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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



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To the Honorable Commissioner of Paten.

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ed original documents or copy thereof.

1. Name of conveying party(ies):

Leif J. Ostberg, Inc.
401 Hamburg Turnpike
Suite 305
Wayne, NJ 07470

- Individual(s)
- General Partnership
- Corporation-State (NJ)
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: State Street Bank and Trust Company

Internal Address: _____

Street Address: 225 Franklin Street

City: Boston State: MA ZIP: 02110

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other Massachusetts Trust Company

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

3. Nature of conveyance:

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

Execution Date: May 18, 1998

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

429,057	664,453	714,774
1,236,457	1,251,718	1,282,557
1,709,380		

Additional numbers attached? Yes No

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

Name: Ron M. Hadar, Esquire

Internal Address: Looney & Grossman LLP

Street Address: 101 Arch Street

City: Boston State: MA ZIP: 02110

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41).....\$ 190.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

Ron M. Hadar
Name of Person Signing

[Signature]
Signature

5/18/98
Date

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

COLLATERAL ASSIGNMENT OF TRADEMARKS AND PATENTS

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS AND PATENTS ("Assignment") made as of the 18th day of May, 1998 by LEIF J. OSTBERG, INC., a New Jersey corporation having its chief executive office at 401 Hamburg Turnpike, Suite 305, Wayne, NJ 07470 ("Assignor"), and STATE STREET BANK AND TRUST COMPANY, a Massachusetts Trust Company having its offices at 225 Franklin Street, Boston, Massachusetts 02110 (collectively the "Bank" or "Assignee"):

WITNESSETH

WHEREAS, Assignor and Assignee are parties to a certain Credit and Term Loan Agreement of even date herewith (the "Credit Agreement"), which Credit Agreement provides (i) for Assignee, to extend credit to or for the account of Assignor and (ii) for the grant by Assignor to Assignee of a security interest in all of the Assignor's assets, including, without limitation, its patents, if any, patent applications, if any, trademarks, trademark applications, trade names and goodwill;

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

1. Incorporation of Credit Agreement. The Credit Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

2. Collateral Assignment of Patents and Trademarks. To secure the complete and timely satisfaction of all of Assignor's "Obligations" (as defined in the Credit Agreement) to Assignee, Assignor hereby grants to Assignee a security interest (having priority over all other security interests, with power of sale, to the extent permitted by law) in, and upon the occurrence of an Event of Default (as that term is defined in the Credit Agreement), all of Assignor's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed (subject to all existing licenses and to all licenses entered into by Assignor in the ordinary course of Assignor's business and entered into by any party from which Assignor obtained any applicable rights):

(i) patents and patent applications, if any, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Schedule A, attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due 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 patent applications, together with the items described in clauses (a) - (d), are sometimes hereinafter, individually or collectively, referred to as the "Patents");

(ii) trademarks, trademark registrations, trademark applications and trade names, including, without limitation, the trademarks, trademark applications and trade names listed on Schedule B, attached hereto and made a part hereof, and (a) any renewals thereof, (b) all income, royalties, damages and payments now and hereafter due 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 trademarks, trademark registrations, trademark applications and trade names, together with the items described in clauses (a) - (d), are sometimes hereinafter, individually or collectively, referred to as the "Trademarks"); and

(iii) the goodwill of Assignor's business connected with, and symbolized by, the Trademarks.

Notwithstanding anything contained in this Assignment to the contrary, Assignee agrees that there shall be no assignment of the Patents, Trademarks or goodwill described in clauses (i) - (iii), other than the collateral assignment described in the first sentence of this paragraph 2, unless and until there shall occur an Event of Default.

Upon the occurrence of the assignment to Assignee of all of Assignor's right, title and interest in and to the Patents, Trademarks and goodwill, Assignee shall grant to Assignor a royalty-free, worldwide, nonexclusive license to use the Patents and Trademarks (along with goodwill associated therewith), with the right to sublicense, subject to prior sublicenses, as necessary for the conduct of Assignor's business until such time as Assignee disposes of Assignor's assets pursuant to the Credit Agreement.

3. Restrictions on Future Agreements. Assignor agrees that until Assignor's Obligations shall have been satisfied in full and all financing and security arrangements between Assignor and Assignee shall have been terminated, Assignor will not, without Assignee's prior written consent, not to be unreasonably withheld or delayed, enter into any agreement (for example, a license agreement), other than agreements entered into in the ordinary course of Assignor's business, which is inconsistent with Assignor's obligations under this Assignment and Assignor further agrees that, subject to its reasonable business judgment, 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 materially affect the validity or enforcement of the rights transferred to Assignee under this Assignment.

4. New Patents and Trademarks. Assignor represents and warrants that, to the best of its knowledge and belief, the Patents and Trademarks listed on Schedules A and B, respectively, constitute all of the material patents and trademarks and applications therefor now owned by Assignor. If, before Assignor's Obligations shall have been satisfied in full, Assignor shall (i) obtain ownership rights to any new patentable inventions, trademarks, trademark registrations or trade names, or (ii) become entitled to the benefit of any trademark, trademark registration or trademark application, or any patent, patent application, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 2 above shall automatically apply thereto. Assignor hereby

authorizes Assignee to modify this Assignment by amending Schedule A or B as applicable, to include any future patents, patent applications, trademarks, trademark registrations, trademark applications and trade names which are Patents or Trademarks, as applicable, under paragraph 2 above or under this paragraph 4.

5. Royalties, Terms. Assignor hereby agrees that the use by Assignee of all Patents and Trademarks after the occurrence of an Event of Default shall be without any liability for royalties or other related charges from Assignee to the Assignor. The term of the assignments granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents and Trademarks assigned hereunder, or (ii) Assignor's Obligations shall have been satisfied in full.

6. Termination of Assignee's Security Interest. This Assignment is made for collateral purposes only. Upon satisfaction in full of Assignor's Obligations Assignee shall execute and deliver to Assignor all termination statements, assignments and other instruments as Assignor deems may be reasonably necessary or proper to terminate Assignee's security interest in the Patents and Trademarks, subject to any disposition thereof which may have been made by Assignee pursuant hereto or pursuant to the Credit Agreement.

7. Duties of Assignor. Assignor shall, in the exercise of its reasonable business judgment, use reasonable efforts (i) to prosecute diligently any patent application of the Patents and any trademark application of the Trademarks pending as of the date hereof or thereafter until Assignor's Obligations shall have been satisfied in full, (ii) to make application on unpatented but patentable inventions and on trademarks, as appropriate, and (iii) to preserve and maintain all rights in patent applications and patents of the Patents and in trademark applications, trademarks, and trademark registrations of the Trademarks. Any expenses incurred in connection with such applications shall be borne by Assignor. Assignor shall not abandon, except in the exercise of its reasonable business judgment, any right to file a patent application or trademark application, or any pending patent application, trademark application, patent, or trademark without the consent of Assignee, which consent shall not be unreasonably withheld or delayed.

8. Assignee's Right to Sue. From and after the occurrence of an Event of Default and the provision by Assignee of not less than three (3) days prior written notice to Assignor of Assignee's intention to enforce its rights and claims against any of the Patents and Trademarks, Assignee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and Trademarks, and any licenses thereunder, and, if Assignee shall commence any such suit, Assignor 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. If Assignee does not bring such suit and Assignor continues to use the Patents and Trademarks pursuant to paragraph 2 hereof, Assignee shall permit Assignor to bring suit and to that end shall, at the request of Assignor, do any and all lawful acts and execute any and all proper documents required by Assignor in aid of such enforcement.

9. Waivers. No course of dealing between 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 Credit 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.

10. Severability. The provisions of this Assignment are severable, and if any clause or provision shall be held 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 Assignment in any jurisdiction.

11. Modification. This Assignment cannot be altered, amended or modified in any way, except as specifically provided in paragraph 4 hereof or by a writing signed by the parties hereto.

12. Cumulative Remedies; Power of Attorney; Effect on Credit Agreement. All of Assignee's rights and remedies with respect to the Patents and Trademarks, whether established hereby or by the Credit Agreement, any "Security Agreement" (as defined in the Credit Agreement) or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. From and after the occurrence of an Event of Default, Assignor shall authorize Assignee to make, constitute and appoint any officer or agent of Assignee as Assignee may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power (i) at any time, to endorse Assignor's name on all applications, documents, papers and instruments necessary or desirable for the Assignee in the use of the Patents and Trademarks, and (ii) (a) to grant or to issue any nonexclusive license under the Patents and Trademarks to anyone, (b) to assign, pledge, convey or otherwise transfer title in or dispose of the Patents or Trademarks to anyone, or (c) to take any other actions with respect to the Patents and Trademarks as the Assignee deems in the best interest of the Assignee. This power of attorney shall be irrevocable from such time until Assignor's Obligations shall have been satisfied in full. Assignor acknowledges and agrees that this Assignment is not intended to limit or restrict in any way the rights and remedies of Assignee under the Credit Agreement or any Security Agreement but rather is intended to facilitate the exercise of such rights and remedies. Assignee shall have, in addition to all other rights and remedies given it by the terms of this Assignment, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents or Trademarks may be located.

13. Binding Effect; Benefits. This Assignment shall be binding upon the Assignor and its respective successors and assigns, and shall inure to the benefit of Assignee, its nominees and assigns.

14. Governing Law. This Agreement has been made and delivered in the Commonwealth of Massachusetts and shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts and the Assignor submits to the jurisdiction of Massachusetts for all purposes with respect to this Agreement and its relationship with the Assignee.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their duly authorized officers as of the day and year first written above.

LEIF J. OSTBERG, INC.

BY: Louis E. DeStefano
ITS: PRESIDENT

ATTEST:

Barbara Koetzier, Secy.

Corporate Seal

State of NEW JERSEY

County of PASSAIC

On this 30 day of April, 1998, before me appeared LOUIS E. DE STEFANO to me personally known, who, being by me duly sworn, did say that he is the PRESIDENT of LEIF J. OSTBERG, INC., a New Jersey corporation and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said LOUIS E. DE STEFANO acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Judith A. Seltsmann
Notary Public

My term expires: _____
JUDITH A. SELTMANN
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MAY 5, 2001

ACCEPTANCE

The undersigned, State Street Bank and Trust Company accepts the foregoing Collateral Patent and Trademark Assignment by LEIF J. OSTBERG, INC. a New Jersey corporation.

STATE STREET BANK AND TRUST COMPANY

By: _____

Its: _____

STATE OF _____

COUNTY OF _____

May __, 1998

Then personally appeared the above-named _____, _____ of State Street Bank and Trust Company and acknowledged the foregoing instrument to be his free act and deed on behalf of said State Street Bank and Trust Company, before me,

Notary Public

My Commission Expires:

SCHEDULE A

to

Collateral Patent and Trademark Assignment

dated as of May 18, 1998

PATENT AND PATENT APPLICATIONS

PATENT APPLICATIONS

None.

SCHEDULE B

to

Collateral Patent and Trademark Assignment

dated as of May 18, 1998

TRADEMARKS

Registered Trademark

Registration Number

PF	429,057
PF	1,236,457
PF Flyers	664,453
PF Flyers	1,251,718
Pee Wee Flyers	1,709,380
PF Design	714,774
Posture Foundation	1,282,557