

10-19-2006

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30/2008)



U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

REC 103323780
TRADEMARKS ONLY

2006 OCT 16 PM 2:26

FINANCE SECTION

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

10-16-06

1. Name of conveying party(ies):

J.M. Products, Inc.

- Individual(s)
- General Partnership
- Corporation- State: Arkansas
- Other _____
- Association
- Limited Partnership

Citizenship (see guidelines) Arkansas, USA

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) June 30, 2006

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Bank of America, N.A.

Internal

Address: NC 1-014-13-02

Street Address: 200 South College St., 13th Floor

City: Charlotte

State: North Carolina

Country: USA Zip: 28255

- Association Citizenship USA
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other _____ Citizenship _____

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)
78782463

B. Trademark Registration No.(s) 2028151, 1352315, 1801817, 1897246, 2546734, 2690507

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

Isoplus Additions, Black Magic, Isoplus, Isoplus HOT HOT HOT Curler, Isoplus Preplus, Isoplus Prosystems, Isoplus Natural Remedy

5. Name & address of party to whom correspondence concerning document should be mailed:

Name: Margaret A. Johnston

Internal Address: Mitchell, Williams, Selig, Gates and Woodyard, P.L.L.C.

Street Address: 425 W. Capitol Ave., Suite 1800

City: Little Rock

State: Arkansas Zip: 72201

Phone Number: (501) 688-8870

Fax Number: (501) 918-7870

Email Address: mjohnston@mwsgw.com

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 190⁰⁰

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature: Margaret A. Johnston
Signature

10/11/06
Date

Margaret A. Johnston

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 7

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, VA 22313-1450

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40.00 DP
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10/18/2006 DB100E
01 FC: 0521
02 FC: 0522

TRADEMARK
REEL: 003412 FRAME: 0878

INTELLECTUAL PROPERTY SECURITY INTEREST AGREEMENT

The undersigned, **J. M. Products, Inc.**, an Arkansas corporation ("Debtor"), having its offices at 2501 S State Street, Little Rock, Arkansas 72206 for value received, hereby grants unto **Bank of America, N.A.**, having offices at NC 1-014-13-02, 200 South College Street, 13th Floor, Charlotte, North Carolina 28255 ("Creditor") a security interest in:

- (a) the United States trademarks, trademark applications and trademark registrations owned by Debtor and necessary to the operation of Debtor's business including but not limited to those federal registrations and applications on the Principal Register of the United States Patent and Trademark Office ("USPTO") for the goods and/or services identified therein listed on Exhibit I hereto;
- (b) all applications and registrations of the trademarks owned by Debtor in any state of the United States and any foreign countries or localities;
- (c) all trade names owned by Debtor;
- (d) all elements of package or trade dress of goods owned by Debtor;
- (e) the goodwill of Debtor's business connected with and symbolized by the above-mentioned trademarks, trade names and package or trade dress; and
- (f) all copyrights, patents, secrets or other formulae, secrets or other processes, compounds, recipes, know-how and methods relating to: (i) the manufacture of products under or in connection with the above-mentioned trademarks, trade names and package or trade dress; or (ii) any other products manufactured by Debtor.

The indicated assets enumerated in sub-paragraphs (a) through (f) herein are collectively called the "Collateral". This Intellectual Property Security Agreement (the "Agreement") also applies to the proceeds of such Collateral.

Provided, however, that nothing herein contained shall relieve the Debtor from the performance of any covenant, agreement or obligation on the Debtor's part to be performed under any license or franchise agreement presently in effect or hereafter entered into by the Debtor licensing the use of the Collateral or any part thereof or from any liability to any licensee under any such license or franchise agreement or other party or impose any liability on Creditor for the acts or omissions of the Debtor in connection with any such license or license agreement. Provided further that this Agreement will not relate to or affect any of Debtor's trademark applications based on intent-to-use the marks until after such time as an Amendment to Allege Use or State of Use is filed and accepted by the Patent and Trademark Office and the marks are actually used in commerce.

1. **INDEBTEDNESS SECURED:** This Agreement secures the Debtor's obligations ("Obligations") under (a) an Amended and Restated Promissory Note of even date herewith in the maximum principal amount of \$5,000,000.00 (the "Facility No. 1 Note"); (b) an Amended and Restated Promissory Note of even date herewith in the original principal amount of \$4,025,000.00 (the "Facility No. 2 Note"); (c) a Loan Agreement dated January 7, 2005, as amended by Amendment No. 1 to Loan Agreement dated January 21, 2005, by Amendment No. 2 to Loan Agreement dated October 6, 2005, and by a Third Amendment To Loan Agreement of even date herewith ("Loan Agreement") and (d) all other documents related thereto to which the

Debtor is or is to be a party. This Agreement shall continue in full force and effect until terminated in accordance with the provisions of paragraph 9 hereof. The Debtor hereby represents and warrants that listed on Exhibit II hereto is a completed and accurate list of the names and addresses of each party to whom any part of the Collateral has been licensed, if any, the date of the applicable license agreement with such party, the term thereof and the royalty or royalties paid or payable thereunder, and agrees that it will not grant any other license for any of the Collateral without the prior written consent of Creditor.

2. REPRESENTATION AND WARRANTIES: The Debtor hereby represents and warrants that, except for the security interest granted to Creditor hereby, the Debtor is the owner of all Collateral, free and clear of all liens, charges, encumbrances, set-offs, defenses and counterclaims of whatsoever kind or nature and has made and will make no assignment, pledge, mortgage, hypothecation or transfer of any Collateral or of the proceeds thereof; that the execution and delivery of this instrument will not conflict with or contravene any contractual restriction binding on the Debtor, including any license agreement relating to the Collateral or any part thereof; that, except as heretofore disclosed to Creditor in writing, there are no legal actions or administrative proceedings pending or threatened before any court or administrative agency involving the Collateral, or any part thereof; and that the Debtor will defend its title to the Collateral against the claims of all persons whatsoever.

3. USE AND OWNERSHIP PRIOR TO DEFAULT: Unless and until an Event of Default shall occur and be continuing, the Debtor shall retain the legal and equitable title to the collateral, and shall have the right to use and register the Collateral in the ordinary course of the business of the Debtor, but shall not be permitted to sell, assign, transfer or otherwise encumber the Collateral or any part thereof; *Provided, however*, that nothing herein contained shall prohibit Debtor from failing to renew or otherwise abandoning any item included within the Collateral, if in Debtor's good faith judgment, the retention of such item is not material to the proper conduct of Debtor's business, except that the Debtor shall not permit the expiration of registrations of trademarks in the United States Patent and Trademark Office, listed in Exhibit I hereto, or any Application or Registration otherwise covered by this Agreement, without the prior written consent of Creditor, which consent shall not be unreasonably withheld. In the event Debtor does not receive authorization from Creditor at least one month before any action must be taken in order to register or maintain registration for the Mark, Creditor will be deemed to have acquiesced in and authorized Debtor to take appropriate action for the sole purpose of registering or maintaining registration of the Mark.

4. REMEDIES ON DEFAULT: Upon the occurrence of any event of default under the Facility No. 1 Note, the Facility No. 2 Note, the Loan Agreement or any document related thereto and the acceleration of the Facility No.1 Note and/or the Facility No. 2 Note, Creditor shall be entitled to exercise in respect to the Collateral all of the rights and remedies available to a secured party upon default under the Uniform Commercial Code ("UCC") at that time, and, in addition thereto, the rights and remedies provided for herein and such other rights and remedies as might be provided for by law.

(a) In the event of sale of the Collateral, or any part thereof, Creditor shall give the Debtor reasonable notice of the time and place of any public sale thereof or of the time and place of any private sale or that any other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice of the sale or other intended disposition is mailed, by Creditor, postage prepaid, to the Debtor at its address set forth on the first page hereof or such

other address as the Debtor may by notice have furnished Creditor in writing for such purpose, at least ten (10) days prior to the time of such sale or other intended disposition.

(b) If the Debtor shall fail to do any act or thing which it has covenanted to do hereunder or any representation or warranty of the Debtor shall be breached, Creditor may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach and there shall be added to the liability of the Debtor hereunder the cost or expense incurred by Creditor in doing so, and any and all amounts expended by Creditor in taking any such action shall be repayable to it upon its demand to the Debtor thereof and shall bear interest at the same rate which would apply to such amounts if they were advances under the Loan Agreement, from and including the date advanced to the date of repayment.

(c) Debtor will, in the event of a sale, duly execute and acknowledge all documents necessary or advisable to record title to the Collateral in the name of the purchaser, including valid, recordable assignments of any and or all trademark registrations listed in Exhibit I hereof. In the event that Debtor should then fail or refuse to execute and deliver any or all documents necessary or advisable to record title to the Collateral in the name of the purchaser, Debtor does hereby irrevocably appoint Creditor its attorney-in-fact to execute any or all of such documents on Debtor's behalf. Additionally, Debtor shall provide Creditor with an undated executed assignment of all of the trademark registrations listed in Exhibit I hereof which Creditor shall be entitled, but not required, to file upon any default under any of the loan documents.

5. APPLICATION OF PROCEEDS: All proceeds of Collateral shall be applied as follows:

First: to the payment of all expenses incurred by Creditor in connection with such sale, including but not limited to, the expenses of advertising the Collateral to be sold, all court costs and the reasonable fees of counsel to Creditor in connection therewith, and to the repayment of all advances made by Creditor hereunder for the account of the Debtor and the payment of all costs and expenses paid or incurred by Creditor in connection with this Agreement of the exercise of any right or remedy hereunder, to the extent that such advances, costs and expenses shall not theretofore have been reimbursed to Creditor; and

Second: to the payment in full of the Obligations, any surplus to be paid to the Debtor, its successors or assigns, or as a court of competent jurisdiction may direct.

6. PURCHASERS OR COLLATERAL: Upon any sale of Collateral by Creditor hereunder (whether under power of sale herein granted, pursuant to judicial process or otherwise), the receipt of Creditor or the officer making the sale shall be sufficient discharge to the purchaser or purchasers of the Collateral as sold and such purchaser or purchasers shall not be obligated to see the application of any part of the purchase money paid over to Creditor or such officer or be answerable in any way for the misapplication or non-application thereof.

7. INDEMNITY: The Debtor agrees to indemnify and hold harmless Creditor from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever kind or nature, and to reimburse Creditor for all costs and expenses, including attorney's fees, growing out of or resulting from this Agreement, or the exercise by Creditor of any right or remedy granted to it hereunder. In no event shall Creditor be liable for any matter or thing in connection with this Agreement, other than to account for monies actually received by it in accordance with the terms hereof.


8. FURTHER ASSURANCES: The Debtor agrees that it will join with Creditor in executing and, at its own expense, shall file and re-file under the UCC such financing statements, continuation statements and other documents in such offices as Creditor may deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve Creditor's security interest in the Collateral, and hereby authorizes Creditor to file financial statements and amendments thereto relative to all or any part of the Collateral without the signature of the Debtor where permitted by law, and agrees to do such further acts and things and execute and deliver to Creditor such additional conveyances, assignments, agreements and instruments as Creditor may require to deem advisable to carry into effect the purpose of this Agreement or to better assure and confirm unto Creditor its rights, powers and remedies hereunder.

9. TERMINATION: This Agreement, and the security interest of the Creditor hereunder, shall terminate when all indebtedness secured hereby has been fully paid and satisfied, at which time Creditor shall release to the Debtor Creditor's security interest in the Collateral and, if requested by the Debtor, shall execute and file in each office in which any financial statement or assignment relative to the Collateral, or any part thereof, shall have been filed, a termination statement, assignment or other appropriate instrument releasing Creditor's interest therein, all without recourse upon warranty by Creditor and at the cost and expense of the Debtor.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized officers as of this 26th day of September, 2006 to be effective as of June 30, 2006.

BORROWER:

J. M. PRODUCTS, INC.,
an Arkansas corporation

By: 
Thelma L. Joshua
Chief Executive Officer

BANK:

BANK OF AMERICA, N.A.


By: 
Name: Michael J. Hammond
Title: SVP

Exhibit I

United States Trademarks

<u>Registered Mark</u>	<u>Registration/ Serial Number</u>	<u>Registration/ Filing Date</u>
Black Magic	2028151	January 7, 1997
Isoplus	1352315	August 6, 1985
Isoplus Hot Hot Hot Curler	1801817	November 2, 1993
Isoplus Preplus	1897246	June 6, 1995
Isoplus Prosystems	2546734	March 12, 2002
Isoplus Natural Remedy	2690507	February 25, 2003
Isoplus Additions	78782463	December 29, 2005

Exhibit II

Licenses Granted