission and, unless expressly provided herein, shall be deemed to have been validly served, given or delivered immediately when delivered against receipt, three (3) Business Days after deposit in the mail, postage prepaid, or, in the case of facsimile transmission, when received (if on a Business Day and, if not received on a Business Day, then on the next Business Day after receipt), addressed as follows:

- (i) If to the Secured Party, at: Capital Business Credit, LLC  
15800 John J. Delaney Drive, Suite 300  
Charlotte, North Carolina 28277  
Attention: \_\_\_\_\_  
Facsimile No.: 704-364-0308
- (ii) If to Debtor, at: American of Martinsville, Inc.  
128 E. Church Street  
Martinsville, Virginia 24112  
Attention: Noel L. Chitwood  
Facsimile No.: 276-638-2522

or to such other address as each party may designate for itself by notice given in accordance with this Section 16. Any written notice or demand that is not sent in conformity with the provisions hereof shall nevertheless be effective on the date that such notice is actually received by the noticed party.

17. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPLES.

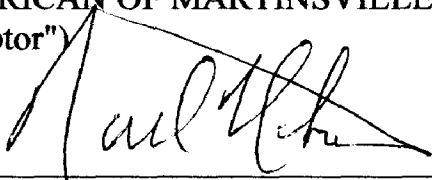
18. Consent to Forum. THIS AGREEMENT HAS BEEN NEGOTIATED, EXECUTED AND DELIVERED AT AND SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK. AS PART OF THE CONSIDERATION FOR NEW VALUE RECEIVED, AND REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF DEBTOR OR SECURED PARTY, DEBTOR HEREBY CONSENTS AND AGREES THAT THE STATE AND FEDERAL COURTS OF NEW YORK SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN DEBTOR AND SECURED PARTY PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT. DEBTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND DEBTOR HEREBY WAIVES ANY OBJECTION WHICH DEBTOR MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE

RELATED TO THIS AGREEMENT. DEBTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND DEBTOR HEREBY WAIVES ANY OBJECTION WHICH DEBTOR MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

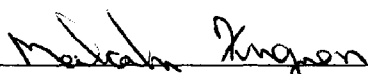
19. WAIVER OF JURY TRIAL . DEBTOR WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY (WHICH THE SECURED PARTY HEREBY ALSO WAIVES) IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, THE OBLIGATIONS OR THE COLLATERAL.

WITNESS the execution hereof on the day and year first above written.

AMERICAN OF MARTINSVILLE, INC.  
("Debtor")

By:   
Title: President

CAPITAL BUSINESS CREDIT LLC  
("Secured Party")

By:   
Title: Sr. Vice President

STATE OF Virginia

COUNTY OF Henry / Martinsville

I, Joyce A. Barton, a Notary Public of the State and County aforesaid, certify that Noel L. Chitwood personally appeared before me this day and acknowledged that he is President of AMERICAN MARTINSVILLE, INC., a Delaware limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed by him/her in the company's name.

WITNESS my hand and official stamp or seal, this 11<sup>th</sup> day of November, 2009.

**Joyce Ann Barton**  
**Notary Public**  
**Commonwealth of Virginia**  
**Reg # 7211933**  
**My Commission Expires** 8/31/12

Joyce A. Barton  
Notary Public

My Commission Expires: 8/31/12

STATE OF North Carolina

COUNTY OF Mecklenburg

I, Nancy M. Watson, a Notary Public of the State and County aforesaid, certify that Malcolm Ferguson personally appeared before me this day and acknowledged that he is Fr. V. Pres. of CAPITAL BUSINESS CREDIT LLC, a Delaware limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed by him/her in the company's name.

WITNESS my hand and official stamp or seal, this 18 day of November, 2009.

Nancy M. Watson  
Notary Public

My Commission Expires: June 23, 2011



SCHEDULE A TO  
PATENT SECURITY AGREEMENT

| <b>PATENT TITLE</b>                                      | <b>U.S. PATENT NO.</b> | <b>ISSUE DATE</b> | <b>APP. SERIAL NO.</b> | <b>FILING DATE</b> |
|--|------------------------|-------------------|------------------------|--------------------|
| LOCKABLE FURNITURE ARTICLE FOR STORAGE OF PERSONAL ITEMS | 6,736,468              | 5/18/2004         | 10/330,452             | 12/27/2002         |
| DESK   | D497,742               | 11/2/2004         | 29/190,435             | 9/22/2003          |
| ARMOIRE  | D499,579               | 12/14/2004        | 29/190,490             | 9/22/2003          |
| DESK TOP   | D500,220               | 12/28/2004        | 29/190,489             | 9/22/2003          |
| DRESSER  | D506,326               | 6/21/2005         | 29/202,946             | 4/7/2004           |
| HEADBOARD  | D507,912               | 8/2/2005          | 29/202,945             | 4/7/2004           |
| ARMOIRE  | D509,681               | 9/20/2005         | 29/202,944             | 4/7/2004           |
| FURNITURE PANEL  | D514,849               | 2/14/2006         | 29/190,441             | 9/22/2003          |

FINANCE/ 67386-1 003846-18214 JLB  
11/11/09

RECORDED: 11/23/2009

PATENT  
REEL: 023556 FRAME: 0625