

To the Honorable Commissioner

102396222

attached original documents or copy thereof.

1. Name of conveying party(ies): API Foils, Inc.
3-17-03
 Individual Association
 General Partnership Limited Partnership
 Corporation-State
 Other

2. Name and address of receiving party(ies):
Name: HSBC Business Credit (USA) Inc.
Internal Address: _____
Street Address: 452 Fifth Avenue, Nineteenth Floor
City: New York State: NY ZIP: 10018

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other
Execution Date: March 7, 2003

Individual(s) citizenship
 Association
 General Partnership-
 Limited Partnership
 Corporate-State
 Other
If assignee is not domiciled in the United States, a domestic representative Designation is attached: Yes No
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
Additional numbers attached? Yes No

B. Trademark registration No.(s): 2,312,299; 2,317,046; 1,886,501; 1,881,079; 1,627,884; 1,029,359; 1,095,176; 1,014,905; 1,004,994

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Betsy P. Stein
Internal Address: Stradley Ronon Stevens & Young, LLP
Street Address: 2600 One Commerce Square
City: Philadelphia State: PA ZIP: 19103-7098

6. Total number of applications and registrations involved: 9
7. Total fee (37 CFR 3.41):..... \$ \$240.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
NOT APPLICABLE
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

6. 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.
Betsy P. Stein _____ March 11, 2003
Person Signing Signature Date

Total number of pages comprising cover sheet: 1

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

03/20/03 ECOOPER 00000244 2312299

01 FC:3521 40.00 DP
02 FC:3522 200.00 DP

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of March 7, 2003, is made by API FOILS INC., a Delaware corporation ("Grantor"), in favor of HSBC BUSINESS CREDIT (USA) INC. (together with any successors and assigns, "Lender").

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement dated of even date herewith by and between Grantor and Lender (as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement"), Lender has agreed to make Advances for the benefit of Grantor; and

WHEREAS, Lender is willing to make the Advances as provided for in the Loan Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Lender this Intellectual Property Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. **DEFINED TERMS.** For purposes of this Intellectual Property Security Agreement the following terms shall have the following meanings:

"Copyright License" means rights under any written agreement now owned or hereafter acquired by any Person granting the right to use any Copyright or Copyright registration.

"Copyrights" means all of the following now owned or hereafter adopted or acquired by any Person: (i) all copyrights in any original work of authorship fixed in any tangible medium of expression, now known or later developed, all registrations and applications for registration of any such copyrights in the United States or any other country, including registrations, recordings and applications, and supplemental registrations, recordings, and applications in the United States Copyright Office; and (ii) all proceeds of the foregoing, including license royalties and proceeds of infringement suits, the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof.

"Patent License" means rights under any written agreement now owned or hereafter acquired by any Person granting any right with respect to any invention on which a Patent is in existence.

"Patents" means all of the following in which any Person now holds or hereafter acquires any interest: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or Territory thereof, or any other country; and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

“Person” means any individual, sole proprietorship, partnership, limited liability partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, entity or government (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof), and shall include such Person’s successors and assigns.

“Trademark License” means rights under any written agreement now owned or hereafter acquired by any Person granting any right to use any Trademark or Trademark registration.

“Trademarks” means all of the following now owned or hereafter adopted or acquired by any Person: (i) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered) all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or Territory thereof, or any other country or any political subdivision thereof; (ii) all reissues, extensions or renewals thereof; and (iii) all goodwill associated with or symbolized by any of the foregoing.

All capitalized terms used but not otherwise defined herein have the meanings given to them in the Loan Agreement.

2. **GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL.** To secure the complete and timely payment of all the Obligations of Grantor now or hereafter existing from time to time, Grantor hereby pledges and grants to Lender a continuing first priority security interest in all of Grantor’s right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the **“Intellectual Property Collateral”**):

(a) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;

(c) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;

(d) all reissues, continuations or extensions of the foregoing;

(e) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and

(f) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of

any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

3. **REPRESENTATIONS AND WARRANTIES.** Grantor represents and warrants that Grantor does not have any interest in, or title to, any registered or applied for United States Patent, Trademark or Copyright except as set forth in Schedule I, Schedule II and Schedule III, respectively, hereto (collectively, "US Collateral"). This Intellectual Property Security Agreement is effective to create a valid and continuing lien on and, upon the filing hereof with the United States Patent and Trademark Office and the United States Copyright Office and the filing of an appropriate financing statement with the Secretary of State of the State of Delaware, perfected security interests in favor of Lender in all of the US Collateral, and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantor. Upon filing of this Intellectual Property Security Agreement with the United States Patent and Trademark Office and the United States Copyright Office and the filing of an appropriate financing statement with the Secretary of State of the State of Delaware, all action necessary to perfect Lender's lien on the US Collateral shall have been duly taken.

4. **COVENANTS.** Grantor covenants and agrees with Lender that from and after the date of this Intellectual Property Security Agreement and until all Obligations of Grantor have been indefeasibly paid in full:

(a) Grantor shall notify Lender immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) material to Grantor's business or operations may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) In no event shall Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving Lender prior written notice thereof, and, upon request of Lender, Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Lender) to evidence Lender's lien on such Patent, Trademark or Copyright, and the General Intangibles of Grantor relating thereto or represented thereby.

(c) Grantor shall take all actions necessary or requested by Lender to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents or Trademarks (now or hereafter existing) material to Grantor's business or operations, including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(d) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party, Grantor shall notify Lender promptly after Grantor learns thereof. Grantor shall, unless (i) it shall reasonably determine that such Intellectual Property Collateral is in no way material to the conduct of its business or operations or (ii) upon consultation with and consent of Lender, it shall determine in its reasonable business judgment that it is not advisable to do so, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Lender shall deem appropriate under the circumstances to protect such Intellectual Property Collateral.

5. **SECURITY AGREEMENT.** The security interests granted pursuant to this Intellectual Property Security Agreement are granted in conjunction with the security interests granted to Lender pursuant to the Loan Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Lender with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

6. **REINSTATEMENT.** This Intellectual Property Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. **NOTICES.** Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Intellectual Property Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Loan Agreement.

8. **TERMINATION OF THIS SECURITY AGREEMENT.** Subject to Section 6 hereof, this Intellectual Property Security Agreement shall terminate upon the indefeasible payment in full of all Obligations of Grantor.

9. **MATERIALITY.** Unless Lender shall otherwise agree in writing, any Patent, Trademark or Copyright set forth on Schedule I, Schedule II or Schedule III, respectively, hereto shall be deemed for purposes of this Intellectual Property Security Agreement to be "material" to Grantor's business or operations.

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

API FOILS INC.

By: 

Name: Donald E. Kneir

Title: President

ACCEPTED AND ACKNOWLEDGED:

HSBC BUSINESS CREDIT (USA) INC.

By: _____

Name: Jimmy Schwartz

Title: Vice President

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

API FOILS INC.

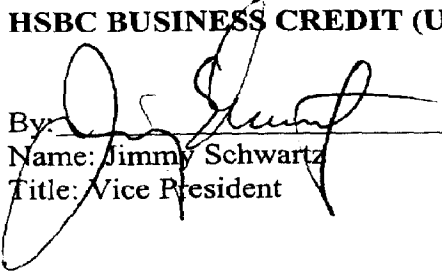
By: _____

Name: Donald E. Kneir

Title: President

ACCEPTED AND ACKNOWLEDGED:

HSBC BUSINESS CREDIT (USA) INC.

By:  _____

Name: Jimmy Schwartz

Title: Vice President

SCHEDULE I
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. PATENTS

None.

II. PUBLISHED PATENT APPLICATIONS

None.

III. PATENT LICENSES

None.

S-I



Doc. #650013v.6


1-NY/1563861.1

TRADEMARK
REEL: 002696 FRAME: 0270

SCHEDULE II
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. TRADEMARK REGISTRATIONS

Mark	Reg. No./Reg. Date
HOLOTRANS	2,312,299 January 25, 2000
HOLOTRANS	2,317,046 February 8, 2000
	1,886,501 March 28, 1995
ASTOR UNIVERSAL	1,881,079 February 28, 1995
HOLOFOIL	1,627,884 December 18, 1990
CSI	1,029,359 January 9, 1976
	1,095,176 July 4, 1978
DRI-PRINT FOILS	1,014,905 July 1, 1975

	1,004,994 February 18, 1975
---	--------------------------------

II. TRADEMARK APPLICATIONS

None.

III. TRADEMARK LICENSES

Trademark License from API Group plc to API Foils Inc. dated as of March 7, 2003.

SCHEDULE III
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. COPYRIGHT REGISTRATIONS

None.

II. COPYRIGHT APPLICATIONS

None.

III. COPYRIGHT LICENSES

None.

S-II

Doc. #650013v.6

RECORDED: 03/17/2003

TRADEMARK
REEL: 002696 FRAME: 0273