

01-03-2003



102327424
RECORDATION COVER SHEET

12.30.02

TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New 12-30-02
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

State/Country

Zip Code

- Individual General Partnership Limited Partnership
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

01/02/2003 JJALLAH2 00000001 500444 75479369

FOR OFFICE USE ONLY

01 FC:4521 40.00 CH
02 FC:4522 100.00 CH

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="75479369"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75558146"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="2327923"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="2518980"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="2413423"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Bruce A. Harris, Esq.



11/27/06

Name of Person Signing

Signature

Date Signed

COLLATERAL ASSIGNMENT OF PATENTS AND TRADEMARKS

This COLLATERAL ASSIGNMENT OF PATENTS AND TRADEMARKS is made this 24th day of December, 2002, by THE CHALLENGE PRINTING CO., INC., a corporation of the State of New Jersey with its principal office located at 8 Hathaway Street, Wallington, New Jersey 07057 (the "Debtor"), in favor of WACHOVIA BANK, NATIONAL ASSOCIATION, having an address at 190 River Road, Summit, New Jersey 07901 (the "Bank").

RECITALS:

WHEREAS, the Debtor owns the entire right, title, and interest in and to the Patents and Trademarks (as each is defined below) ; and

WHEREAS, the Bank has made certain loans, advances, extensions of credit or other financial accommodations to the Debtor pursuant to a certain Letter of Credit and Reimbursement Agreement dated as of December 1, 2002 (as the same may hereafter be modified, amended or supplemented, the "Reimbursement Agreement") and pursuant to the Prior Loans. All capitalized terms used herein and not specifically defined herein shall have the meanings ascribed to them in the Reimbursement Agreement; and

WHEREAS, pursuant to the Security Agreement dated December 24, 2002 from Debtor to Bank (the "Security Agreement") and hereunder the Debtor has granted to the Bank a security interest in (a) the patents, patent applications and patent licenses set forth in **Schedule I** annexed hereto (collectively, the "Patents"), which the Debtor hereby represents includes all correct and complete information concerning any patent, patent application and patent license in which it has any beneficial interest, and:

- (i) all other extant letters patent of the United States or any other country or political subdivision, all formulations, inventions, registrations and recordings thereof in the United States or any other country or political subdivision, all applications for letters patent of the United States or any other country or political subdivision (the "Future Patents"), including, without limitation, all formulations, inventions, registrations, recordings and applications in the United States Patent and Trademark Office or any other country or political subdivision; (ii) all reissues, continuations, divisions, continuations in part or extensions of any of the foregoing; (iii) all formulations and inventions disclosed and claimed therein, including all improvements thereto and the right to make, use and/or sell the formulations and inventions disclosed and claimed therein; (iv) the right to sue for past, present and future infringement of any of the foregoing; (v) any written agreement executed or to be executed by the Debtor granting to any third party any right to practice any formulation and/or invention disclosed or claimed in a patent, now or hereafter held by the Debtor, or granting to the Debtor any right to practice any formulations and/or inventions disclosed and claimed in a patent now or hereafter owned by any third party; and (vi) any claim of the Debtor against third parties for past, present or infringement of any patent or patent license, and

any and all other amounts from time to time paid or payable in connection with any of the foregoing, and any and all other proceeds of the foregoing;

and (b) the trademarks, trademark registrations and trademark applications set forth in **Schedule II** annexed hereto (collectively, the "Trademarks"), which the Debtor hereby represents includes all correct and complete information concerning any trademark, trademark registration, and trademark application in which it has any beneficial interest, and:

- (i) all other trademarks, trademark registrations and trademark applications (the "Future Trademarks"), and all of the goodwill of the business connected with the use of, and symbolized by, each trademark, trademark registration and trademark application, including, without limitation each trademark, trademark registration and trademark application referred to in **Schedule II** annexed hereto;
- (ii) each trademark license, including, without limitation, each trademark license listed in **Schedule II** annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each trademark licensed; and
- (iii) all products and proceeds of the foregoing, including, without limitation, any claim by the Debtor against third parties for past, present or future unfair competition, violation of intellectual property rights, or infringement or dilution of any trademark or trademark registration, including, without limitation any trademark or trademark registration referred to in **Schedule II** annexed hereto, and any trademark licensed under any trademark license, including, without limitation, any trademark license listed in **Schedule II** annexed hereto, or for unfair competition with or injury to any trademark, trademark registration or trademark licensed under any trademark license or the goodwill associated with any of the foregoing;

(collectively, the "Collateral") to secure any and all Obligations of the Debtor to the Bank set forth in the Reimbursement Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Debtor hereby agrees:

1. Assignment. In order to secure the prompt payment, and observance of the Obligations, the Debtor does hereby collaterally assign to the Bank any and all of its rights in the Collateral. It is expressly understood and agreed that the collateral assignment hereunder is in addition to, and not in replacement of, the security interests in the General Intangibles granted under the Security Agreement, and the Debtor hereby acknowledges and affirms such grant of security interest in favor of the Bank.

2. Debtor's Covenants. The Debtor hereby agrees and covenants:

- (a) Validity; Actions. The Debtor has notified the Bank in writing of (i) all prior licenses, conveyances and transfers of which it is aware and which are in effect and (ii) all suits pending, or litigation threatened, of which the Debtor has actual knowledge, in each case which relate in any way to any of the Patents and Trademarks. The Debtor (either itself or through licenses) will, for each Patent and Trademark and all Future Patents and Future

Trademarks, take reasonable steps to ensure that the Debtor does not knowingly do any act, or knowingly omit to do any act, whereby any Patent or Trademark or Future Patent or Future Trademark may become invalidated or dedicated, and shall continue to mark any products covered by a Patent or Future Patent with the relevant patent number as required by the patent laws. Notwithstanding the foregoing, provided that no Event of Default shall have occurred and be then continuing, the Debtor may abandon any Collateral that the Debtor deems to be worthless or of little value (collectively, the "Abandoned Collateral"), provided, however, the Debtor shall provide the Bank with notice of the same, and in the event that the Debtor in any way receives any payments or proceeds received in excess of \$1,000,000 in connection with any such Abandoned Collateral, such amounts shall be immediately paid to the Bank as mandatory prepayments of the Obligations in accordance with the provisions of the Loan Documents.

(b) Notification. The Debtor shall deliver to the Bank at least annually at the time of the delivery of its financial statements during the term of the Reimbursement Agreement, (i) a written report of the status of each part or item of the Collateral, detailing (x) for any newly acquired patents and trademarks, the nature thereof and the status or any applications for registration thereof, (y) for existing Patents and Trademarks, (A) the status of any applications for renewal or extension of the registration thereof and (B) any information regarding the abandonment or dedication of the same, and (z) any other determination or development regarding the ownership of any of the Patents and Trademarks and Future Patents and Future Trademarks and the Debtor's right to register the same, or to keep and maintain the same, including, but not limited to, the commencement of, or any development in, any litigation or proceeding affecting the Debtor in the United States Patent and Trademark Office or any court and (ii) a certificate substantially in the form of **Exhibit A** attached hereto executed by a Responsible Officer, as to the quality of products associated with the Patents and Trademarks and Future Patents and Future Trademarks. In addition, the Debtor shall notify the Bank within thirty (30) days of its acquisition and registration of any new patents and trademarks.

(c) Filings. The Debtor will file new applications to register and protect under applicable law all patents and trademarks developed or acquired by the Debtor but for which applications have not been previously filed and to take all other actions necessary to cause registrations for such patents and trademarks to be issued as a result of said applications. To effectuate the same, the Debtor will file new applications to register and protect under applicable law all patentable inventions acquired by the Debtor but for which applications have not been previously filed and to take all other actions necessary to cause all patents to be issued as a result of such applications. In no event shall the Debtor, either itself or through any agent, employee, licensee or the designee, file an application for any Future Patent or Future Trademark with the United States Patent and Trademark office, unless it timely executes, delivers and files for record, at its expense, in the United States Patent and Trademark office, notice of this security interest in favor of the Bank in the form required by and acceptable to the Bank.

(d) Maintenance. Subject to Section 2(A) with respect to Abandoned Collateral, the Debtor will take all steps reasonably necessary in any proceeding before the United States Patent and Trademark office to maintain and pursue each application relating to the Patents and Trademarks and all Future Patents and Future Trademarks, which are or may become a part of the Collateral or may become subject to the Security Agreement (and to obtain the relevant grant or registration) and to maintain each registration of all such Patents and

Trademarks and Future Patents and Future Trademarks for the full term or terms permitted by law, including, without limitation, appropriate filing of applications for renewal, affidavits of use, affidavits of incontestability and maintenance fees, and where appropriate, to initiate opposition, interference and cancellation proceedings against third parties.

(e) Infringement, Misappropriation or Dilution. Subject to Section 2(A) with respect to Abandoned Collateral, the Debtor will protect the Collateral from infringement, unfair competition, misappropriation, dilution and/or damage. In the event that the Debtor believes that any Collateral has been infringed, misappropriated or diluted by a third party, the Debtor shall promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral, including the defense of any legal actions making such claims.

(f) Validity. The Debtor has notified the Bank in writing (i) of all prior licenses, conveyances and transfers of which it is aware and which are in effect, and (ii) of all suits pending, or litigation threatened of which the Debtor has actual knowledge which relate in any way to any of the Collateral.

3. Acknowledgement of- Rights and Remedies. The Debtor does hereby further acknowledge, affirm and consent and agree to the rights and remedies of the Bank with respect to the assignment of, and grant of security interests in, the Collateral made and granted hereunder and more fully set forth in the Security Agreement, the terms and provisions of which are fully incorporated herein by reference as if set forth herein. Without limiting the generality of the foregoing, the Bank has the following rights and remedies upon the occurrence and during continuance of an Event of Default under the Security Agreement:

- (i) To ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any license and, in the name of the Debtor or its own name or as otherwise deemed appropriate by the Bank for the purpose of collecting any and all such moneys due under any license whenever payable;
- (ii) To pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Assignment of Patents and Trademarks or the Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and
- (iii) (A) to direct any party liable for any payment under any of the licenses to make payment of any and all moneys due and to become due thereunder directly to the Bank or as the Bank shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in

respect of any Collateral; (D) to defend any suit, action or proceeding brought against the Debtor or any of its affiliates or licensees with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Bank may deem appropriate; and (F) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Bank were the absolute owner thereof for all purposes, and to do, at Bank's option all acts and things which the Bank deems necessary to protect, preserve or realize upon the Collateral and Bank's security interest therein, in order to effect the intent of this Assignment of Patents and Trademarks, all as fully and effectively as the Debtor might do.

4. Termination of Assignment. Upon the final and indefeasible payment in full of all of the Obligations (including but not limited to indemnity obligations of the Debtor under the Reimbursement Agreement and the other Loan Documents), this Assignment of Patents and Trademarks shall terminate and be void and of no further force or effect and all rights in the Patents and Trademarks shall be reassigned to the Debtor. At such time the Bank will provide to the Debtor, at the Debtor's expense, all release and reassignment documents and agreements reasonably requested by the Debtor, including without limitation all documents necessary to evidence such reassignment in the United States Patent and Trademark Office.

5. No Waiver: No Obligation of the Bank. (A) The failure of the Bank to exercise any right granted to it under this Assignment of Patents and Trademarks shall not be, nor shall it be construed to be, a waiver thereof and shall not bar the Bank from continuing to exercise such rights in the future.

(B) The Bank shall have no obligations as to the Collateral, including but not limited to taking any steps toward renewing any registrations of the Collateral or taking any action to defend any of the Collateral from any claims from infringement, unfair competition, misappropriation, dilution or damage or otherwise.

6. Governing Law. Except to the extent that federal law preempts the construction hereof, this Assignment of Patents and Trademarks shall be governed by, and construed and interpreted in accordance with the laws of the State of New Jersey applicable to contracts made and performed in such State (without giving effect to conflict of laws principles).

7. Severability. The terms of this Assignment of Patents and Trademarks are severable. If any term hereof shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms.

8. Further Assurances. The Debtor agrees to execute any and all such documents and certificates, take such actions and make such filings and registrations as may be necessary (in the reasonable discretion of the Bank) to effect the terms hereof.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Assignment of Patents and Trademarks as of the date hereinabove written.

ATTEST:

THE CHALLENGE PRINTING CO., INC.

By: *James R. [Signature]*
Name:
Title:

By: *Theodore Sasso*
Theodore Sasso
President

**Schedule I
The Patents**

Patent: Zipper Design Dead-Back label
Issued: 10/15/1991
Patent #: 5,056,827

Patent: Self Guiding Mechanism for Outset Folding Machine
Issued: 01/02/1996
Patent #: 5,480,370

Patent: Self Adhesive label with Detachable Sticker
Issued: 09/28/1999
Patent #: 5,958,536

**Schedule II
The Trademarks**

Trademark: Horse Logo in classes 16, 35, 40, 42
Issued: 03/14/2000
Trademark Registration #: 2,327,923
Serial #: 75/479,360

Trademark: The Challenge Printing Company and Horse Logo
Issued: 12/18/2001
Trademark Registration #: 2,518,980
Serial #: 75/478,515
and
Issued: 12/19/2000
Trademark Registration #: 2,413,423

Trademark: The Challenge Printing Company
Issued: 12/2000
Serial #: 75/479,369

Trademark: PATIENTDIRECT Service Mark in class 42
Issued: 05/1999
Serial #: 75/558,146

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
) SS.:
COUNTY OF MORRIS)

BE IT REMEMBERED, that on this 20th day of December, 2002, before me, a Notary Public of the State of NEW JERSEY, personally appeared THEODORE SASSO, the President of THE CHALLENGE PRINTING CO., INC., who, I am satisfied is the person who signed the within Instrument, and I having first made known to him the contents thereof, he thereupon acknowledged that the said Instrument made by the corporation ~~and sealed with its corporate seal~~, was signed, ~~and sealed with the corporate seal~~ and delivered by him as such officer and is the voluntary act and deed of the corporation, made by virtue of authority from its Board of Directors.

Luella King
Attorney at Law
State of New Jersey

SPECIAL POWER OF ATTORNEY

STATE OF NEW JERSEY)
)SS.:
COUNTY OF MORRIS)

KNOW ALL MEN BY THESE PRESENTS, that THE CHALLENGE PRINTING CO., INC., a corporation of the State of New Jersey with its principal place of business at 8 Hathaway Street, Wallington, New Jersey 07057 (“Debtor”), hereby irrevocably appoints WACHOVIA BANK, NATIONAL ASSOCIATION, having a place of business at 190 River Road, Summit, New Jersey 07901 (“Secured Party”), under a Security Agreement of even date, between Debtor and Secured Party, (as the same may hereafter be modified, amended or supplemented, the “Security Agreement”) and its successors and assigns as such and each officer thereof, its true and lawful attorney, upon the occurrence of an Event of Default (as defined in the Security Agreement) which is then continuing, with full power of substitution, to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instruments of assignment, or other papers which Secured Party, in its sole discretion, deems necessary or advisable for the purpose of assigning, selling or otherwise disposing of all right, title and interest of Debtor in and to any Patents and Trademarks listed in **Schedules I and II** and all Future Patents and Future Trademarks and registrations and recordings relating thereof and pending applications therefor and all other Collateral (as defined in the Assignment of Patents and Trademarks of even date herewith), and for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.
2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its sole discretion, deems necessary or advisable to further the purposes described in paragraph 1 above.

This Power of Attorney is made pursuant to the Assignment of Patents and Trademarks of even date and the Security Agreement and may not be revoked until the indefeasible payment in full of all “Obligations,” as such term is defined in the Reimbursement Agreement.

Dated: December 24, 2002

ATTEST:

THE CHALLENGE PRINTING CO., INC.

By: Samuel R. Cooperman
Name:
Title:

By: Theodore Sasso
Theodore Sasso
President

Sworn and subscribed to
me this [20]th day of December, 2002

Russell D. King
Attorney at Law
State of New Jersey

CERTIFICATE

The undersigned Responsible officer of THE CHALLENGE PRINTING CO., INC., a New Jersey corporation (the "Borrower"), DOES HEREBY CERTIFY to WACHOVIA BANK, NATIONAL ASSOCIATION (the "Bank") that the quality of the products associated with the Patents and Trademarks listed in **Schedules I and II** of the Assignment of Patents and Trademarks dated December __, 2002 (as the same may hereafter amended, modified or supplemented, the "Agreement") and the Future Patents and Future Trademarks described in the Agreement, has been maintained at a level consistent with the quality of such products at the time of the execution of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, this __ day of _____, ____.

THE CHALLENGE PRINTING CO., INC.

By: _____
Name:
Title: