

FORM PTO-1594
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OMB No. 0651-0011 (exp. 4/94)

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents:

101149031

and original documents or copy thereof.

1. Name of conveying party(ies):

Sunshine Products, Inc.

MRO 9-17-99

- Individual(s)
- General Partnership
- Corporation-State of Missouri
- Other _____

- Association
- Limited Partnership

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

2. Name and address of receiving party(ies)

Name: Galen Partners III, L. P.

Internal Address: _____

Street Address: 610 Fifth Avenue

City: New York State: NY ZIP: 10020

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership Delaware
- Corporation-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

3. Nature of conveyance:

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

Execution Date: August 16, 1999

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1635918 1289485
2011117 1833066

Additional numbers attached? Yes No

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

Name: Thelen Reid & Priest LLP

Internal Address: Paul J. Sutton, Esq.

Street Address: 40 West 57th Street

City: New York State: NY ZIP: 10019

Telephone Number: 212-603-2578

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41).....\$ 115.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

18-0805 Thelen Reid & Priest LLP

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

09/20/1999 DNGUYEN 00000287 1635918

DO NOT USE THIS SPACE

01 FC:481 40.00 OP
02 FC:482 75.00 OP

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.

Paul J. Sutton

Name of Person Signing

Signature

September 13, 1999

Date

Total number of pages including cover sheet, attachments, and document: 6

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

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

TRADEMARK

REEL: 001960 FRAME: 0922

RE: Trademark Registration Numbers

1635918

1289485

2011117

1833066

2. Name and Address of receiving parties:

Galen Partners International III, L. P.
610 Fifth Avenue
New York, New York 10020

Galen Employee Fund III, L. P.
610 Fifth Avenue
New York, New York 10020

Hambrecht & Quist California, LLC
One Bush Street
San Francisco, California 94104

Med-Tec Investors, LLC
777 Alexander Road
Princeton, New Jersey 08540

**CONDITIONAL ASSIGNMENT OF AND
SECURITY INTEREST IN INTELLECTUAL PROPERTY RIGHTS
(TRADEMARK)**

THIS CONDITIONAL ASSIGNMENT OF AND SECURITY INTEREST IN INTELLECTUAL PROPERTY RIGHTS (TRADEMARK) ("Conditional Assignment"), dated August 16, 1999, is made by Sunshine Products, Inc., a Missouri corporation with offices at 1149 Reco Drive, St. Louis, Missouri 63126 ("Grantor"), in favor of Galen Partners III, L.P., a Delaware limited partnership with offices at 610 Fifth Avenue, New York, New York 10020, Galen Partners International III, L.P., a Delaware limited partnership with offices at 610 Fifth Avenue, New York, New York 10020, Galen Employee Fund III, L.P., a Delaware limited partnership with offices at 610 Fifth Avenue, New York, New York 10020, Hambrecht & Quist California, LLC, a California limited liability company with offices at One Bush Street, San Francisco, California 94104, and Med-Tec Investors, LLC, a New Jersey limited liability company with offices at 777 Alexander Road, Princeton, New Jersey 08540 (collectively, the "Secured Parties").

WHEREAS, the Secured Parties have agreed to purchase from Derma Sciences, Inc., corporate parent of the Grantor, those certain convertible bonds due July 30, 2001 in the aggregate principal amount of \$800,000 ("Convertible Bonds"); and

WHEREAS, in order to secure payment of interest and principal on the Convertible Bonds the Grantor, its corporate affiliates and the Secured Parties have entered into that certain security agreement of even date herewith ("Security Agreement");

NOW, THEREFORE, in consideration of the purchase of the Convertible Bonds by the Secured Parties and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the Grantor hereby makes this Conditional Assignment upon the terms hereinafter set forth:

1. **Definitions.** Unless otherwise defined herein or the context otherwise requires, terms used in this Conditional Assignment, including its preamble and recitals, have the meanings provided in the Convertible Bonds and the Security Agreement.

2. **Conditional Assignment and Grant of Security Interest.** The Grantor hereby: pledges, grants a continuing security interest in and a right of setoff against, and assigns, transfers and conveys to the Secured Parties, effective upon demand made upon the occurrence and during the continuance of an Event of Default, the trademarks (including, without limitation, those items listed on Schedule A hereto), together with all goodwill pertaining thereto.

3. **Purpose.** This Conditional Assignment has been executed and delivered by the Grantor for the purpose of registering the conditional assignment and grant of security interest with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Secured Parties under the Security Agreement. The Security Agreement (and all rights and remedies of the Secured Parties thereunder) shall remain in full force and effect in accordance with their terms.

4. **Acknowledgement.** The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Secured Parties with respect to the security interest in the trademarks granted hereby are more fully set forth in the Security Agreement the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, the Grantor has caused this Conditional Assignment to be duly executed and delivered by its Vice President and Chief Financial Officer thereunto duly authorized as of the day and year first above written.

SUNSHINE PRODUCTS, INC.

By: Stephen T. Wills
Stephen T. Wills, CPA, MST
Vice President and Chief Financial Officer

SCHEDULE A

**CONDITIONAL ASSIGNMENT OF AND SECURITY INTEREST
IN INTELLECTUAL PROPERTY RIGHTS
(TRADEMARK)**

Dated as of August 16, 1999

Mark	Registration Number	Registration Date
APRI VERA (and all goodwill pertaining thereto)	1635918	February 26, 1991
BATHE AWAY (and all goodwill pertaining thereto)	1289485	August 7, 1984
IN BETWEEN (and all goodwill pertaining thereto)	2011117	October 22, 1996
MYSOTROL (and all goodwill pertaining thereto)	1833066	April 26, 1994

CORPORATE ACKNOWLEDGMENT

STATE OF NEW JERSEY:

: ss

COUNTY OF MERCER:

On the 16th day of August, 1999, before me Stephen T. Wills, the undersigned officer, personally appeared Stephen T. Wills, to me personally known to be the Vice President and Chief Financial Officer of Sunshine Products, Inc., a Missouri corporation, who, being duly sworn, did depose and say that he executed and delivered the foregoing instrument, having previously been thereunto duly authorized, and that said instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Janet R. Schneider
Notary Public

[NOTARIAL SEAL]

Janet R. Schneider
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JULY 31, 2000