

<b>PATENT ASSIGNMENT COVER SHEET</b>
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Electronic Version v1.1  
 Stylesheet Version v1.2

EPAS ID: PAT4843390

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST
<b>SEQUENCE:</b>	2

**CONVEYING PARTY DATA**

Name	Execution Date
KILLER PADS DISTRIBUTION, LLC	12/13/2017

**RECEIVING PARTY DATA**

<b>Name:</b>	TRIPLE EIGHT DISTRIBUTION, INC.
<b>Street Address:</b>	20 W. VANDERVENTER
<b>Internal Address:</b>	SUITE 101
<b>City:</b>	PORT WASHINGTON
<b>State/Country:</b>	NEW YORK
<b>Postal Code:</b>	11050

**PROPERTY NUMBERS Total: 1**

Property Type	Number
Patent Number:	D626293

**CORRESPONDENCE DATA**

**Fax Number:** (760)294-5161

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.*

**Phone:** 7602945160

**Email:** diane@mmip.com

**Correspondent Name:** MASTERMIND IP LAW P.C.

**Address Line 1:** 2351 NABAL STREET

**Address Line 4:** ESCONDIDO, CALIFORNIA 92025

<b>ATTORNEY DOCKET NUMBER:</b>	0059-D001001
<b>NAME OF SUBMITTER:</b>	DIANE L. GARDNER
<b>SIGNATURE:</b>	/Diane L. Gardner/
<b>DATE SIGNED:</b>	02/27/2018

**Total Attachments: 8**

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# EXHIBIT C-1

## SECURITY INTEREST AND CONDITIONAL ASSIGNMENT AGREEMENT - PATENT

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WHEREAS:

Killer Pads Distribution, LLC, a California limited liability company, having a place of business at 1240 Activity Drive, Suite A, Vista, CA 92081, by its authorized representative, together with Vinton Pacetti, an individual resident of the State of California (individually and collectively, "Secured Party"), and Triple Eight Distribution, Inc., a New York corporation, having a place of business at 20 W. Vanderverter, Suite 101, Port Washington, NY 11050, by its authorized representative, (collectively, "Grantor"), have entered into that certain Asset Purchase Agreement (the "Agreement") dated as of December 13, 2017;

Article 2 of the Agreement includes provisions for a security interest granted by Grantor to Secured Party pursuant to Section 2.4;

Article 2 of the Agreement includes provisions for events relating to Grantor's potential default and cures therefore pursuant to Section 2.6;

Article 4 of the Agreement identifies certain registered Intellectual Property transferred from Secured Party, as Seller, to Grantor, as Purchaser, under the terms of the Agreement pursuant to Section 4.8(a) (including Schedule 4.8);

Article 4 of the Agreement includes assignment of registered Intellectual Property from Secured Party, as Assignor, to Grantor, as Assignee, pursuant to that certain Patent Assignment of even date herewith, in the form attached as Exhibit E-1 to the Agreement (the "Patent Assignment"); and

This Security Interest and Conditional Assignment Agreement ("SICA") is an integral part of the Agreement.

NOW THEREFORE, Grantor and Secured Party hereby agree as follows:

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Patent SICA  
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A.O.  
Grantor's Initials

[Signature]  
Secured Party's Initials

[Signature]  
Conditional Assignee's Initials

1. All terms defined in the Agreement retain their definitions in this SICA.

2. Grant of Security Interest

(a) As collateral security for the prompt and complete payment of the Purchase Price (including without limitation, Grantor's Guaranteed Payment obligations under Section 2.1(d) of the Agreement and Grantor's obligations under the Promissory Note evidencing a portion of the Purchase Price payable under the Agreement), Grantor hereby grants to Secured Party a security interest as security in and to Grantor's entire rights, titles, and interests in the patents described in the Patent Assignment (collectively, the "Patents"), presently meaning the following:

<u>COUNTRY</u>	<u>FILED</u>	<u>SERIAL#</u>	<u>ISSUED</u>	<u>PATENT#</u>	<u>STATUS</u>
UNITED STATES	04/30/2010	29/360,862	10/26/2010	D626,293	ISSUED
CHINA	10/29/2010	201030583228.0	09/07/2011	ZL 2010 3 0583228.0	ISSUED
EUROPE	10/29/2010	001242747-0001	12/01/2010	001242747-0001	ISSUED

(b) Secured Party shall promptly deliver or file such instruments and documents and take such further actions to perfect, continue the perfection or maintain the priority of Secured Party's security interest (collectively, the "Perfection Actions") in the registered Intellectual Property, subject to the provisions of Sections 4.6(b) and 4.8(f) of the Agreement.

(c) Grantor shall: (i) use commercially reasonable efforts to maintain the validity and enforceability of the Patents; and (ii) not allow any Patents to be abandoned, forfeited, or dedicated to the public without the written consent of Secured Party, which shall not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment or forfeiture is appropriate.

(d) This Agreement creates in favor of Secured Party a valid and perfected first priority security interest in the Patents to secure the payment of the Purchase Price under the Agreement, other than any lien or security interest covering all or substantially all of Grantor's assets that Grantor is required to grant in connection with any third party commercial loan,

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A.O.  
Grantor's Initials

[Signature]  
Secured Party's Initials

[Signature]  
Conditional Assignee's Initials

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factoring arrangement or similar financing of its business originated in good faith for value (the "Commercial Lender Rights").

- (e) Except with respect to Commercial Lender Rights or in the ordinary course of business, including license agreements to third parties, Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party, any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Patents acquired under such contracts.
- (f) Within five (5) business days following Grantor's receipt of a Late Payment Notice, Grantor will notify Secured Party in writing, with respect to the most current listing of patents in the Patent Assignment, of any license agreements relating to any Patent, and of any known event that materially adversely affects the value of any Patent, the ability of Grantor to dispose of any Patent, or any known fact materially affecting the rights and remedies of Secured Party in relation thereto, including the levy of any legal process against any of the Patents.

3. Secured Party's Rights. Secured Party shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this SICA to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor. Grantor shall reimburse and indemnify Secured Party for all reasonable and necessary costs and reasonable and necessary expenses incurred in the reasonable exercise of its rights under this section, provided that Secured Party has made diligent efforts to first confer with Grantor concerning the exercise of those rights by Secured Party.

4. Further Assurances.

- (a) On a continuing basis, Grantor will reasonably assist Secured Party to make, execute, acknowledge, and deliver, and file and record in the proper filing and recording places all such instruments, including appropriate


financing and continuation statements and collateral agreements and filings with the relevant national, regional, and international patent offices and other appropriate parties to assist Secured Party in making the Perfection Actions.

- (b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time-to-time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable for the sole purposes of accomplishing this SICA, including: (i) to complete the Perfection Actions; and (ii) to update, upon written notice and in good faith, the Patent Assignment without first obtaining Grantor's approval of or signature to such modification, as appropriate, to delete any reference to any right, title, or interest in any Patents in which Grantor no longer has or claims any right, title, or interest.

5. Default.

- (a) In addition to any other remedies Secured Party may have available under the provisions of the Agreement or otherwise, any Event of Default not cured within the specific time limits provided for in the Agreement shall trigger conditionally and automatically an assignment from Purchaser/Grantor, who agrees to assign and does hereby assign under these provisions to Vinton Pacetti, individually, or his assignee, and such assets and the proceeds therefrom applied against Grantor's Purchase Price obligations under the Agreement, all rights, titles, and interests in and to the Patents listed in the Patent Assignment, as updated as of the trigger date.
- (b) In the event of a conditional and automatic assignment, Grantor's assignment shall have the same scope as the Patent Assignment, as amended, wherein Grantor is the Assignor and Vinton Pacetti, or his assignee, is the Assignee.

  
Grantor's Initials

  
Secured Party's Initials

  
Conditional Assignee's Initials

6. Counterparts. This SICA may be executed in one or more counterparts, and delivered by pdf attachment to email, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other party, it being understood that all parties need not sign the same counterpart.

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R.O.  
Grantor's Initials

[Signature]  
Secured Party's Initials

[Signature]  
Conditional Assignee's Initials

FOR GRANTOR:

Executed this 13<sup>th</sup> day of December, 2017 at San Diego, CA  
Number Month Year City State

Signature: [Handwritten Signature]

Printed Name: Robert Oppenheim

Title: President

Witness Signature: [Handwritten Signature]

Witness Printed Name: GREGORY WEISMAN

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

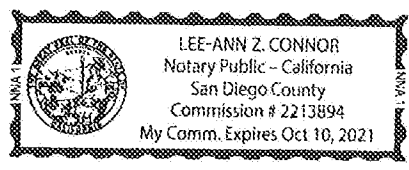
STATE OF CALIFORNIA §  
COUNTY OF SAN DIEGO §

On the 13th day of December, 2017, before me, Lee-Ann Z. Connor personally appeared Robert Oppenheim, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature] (SEAL)





FOR SECURED PARTY:

Executed this 13 day of 12, 2017 at San Diego, CA  
Number Month Year City State

Signature: [Handwritten Signature]

Printed Name: Vincent Paccetti

Title: Manager

Witness Signature: [Handwritten Signature]

Witness Printed Name: Stephanie L. Pfeff

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA §  
COUNTY OF SAN DIEGO §

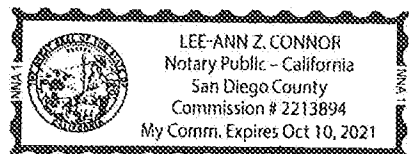
On the 13th day of December, 2017, before me, Lee-Ann Z. Connor personally appeared Vincent Paccetti, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]

(SEAL)



FOR CONDITIONAL ASSIGNEE:

Executed this 13 day of 12 2017 at SAN DIEGO, CA  
Number Month Year City State

Signature: [Handwritten Signature]

Printed Name: VICTOR PACETTI

Title: MANAGER

Witness Signature: [Handwritten Signature]

Witness Printed Name: Stephanie L. Pratt

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA §  
COUNTY OF SAN DIEGO §

On the 13th day of December, 2017, before me, Lee-Ann Z. Connor personally appeared Victor Pacetti, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]

(SEAL)

