

FORM PTO 1594

08-27-1998

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

MED
8-24-98



100807119

COVER SHEET
ONLY

400 24

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying Party(ies):
Allied Foods LLC

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

2. Name and address of receiving party(ies):
Name: Creditanstalt Corporate Finance, Inc.
Internal Address:
Street Address: Two Greenwich Plaza
City: Greenwich State: CT Zip: 06830

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of name
Other

Execution Date: January 31, 1998

Individual(s) citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation State: Delaware
Other

If assignee is not domiciled in the United States, a domestic representative designation is attached Yes No (Designations must be separate from assignment)

Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)	B. Trademark Registration No.(s)
	2,053,927 1,804,673 793,720 702,364
	1,911,660 1,712,027 767,271 688,798
	1,853,766 1,699,300 737,986 584,787
	1,091,052 1,606,610 702,658 303,903

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Michael D. Hobbs, Jr., Esq.
Internal Address: Troutman Sanders LLP
Street Address: 600 Peachtree St., NE Suite 5200
City: Atlanta
State: GA Zip: 30308-2216

6. Total number of applications and registrations involved: 16

7. Total fee (37 CFR 3.41) \$ 415.00
 Enclosed
 Authorized to be charged to deposit account

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

DO NOT USE THIS SPACE

08/25/1998 INQUIRY 0000039 2053927

I, 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.

01 FC:401
02 FC:402

40.00 OP
375.00 OP

Michael D. Hobbs, Jr.

August 21, 1998

Name of Person Signing

Signature

Date

Total number of pages comprising cover sheet: 13

OMB No. 0651-0011 (exp. 4/94)

DO NOT DETACH THIS PORTION

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") is dated as of the 5th day of August, 1998 and effective as of January 31, 1998, between ALLIED FOODS, LLC, a Georgia limited liability company ("Grantor"), and CREDITANSTALT CORPORATE FINANCE, INC., a Delaware corporation, as lender under the Loan Agreement referred to below ("Grantee").

WITNESSETH:

WHEREAS, Grantor owns the trademarks, trademark applications, service marks and service mark applications listed on Schedule 1 annexed hereto; and

WHEREAS, Grantor has granted to Grantee a first priority security interest in substantially all of its assets to secure the payment of all amounts owing under the Loan and Security Agreement dated as of January 31, 1998 (as amended, supplemented or modified from time to time, the "Loan Agreement") between Grantor, as "Borrower", and Grantee, as "Lender", pursuant to which Grantee has made available to Grantor a revolving credit facility permitting advances (each a "Revolving Credit Loan") of up to One Million Five Hundred Thousand Dollars (\$1,500,000) in the aggregate at any one time outstanding, a term loan having an aggregate outstanding principal balance of Four Million Three Hundred Six Thousand Dollars (\$4,306,000) and an interest payment facility to fund interest and other payments in respect of the Term Loan payable during the first twenty-four (24) months of the facility in an aggregate principal amount not to exceed One Million Four Hundred Twenty-Five Thousand Dollars (\$1,425,000); and

WHEREAS, capitalized terms used and not otherwise defined herein have the meanings set forth in the Loan Agreement; and

WHEREAS, to secure its Obligations under the Loan Agreement and the Notes referred to in the Loan Agreement and the other Loan Documents, Grantor has agreed to (i) grant to Grantee a security interest in and to the "Trademark Collateral" (as defined below) and (ii) execute and deliver this Agreement in order to secure the payment and performance by Grantor of the Obligations.

1. Grant of Security Interest

(a) Grantor hereby grants to Grantee, its successors and assigns, a continuing security interest in all of Grantor's right, title, and interest in the following (the "Trademark Collateral"), whether now owned or hereafter acquired or arising, in order to secure the due and punctual payment and performance of all the Obligations:

(i) All "Trademarks" (as defined below), whether now owned or hereafter acquired by Grantor, including each trademark identified on Schedule 1 hereto. For purposes of this Agreement, "Trademarks" shall mean all trade names, trademarks, service marks and logos (registered and unregistered) and state, federal and foreign

trademark and service mark registrations and state, federal and foreign registration applications (in use and intent to use) and all renewals and divisions thereof, all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto, the right to recover for all past, present and future infringements thereof, all label films associated therewith, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, all rights corresponding thereto throughout the world, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such Trademark and all proceeds of the foregoing; and

(ii) All agreements providing for the grant of any right in or to any Trademark (whether Grantor is the licensee or the licensor thereunder) including but not limited to those agreements on Schedule 2 hereto and all proceeds of the foregoing (the "Trademark Licenses"); provided that the Trademark Licenses shall not include Grantor's interest in any such agreement that, by its terms, cannot be assigned after the use by Grantor of its reasonable best efforts to obtain consent to such assignment.

(b) This security interest is granted in conjunction with the security interest granted to Grantee under the Loan Agreement. The rights and remedies of Grantee with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement, and those which are now or hereafter available to Grantee as a matter of law or equity. Each right, power and remedy of Grantee provided for herein or in the Loan Agreement, or now or hereafter existing at law or in equity, shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein. The exercise by Grantee of any one or more of the rights, powers or remedies provided for in this Agreement or in the Loan Agreement or now or hereafter existing at law or in equity shall not preclude the simultaneous or later exercise by Grantee of any or all other rights, powers or remedies.

2. Modification of Agreement

This Agreement may not be changed, waived or terminated except in accordance with the amendment provisions of the Loan Agreement. Notwithstanding the foregoing, Grantor authorizes Grantee, upon notice to Grantor, to modify this Agreement in the name of and on behalf of Grantor without obtaining Grantor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule 1 to add any right, title or interest in any Trademark owned or subsequently acquired by Grantor.

3. Representations and Warranties

(a) Schedule 1 hereto contains a true and accurate list of all Grantor's Trademarks and Trademark applications and Schedule 2 contains a true and accurate list of all Grantor's Trademark Licenses.

(b) Grantor is the sole owner of the Trademarks and Trademark Licenses, and, except for the Trademarks shown as "canceled" or "expired" on Schedule 1 hereto, the records of the United States Patent and Trademark Office will reflect that Grantor is the owner of all such Trademark registrations and applications

(c) Grantor owns the Trademarks and the Trademark Licenses free and clear of all liens, claims and encumbrances, other than (i) the lien created by the Loan Agreement and this Agreement, and (ii) the second priority lien of Bush Brothers and Company in the following Trademark registrations and applications (collectively, the "Pointer Marks"): (A) Tony & Design, (Registration No. 688,798, dated 11/24/59), (B) Pointer (Registration No. 702,364, dated August 2, 1960), and (C) Tony & Design (Application Serial No. 74/680853).

(d) To the best of Grantor's knowledge, except for the Trademarks shown as canceled or expired on Schedule 1 hereto, each Trademark is valid, subsisting, unexpired and enforceable, and Grantor has used and continues to use the appropriate statutory notice of registration in connection with its use of all federally registered Trademarks.

(e) To the best of Grantor's knowledge, no holding, decision or judgment has been rendered in any action or proceeding limiting, canceling or questioning the validity of Grantor's rights in any Trademark and no such action or proceeding is pending or threatened.

(f) To the best of Grantor's knowledge (i) the conduct of Grantor's business does not infringe upon any trademark or other intellectual property right owned or controlled by a third party and (ii) except as previously disclosed in writing to Grantee, no third party is infringing upon any of the Trademark Collateral.

(g) None of the Trademark Collateral has been licensed to or by Grantor to or by any third party, except for the Trademark Licenses listed on Schedule 2. There is no subsisting breach or default under any Trademark License.

4. Covenants of Grantor

(a) Except for Trademarks which are no longer in use in connection with its business, Grantor will not do any act or omit to do any act (and not permit any licensees or sublicensees of Grantor to do any act) whereby any Trademark of Grantor currently registered will become abandoned, invalidated or unenforceable, and Grantor shall diligently pursue each Trademark application unless it shall reasonably determine that a registration is not likely to issue or the costs associated with such registration process will not be commercially justified by the sales of the related product, and shall maintain each Trademark registration in full force and effect. In the event that any Trademark owned by or, to the extent permitted by the related Trademark License, licensed to, Grantor, is infringed or diluted by a third party, Grantor shall promptly take all reasonable actions to stop such infringement or dilution and protect its exclusive rights in such Trademark.

(b) Grantor agrees to promptly report to Grantee on an annual basis and, in the event of a continuing Event of Default, on a quarterly basis (i) the filing of any application for registration of any Trademark (whether such application is filed by Grantor or through any agent, employee, licensee or designee) and (ii) the registration of any Trademark. Grantor agrees to execute and deliver to Grantee an amendment to this Agreement covering such new applications or registrations for Trademarks in form appropriate for recordation in the United States Patent

and Trademark Office.

(c) Without the prior written consent of Grantee, Grantor shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of any of the Trademark Collateral or any rights therein (except as contemplated by paragraph (c)(iii)), (ii) grant any lien or security interest in any of the Trademark Collateral (except for the lien created by this Agreement and the Loan Agreement, or (iii) license any of the Trademark Collateral to any third party, except that, unless an Event of Default has occurred and is continuing, Grantor can grant non-exclusive licenses of any of the Trademarks to a third party in the ordinary course of business; provided that Grantee shall receive a security interest in any fees, royalties and payments with respect to all and any such licenses.

5. Grant of License

(a) Grantor hereby grants to Grantee a non-exclusive, royalty-free right and license, with rights of sublicense, in and to the Trademark Collateral, and a sublicense in and to Grantor's rights under Trademark Licenses to the extent permitted under the terms of such Trademark Licenses, to use such Trademark Collateral or operate under such Trademark Licenses, effective upon the occurrence of an Event of Default, in connection with the enforcement of Grantee's rights and remedies hereunder and under the Loan Agreement. Without limiting the generality of the foregoing, Grantee shall have the right, pursuant to the foregoing license and sublicense, to use the Trademark Collateral in connection with the foreclosure upon any of the Collateral granted hereunder or under the Loan Agreement.

(b) The license granted pursuant to Section 5(a) is conditional upon the requirement that the goods sold and services rendered by Grantee under the Trademark Collateral shall be of a nature and quality substantially consistent with those theretofore offered under such Trademarks by Grantor.

6. Remedies Upon Default; Power of Attorney

(a) Upon the occurrence and continuance of a Default or an Event of Default under the Loan Agreement, and subject to the notice provisions therein, the Trademarks shall be assigned, transferred, set over and delivered to Grantee or its designee, and Grantor hereby irrevocably constitutes and appoints Grantee and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or Grantee's own name or the name of Grantee's designee, upon the occurrence and during the continuation of an Event of Default, (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as Exhibit A and incorporated hereby by reference (the "Assignment") in the United States Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, (ii) to collect proceeds of any Trademark Collateral, (iii) in any transaction authorized by the Loan Agreement, convey any Trademark Collateral to any purchaser thereof, payment or discharge of taxes or liens levied or placed upon or threatened against any Trademark Collateral, the legality or validity thereof and the amounts necessary to

discharge the same to be determined by Grantee in its sole discretion, and such payments made by Grantee to become the obligations of Grantor to Grantee, due and payable immediately without demand. Grantee's authority hereunder shall include, without limitation, the authority to endorse and negotiate any checks or instruments constituting proceeds of any Trademark Collateral in the name of Grantor, execute and give receipt for any certificate of ownership or any document (constituting Trademark Collateral), sign Grantor's name on all financing statements or any other documents necessary or appropriate by Grantee to preserve, protect or perfect the security interest in any Trademark Collateral (to the extent permitted by Applicable Law) and to file the same, prepare, file and sign Grantor's name on any notice of Lien, and prepare, file and sign Grantor's name on a proof of claim in bankruptcy or similar document against any customer of Grantor with respect to any claim of Grantor comprising part of any Trademark Collateral, and to take any other actions arising from or incident to the powers granted to Grantee in the Loan Agreement.

(b) Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue of this power of attorney. This power of attorney is a power coupled with an interest and shall be irrevocable.

(c) In addition to the foregoing, upon the occurrence and during the continuation of a Default or an Event of Default, Grantee shall have all rights and remedies of a secured party under the applicable Uniform Commercial Code and as provided in the Loan Agreement and as otherwise available at law and equity.

7. Termination of Agreement


This Agreement shall terminate upon the latter to occur of (a) termination of the Loan Agreement, and (b) the payment in full of all Obligations then outstanding. At such time, Grantee shall execute and deliver such instruments and documents as are necessary to terminate the security interest granted hereby.

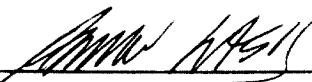
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

"Grantor"

ALLIED FOODS, LLC

By: 
Ronald S. Kirschner
President

Attest: 
Andrew I. Lasky
Secretary

(SEAL)

"Grantee"

CREDITANSTALT CORPORATE FINANCE, INC.

By: _____
Carl G. Drake
Vice President

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

"Grantor"

ALLIED FOODS, LLC

By: _____
Ronald S. Kirschner
President

Attest: _____
Andrew I. Lasky
Secretary

(SEAL)

"Grantee"

CREDITANSTALT CORPORATE FINANCE, INC.

By: Carl G. Drake
Carl G. Drake
Vice President

By: Scott Kray
Name: SCOTT KRAY
Title: VP

SCHEDULE 1

LIST OF TRADEMARKS

<u>TRADEMARK</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>COMMENTS</u>
TONY and Design	2,053.927	04-22-97	
RIVAL	1,911.660	08-15-95	
TWIN PET	1,853.766	11-13-94	
HUSKY	1,804.673	11-16-93	
STRONGHEART DOG FOOD and Design	1,712.027	09-01-92	
KAM	1,699.300	07-07-92	
HUSKY	1,606.610	07-17-90	
TWIN PET	1,398.739	06-24-86	Canceled.
SNAPPY (Stylized Letters)	1,358.328	09-03-85	Canceled.
GOLD SEAL and Design	1,278.237	05-15-84	Canceled.
PENNY CLASSIC (Stylized Letters)	1,272.049	03-27-84	Canceled.
PENNY and Design	1,205.642	08-17-82	Canceled.
DUCHESS (Stylized Letters)	1,205.641	08-17-82	Canceled.
NEAT TREATS	1,091.052	09-09-78	
BLUE RIBBON RECIPE and Design	1,036.933	03-30-76	Expired.
IDEAL	805.709	03-15-66	Expired.
HENNY PEN	793.720	08-03-65	Renewed.
PICNIC and Design	767.271	03-24-64	Renewed.
RUSTY and Design	737.986	09-18-62	Renewed.
KITTY (Stylized Letters)	702,658	08-09-60	Renewed.
POINTER	702.364	08-02-60	Renewed.
TONY and Design	688.798	11-24-59	Renewed.
CHIC-E (Stylized Letters)	638,859	12-18-56	Expired.
PENNY and Design	604,544	04-12-55	Expired.
BOWL-O-BEAUTY (Stylized Letters)	584,789	01-19-54	Expired.

<u>TRADEMARK</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>COMMENTS</u>
HI-VI (Stylized Letters)	584,787	01-19-54	Renewed.
HARDI and Design	546,033	07-31-51	Expired.
CALO (Stylized Letters)	544,791	07-10-51	Expired.
DELIGHT (Stylized Letters)	333,391	03-17-36	Expired.
SNAPPY and Design	331,427	01-07-36	Expired.
RED HEART (Stylized Letters)	317,414	09-25-34	Expired.
VICTORY (Stylized Letters)	303,903	06-13-33	Renewed.
IDEAL	237,507	01-10-28	Expired.

<u>TRADEMARK</u>	<u>APPLN. NO.</u>	<u>FILING DATE</u>	<u>COMMENTS</u>
TWIN PET	74/473,293	12-27-93	Abandoned.
NATURALLY GOOD and Design	73/550,910	07-29-85	Abandoned.

Schedule 2

TRADEMARK LICENSES

<u>LICENSEE</u>	<u>DESCRIPTION</u>
Farmland Industries, Inc. Attn: Jay Lubarsky P.O. Box 7305 Kansas City, MO 64116-0005	License and Sale Agreement dated February 14, 1996 licensing the right to manufacture, distribute, and sell dry pet food in the United States under certain trademarks and tradenames.
Strongheart Products, Inc. 1601 West McKay Frontenac, KS 66763	License Agreement dated August 25, 1995 for Strongheart's use of the Strongheart trademark, trade name and label in connection with the manufacture, distribution, and sale of dry pet food outside of the United States.

EXHIBIT A

ASSIGNMENT

THIS ASSIGNMENT dated the ____ day of _____, 199 __, from Allied Foods, LLC, a Georgia limited liability company (the "Assignor"), to Creditanstalt Corporate Finance, Inc., a Delaware corporation (the "Assignee"), recites and provides:

WHEREAS, Assignor is the owner of certain trademarks and service marks; and

WHEREAS, Assignee desires to obtain all of the Assignor's right, title and interest in all such trademarks and service marks.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor hereby transfers, assigns, sets over and delivers to Assignee, its successors and assigns, the entire right, title and interest of Assignor in and to the trademarks and service marks and the registrations thereof and applications therefor listed in Schedule 1 hereto, including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements (collectively, the "Marks"), together with the goodwill of the business symbolized by the Marks and the assets of the Assignor associated with such business.

Assignor further agrees to execute such further instruments and documents and perform such further acts as Assignee may deem necessary to secure to Assignee the rights herein conveyed.

ALLIED FOODS, LLC

By: _____

Name:

Title:

(SEAL)

Schedule 1

MARKS

026657C.02

2

RECORDED: 08/24/1998

TRADEMARK
REEL: 1774 FRAME: 0797