

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Dial-A-Mattress Operating Corp.		03/17/2009	CORPORATION: NEW YORK
1-800-Mattress Corporation		03/17/2009	CORPORATION: DELAWARE
Dial-A-Mattress International Ltd.		03/17/2009	CORPORATION: DELAWARE

**RECEIVING PARTY DATA**

Name:	Newco Trading LLC
Street Address:	175 Central Avenue South
City:	Bethpage
State/Country:	NEW YORK
Postal Code:	11714-4940
Entity Type:	LIMITED LIABILITY COMPANY: NEW YORK

**PROPERTY NUMBERS Total: 27**

Property Type	Number	Word Mark
Serial Number:	75618050	
Serial Number:	73762119	(212) M-A-T-T-R-E-S
Serial Number:	76290744	1-800-MATTRESS
Serial Number:	74108279	1-800-MATTRES, AND LEAVE OFF THE LAST STHAT'S THE S FOR SAVINGS
Serial Number:	77191658	1800MATTRESS.COM
Serial Number:	78483007	1-800-SU-COLCHON
Serial Number:	76308924	AMERICAN EXCELLENCE
Serial Number:	77159601	AMERICAN EXCELLENCE
Serial Number:	77215742	CALL CLICK COME IN
Serial Number:	73450411	DIAL A MATTRESS
Serial Number:	74156218	DIAL-A-MATTRESS
Serial Number:	74396264	DIAL-A-PEDIC

OP \$690.00 75618050

Serial Number:	73763315	DM DIAL A MATTRES
Serial Number:	78503762	HOW DID YOU SLEEP LAST NIGHT?
Serial Number:	78931113	HOW DID YOU SLEEP LAST NIGHT?
Serial Number:	76290769	LEAVE OFF THE LAST "S" FOR SAVINGS
Serial Number:	78957421	MATTRESS MENU
Serial Number:	78953466	MATTRESS MENU
Serial Number:	78071417	NATION'S PRIDE
Serial Number:	74112084	PHONE-A-MATTRESS
Serial Number:	78512825	SLEEP HAPPILY EVER AFTER
Serial Number:	74108222	THE BEDDING CONSULTANTS
Serial Number:	75596338	SLEEP CONSULTANTS
Serial Number:	77069615	1-800-MATTRESS.COM
Serial Number:	78511054	MATTRESS.COM
Serial Number:	78976682	MATTRESS.COM
Serial Number:	75131355	1-888-M-A-T-R-E-S-S

**CORRESPONDENCE DATA**

Fax Number: (212)986-0604  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: (212) 986-1116  
Email: pto@wolfblock.com  
Correspondent Name: WolfBlock LLP  
Address Line 1: 250 Park Avenue  
Address Line 2: Suite 1000  
Address Line 4: New York, NEW YORK 10177

ATTORNEY DOCKET NUMBER:	SLE020-256841
NAME OF SUBMITTER:	Amy F. Divino
Signature:	/Amy F. Divino/
Date:	03/23/2009

**Total Attachments: 9**

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**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") is made effective as of the 17<sup>th</sup> day of March, 2009 by and between DIAL-A-MATTRESS OPERATING CORP., 1-800-MATTRESS CORPORATION, and DIAL-A-MATTRESS INTERNATIONAL LTD. (jointly, severally, and collectively, "Assignors" and each individually, an "Assignor"), and NEWCO TRADING LLC ("Assignee").

**BACKGROUND**

A. In accordance with the terms of that certain Bridge Loan and Security Agreement of even date herewith by and among Assignors and Assignee (as the same may be amended, modified, supplemented, extended and/or renewed, the "Loan Agreement"), Assignee agreed to extend to Assignors a certain term loan in the original principal amount of [REDACTED] Dollars (\$ [REDACTED]), as evidenced by that certain Term Note dated as of the date hereof by Assignors in favor of Assignee.

B. The Loan Agreement provides, *inter alia*, that Assignors will grant to Assignee a security interest in all of Assignor's assets, including, without limitation, its domain names, patents, patent rights, patent applications, service marks, trademarks, service mark and trademark applications, tradenames, domain names, copyrights, licenses and attendant goodwill.

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Assignor agrees as follows:

1. **Incorporation of Loan Agreement.** The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

2. **Security Interest.**

(a) **Security Interest in Intellectual Property.** To secure the complete and timely payment and satisfaction of all Lender Indebtedness, each Assignor hereby collaterally assigns, mortgages, pledges and grants to Assignee a security interest in, with power of sale, to the extent permitted by law, all of such Assignor's right, title and interest in and to all of Assignor's intellectual property (whether registered or unregistered), together with all items and goodwill associated therewith, located both within and outside of the United States, whether now owned or presently existing and filed or hereafter acquired or arising and filed (items (i) through (vi) below, collectively, the "Intellectual Property") as follows:

(i) **Trademarks.** Service marks, trademarks, service mark and trademark registrations, tradenames, business names, trade dress, slogans, logos and designs,

service mark and trademark applications, and all goodwill attendant thereto, including, without limitation, the service marks, trademarks and applications listed on Exhibit "A", attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing service marks, trademarks, service mark and trademark registrations, service mark and tradenames and applications together with the items described in clauses (A)-(D), whether registered or unregistered, are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**").

(ii) Patents. Patents, utility models and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Exhibit "B", attached hereto and made a part hereof, and (A) the reissues, provisionals, re-examinations and invention disclosures, divisions, continuations, renewals, extensions and continuations-in-part thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**");

(iii) Copyrights. Copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by such Assignor, whether operational, under development or inactive, including all object codes, source codes, object codes, firmware, development tools, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts, files, records and data, all media on which any of the foregoing is recorded and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyrights, copyrights registrations and copyrights applications listed on Exhibit "C" attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (C) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**"); and

(iv) Licenses/Franchises. License and franchise agreements with any other party, whether such Assignor is a licensor or licensee, or franchisor or franchisee, as applicable, under any such license or franchise agreement, including, without limitation, the

licenses and franchises listed on Exhibit "D" attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by such Assignor and now or hereafter covered by such licenses and franchises (all of the foregoing is hereinafter referred to collectively as the "Licenses").

(v) Internet Domain Names. Internet domain names, websites and registrations listed on Exhibit "E" attached hereto and made a part hereof, together with the goodwill associated with such domain names (all of the foregoing is hereinafter referred to collectively as the "Domain Names").

(vi) Websites, Telephone, and Confidential Information. (a) websites; (b) telephone numbers including, but not limited to, "██████████"; and (c) confidential information and proprietary information including, without limitation, any idea, formula, algorithm, design pattern, invention, unpublished patent application, compilation, program, specification, data, device, methods, technique, process, customer lists, databases or other know-how that derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use, all of the foregoing listed on Exhibit "F" attached hereto and made a part hereof.

3. Restrictions on Future Agreements. Each Assignor agrees that until all Lender Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, no Assignor will, without Assignee's prior written consent, enter into any agreement (including, without limitation, any license or royalty agreement) which is inconsistent with such Assignor's obligations under this Security Agreement or the Loan Agreement, and each Assignor further agrees that 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 or enforcement of the rights of Assignee under this Security Agreement.

4. New Collateral. Each Assignor represents and warrants that the Collateral listed on Exhibits "A", "B", "C", "D", "E" and "F", respectively, constitute all of the Collateral now owned by such Assignor. If, before all Lender Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, any Assignor shall (a) obtain rights to any new patentable inventions, domain names, trademarks, service marks, trademark applications and/or registrations, tradenames, copyrights or licenses or any other items of Collateral, or (b) become entitled to the benefit of any patent or trademark or copyright application, trademark, trademark registration, service mark, tradename, copyright or license renewal, patent, or any other items of Collateral for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, such Assignor shall give to Assignee prompt written notice thereof, and the provisions of Section 2 above shall automatically apply thereto. Each Assignor hereby authorizes Assignee to modify this Security Agreement by amending Exhibit "A", "B", "C", "D", "E" and/or "F", as applicable, to include any future items of Collateral, as applicable, under Section 2 above or under this Section 4. Each Assignor hereby agrees to provide to Assignee such assignment or other documentation as Assignee may request to record Assignee's lien on such future Collateral.

5. Royalties; Term. Each Assignor hereby agrees that the use by Assignee of all items of Collateral as described herein shall be for collateral purposes only, and may not be used

by Assignee until and unless it becomes the owner thereunder by virtue of its rights hereunder, under the Loan Agreement and as provided by the Uniform Commercial Code as enacted in the State of New York (the "UCC"). Upon the exercise of such rights, the use shall be worldwide and without any liability for royalties or other related charges from Assignee to such Assignor. The term of the security interest granted herein shall extend until the earlier of (a) the expiration of each of the respective items of Collateral assigned hereunder, or (b) the date on which all Lender Indebtedness has been paid in full and the Loan Agreement is terminated.

6. **Assignee's Right to Inspect.** Assignee shall have the right, at any time and from time to time, to inspect each Assignor's premises and to examine each Assignor's books, records and operations, including, without limitation, each of Assignor's quality control processes. Each Assignor agrees (a) not to sell or assign its interest in, or grant any license under the Collateral, without the prior written consent of Assignee; (b) to maintain the quality of any and all products in connection with which the items of Collateral are used, consistent with quality of said products as of the date hereof; and (c) not to adversely change the quality of said products without Assignee's express written consent.

7. **Termination.** This Security Agreement is made for collateral purposes only. Upon payment in full of all Lender Indebtedness and termination of the Loan Agreement, Assignee shall execute and deliver to Assignors a termination of Assignee's security interest granted herein and all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignors full title to the Collateral, subject to any disposition thereof which may have been made by Assignee pursuant hereto.

8. **Duties of Assignors.** Each Assignor shall have the duty (a) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Lender Indebtedness shall have been paid in full and the Loan Agreement is terminated, (b) to make all federal applications on unpatented but patentable inventions and on all trademarks, service marks and copyrights in the U.S. Patent and Trademark Office and corresponding foreign government offices, and (c) to protect and preserve and maintain all rights in patent applications and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights. Any expenses incurred in connection with such applications shall be borne by Assignors. No Assignor will abandon any patent, trademark, service mark or copyright, or any pending patent, trademark, service mark or copyright application or any Collateral without the prior consent of the Assignee. In addition, each Assignor shall have the duty to (i) immediately apply for and register any unregistered Trademarks or Copyrights and, in connection therewith, notify Assignee of such filed application; provided that any costs and expenses of such filings shall be at the sole cost and expense of Assignors, and (ii) notify Assignee, in writing, of any actual or potential infringements relating to such Intellectual Property.

9. **Event of Default.** Upon the occurrence of an Event of Default, Assignee may, without further notice to or consent of Assignors, and in addition to all other rights and remedies available to Assignee, but subject to the rights of any lienholders previously disclosed to and having priority over Assignee (the "**Prior Lienholders**"), immediately record all assignments previously executed and delivered to Assignee by any Assignor and/or execute and record with all applicable offices (including, without limitation, the U.S. Patent and Trademark Office) an

absolute assignment to Assignee by Assignors of all rights, title and interest of each Assignor, in and to the Intellectual Property. Each Assignor hereby authorizes and agrees that Assignee may, through the power of attorney granted in **Section 14** hereof, upon the occurrence of an Event of Default irrevocably execute and deliver in such Assignor's name any and all such assignments and agreements and to take any and all other actions in such Assignor's name as Assignee shall deem reasonable or appropriate to transfer and convey all right, title and interest of such Assignor in and to the Intellectual Property to Assignee or any other person or entity selected by Assignee, in accordance with and subject to any restrictions under the UCC.

10. **Assignee's Right to Sue.** Subject to the rights of any Prior Lienholders, Assignee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce its rights to the Collateral, and any licenses thereunder, and, if Assignee shall commence any such suit, Assignors shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement and Assignors shall promptly, upon demand, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this **Section 10**.

11. **Waivers.** No course of dealing between any Assignor and Assignee, nor any failure to exercise, nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be 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 Security Agreement in any jurisdiction.

13. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

14. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Assignee's rights and remedies with respect to the Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Subject to the rights of any Prior Lienholders, each Assignor hereby authorizes Assignee to make, constitute and appoint any officer or agent of Assignee as Assignee may select, in its sole discretion, as such Assignor's true and lawful attorney-in-fact, with power to (a) endorse such Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Assignee to protect, evidence or perfect its security interest in the Collateral, (b) upon the occurrence of an Event of Default, endorse such Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Assignee to enforce its security interest in the Collateral, (c) upon the occurrence of an Event of Default, take any other actions with respect to the Collateral as the Assignee reasonably deems in the best interest of the Assignee, (d) upon the occurrence of an Event of Default, grant or issue any exclusive or non-exclusive license under the Patents or



Trademarks to anyone, including Assignee, and/or (e) upon the occurrence of an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone, including Assignee. Assignee may also act, subject to the rights of any Prior Lienholders, under such power of attorney to take the actions referenced in Section 4. Assignee 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 Lender Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Each Assignor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Assignee under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the UCC.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon each Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its nominees, successors and assigns.

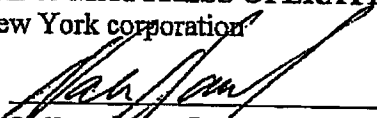
16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law principles.

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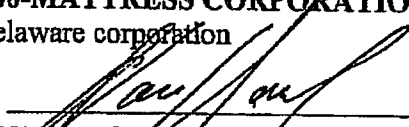
IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

**ASSIGNORS**

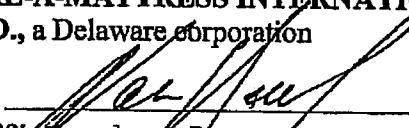
**DIAL-A-MATTRESS OPERATING CORP.,**  
a New York corporation

By:   
Name: Napoleon Barragan  
Title: Chief Executive Officer

**1-800-MATTRESS CORPORATION,**  
a Delaware corporation

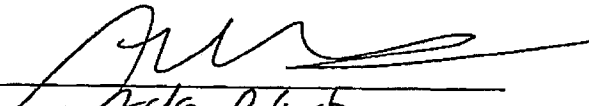
By:   
Name: Napoleon Barragan  
Title: Chief Executive Officer

**DIAL-A-MATTRESS INTERNATIONAL LTD.,** a Delaware corporation

By:   
Name: Napoleon Barragan  
Title: Chief Executive Officer

**ASSIGNEE**

**NEWCO TRADING LLC,**  
a New York limited liability company



By:   
Name: Adam B Lewis  
Title: Coo & General Counsel



**EXHIBIT "A"**

**TO**

**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**Trademarks**

<b><u>Mark</u></b>	<b><u>Application No./ Registration No.</u></b>	<b><u>Application Date/ Registration Date</u></b>
Mattress and Keypad Design  	SN:75/618,050 RN:2,374,536	8/8/00
(212) M-A-T-T-R-E-S (Stylized) {212} M-A-T-T-R-E-S	SN:73/762,119 RN:1,589,453	3/27/90
1-800-MATTRESS (Stylized)  1-800-MATTRESS	SN:76/290,744 RN:2,915,478	1/4/05
1-800-MATTRES, AND LEAVE OFF THE LAST S THAT'S THE S FOR SAVINGS	SN:74/108,279 RN:1,728,356	10/27/92
1800MATTRESS.COM (Stylized) 1800mattress.com	SN:77/191,658 RN:3,365,489	1/8/08
1-800-SU-COLCHON	SN:78/483,007 RN:3,027,870	12/13/05
AMERICAN EXCELLENCE	SN:76/308,924 RN:2,610,983	8/20/02
AMERICAN EXCELLENCE	SN:77/159,601 RN:3,364,797	1/8/08
CALL CLICK COME IN and Design 	SN:77/215,742 RN:3,384,926	2/19/08
DIAL A MATTRESS	SN: 73/450,411 RN: 1,339,658	6/4/85

<u>Mark</u>	<u>Application No./ Registration No.</u>	<u>Application Date/ Registration Date</u>
DIAL-A-MATTRESS and Design 	SN:74/156,218 RN:1,748,796	1/26/93
DIAL-A-PEDIC	SN:74/396,264 RN: 1,828,682	3/29/94
DM DIAL A MATTRES and Design 	SN:73/763,315 RN:1,554,222	8/29/89
HOW DID YOU SLEEP LAST NIGHT?	SN: 78/503,762 RN: 3035231	12/27/05
HOW DID YOU SLEEP LAST NIGHT?	SN:78931,113 RN:3,242,233	5/15/07
LEAVE OFF THE LAST "S" FOR SAVINGS	SN:76/290,769 RN:2,581,984	6/18/02
MATTRESS MENU	SN:78/957,421 RN:3,396,806	3/11/08
MATTRESS MENU	SN:78/953,466 RN: 3,396,803	3/11/08
NATION'S PRIDE	SN:78/071,417 RN:2,644,633	10/29/02
PHONE-A-MATTRESS	SN:74/112,084 RN:1,757,763	3/9/93
SLEEP HAPPILY EVER AFTER	SN:78/512,825 RN:3,037,957	1/3/06
THE BEDDING CONSULTANTS	SN:74/108,222 RN:1,697,217	6/23/92
SLEEP CONSULTANTS	SN: 75/596,338 RN: 2,435,720	3/13/01
1-800-MATTRESS.COM	SN:77/069,615	12/21/06
MATTRESS.COM	SN:78/511,054	11/4/04
MATTRESS.COM	SN:78/976,682	11/4/04
1-888-M-A-T-R-E-S-S	SN:75/131,355 RN:2,580,514	6/18/02