

05-16-2001

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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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EET U.S. DEPARTMENT OF COMMERCE Y U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): PHILIPP BROTHERS CHEMICALS, INC. One Parker Plaza Fort Lee, New Jersey 07024

2. Name and address of receiving party(ies) Name: PNC Bank, National Association Internal Address:

Street Address: Two Tower Center East City: Brunswick State: NJ Zip: 08816

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

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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other Execution Date: November 30, 2001

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

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

A. Trademark Application No.(s)

76/066,169

B. Trademark Registration No.(s)

1,143,092 1,902,265 1,055,390

Additional number(s) attached Yes No

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

Name: Christine M. Rigney, Esq.

Internal Address: Wilentz, Goldman & Spitzer, P.A.

Street Address: 90 Woodbridge Center Drive Suite 900 Box 10

City: Woodbridge State: NJ Zip: 07095

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:

(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.

Christine M. Rigney, Esq. Name of Person Signing

Signature

5-4-01 Date

Total number of pages including cover sheet, attachments, and document: 11

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

00000032 76066169 40.00 OP 75.00 JP

TRADEMARK REEL: 002296 FRAME: 0467

**PATENTS, TRADEMARKS
AND COPYRIGHTS SECURITY AGREEMENT**

THIS PATENTS, TRADEMARKS AND COPYRIGHTS SECURITY AGREEMENT is made on the 30th day of November, 2000 between PHILIPP BROTHERS CHEMICALS, INC., a corporation of the State of New York, having its principal office at One Parker Plaza, Fort Lee, NJ 07024 ("Grantor"), and PNC BANK, NATIONAL ASSOCIATION, having an office at Two Tower Center, East Brunswick, New Jersey 08816, ("PNC") as Agent for the Lenders under the Loan Agreement (as such terms are hereinafter defined).

WITNESSETH:

WHEREAS, pursuant to a certain Amended and Restated Revolving Credit, Capital Expenditure Line and Security Agreement (as same may be amended, modified or supplemented from time to time, the "Loan Agreement") and other loan documents either previously, simultaneously, or to be executed in connection therewith (as same may be amended, modified or supplemented from time to time, all of which are, together with the Loan Agreement, collectively referred to as the "Loan Documents") dated the date herewith by and among PHILIPP BROTHERS CHEMICALS, INC. (the "Borrower"), the Grantor, the PNC, and various financial institutions named therein or which hereafter become a party thereto (together with the PNC collectively, "Lenders") and the PNC as agent for Lenders (in such capacity, "Agent"), the Lenders have agreed to make certain loans in the aggregate amount of \$85,000,000 (as increased and decreased from time to time); and

WHEREAS, the Grantor owns the United States copyrights and registrations and applications therefor, listed on Schedule A hereto ("Copyrights"), owns the United States issued patents listed on Schedule B ("Patents"), and owns the United States trademarks and registrations and applications therefor, listed in Schedule C hereto, along with the good-will of the Grantor connected with and symbolized by the trademarks ("Trademarks"); and

WHEREAS, pursuant to the Loan Agreement, the Grantor is required to and has conveyed and granted to Lenders a collateral security interest in, among other things, all right, title and interest of the Grantor in, to and under all of the Grantor's Copyrights, Patents and Trademarks, whether presently existing or hereafter arising or acquired, to secure all obligations of the Grantor to Lenders, including contingent obligations; and

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby absolutely grant and convey to Lenders a collateral security interest in, all of the Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter arising or acquired:

- (a) Each of the Copyrights which are presently, or in the future may be, owned by the Grantor, in whole or in part, in the United States, as well as any registrations or applications for a United States copyright registration now or hereafter made with the United States Copyright Office by the Grantor, as the same may be updated hereafter from time to time;
- (b) Each of the Patents, which are presently, or in the future may be issued to the Grantor, in whole or in part, as the same may be updated hereafter from time to time; and
- (c) Each of the Trademarks, which are presently, or in the future may be owned by the Grantor, in whole or in part, as well as all registrations and applications for Trademarks now or hereafter owned by the Grantor, as the same may be updated hereafter from time to time.

Said security interest includes, without limitation, all proceeds thereof, the right to sue for past, present, and future infringements thereof, and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, in the United States.

- 1) Grantor covenants and warrants that:

(a) It is true and lawful exclusive owner of all the Copyrights listed on Schedule A and that said Copyrights constitute all the United States Copyrights registered in the United States Copyright Office from 1938 to date, and applications for United States Copyrights that the Grantor now owns;

(b) It is the true and lawful exclusive owner of all the Patents listed on Schedule B and that said Patents constitute all the United States Patents issued by the United States Patent and Trademark Office and that the Grantor now owns;

(c) It is the true and lawful exclusive owner of all the Trademarks listed on Schedule C and that said Trademarks constitute all the United States Trademarks registered in the United States Patent and Trademark Office and applications for Trademarks that the Grantor now owns;

(d) The Grantor agrees, at Lenders' request and expense, on a semi-annual basis to execute such additional agreements with respect to any new Patents, Trademarks and/or Copyrights, either filed or issued, and in which the Grantor hereinafter obtains rights. Except as set forth on Schedule D hereinafter, the Grantor further warrants that it is not aware of any third party claim that any of the aspects of the Grantor's present business operations infringe on any Patent, Trademark or Copyright. The Grantor grants to Lenders an absolute power of attorney to sign any document which will be required by the United States Copyright Office or the United States Patent and Trademark Office in order to record the security interest in the Patents, Trademarks and Copyrights;

(e) The Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable;

(f) Each of the Patents, Trademarks and Copyrights is valid and enforceable;

(g) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements, and covenants by Grantor not to sue third persons, other than the grant to Lenders pursuant to this Agreement;

(h) Grantor is unaware of any registrable but unregistered Trademarks used in the ordinary course of its business;

(i) To its knowledge, Grantor has the unqualified right to enter into this Agreement and perform its terms;

(j) Grantor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights;

(k) At its own expense, the Grantor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. Sec. 41 to maintain in force rights under each Patent, to the extent that Grantor, in the exercise of its reasonable business judgment, deems advisable;

(l) The Grantor hereby agrees not to divest itself of any material right under any Copyright, Trademark and/or Patent, which divestiture could have a material adverse effect on Grantor's business, its properties, or its ability to perform its obligations under the Loan Agreement; and

(m) The Grantor agrees to promptly, upon learning thereof, furnish Lenders in writing all pertinent information available to the Grantor with respect to any infringement or other violation of the Grantor's rights in any Copyright, Trademark and/or Patent, which infringement or violation could have a material adverse effect on the Grantor, its properties or its ability to perform its obligations under the Loan Agreement and other Loan Documents (as defined in the Loan Agreement). To the extent that the Grantor in the exercise of its reasonable business judgment deems advisable, the Grantor further agrees to take legal action against any Persons infringing upon any Copyright, Trademark and/or Patent to the extent such

infringement could have a material adverse affect on the Grantor, its properties or its ability to perform its obligations under the Loan Agreement or other Loan Documents.

- 2) If, before the Obligations have been satisfied in full, Grantor shall obtain rights to any new Trademark or new Copyright, or become entitled to the benefit of any patent for reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, then the provisions hereof shall automatically apply thereto and Grantor shall give to Lenders prompt notice thereof in writing.
- 3) Grantor authorizes Lenders to modify Schedules A, B, and C of this Agreement, in writing, to include any future Patents, Trademarks, or Copyrights covered hereby.
- 4) Upon and during the occurrence of any Event of Default:
 - a) Lenders shall have, in addition to all other rights and remedies given to it by this Agreement, the Loan Agreement, and the Loan Documents, those 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, Trademarks, or Copyrights may be located; and
 - b) Lenders may, in addition to any other remedies which may be available to Lenders, without being deemed to have made an election of remedies, and without the assignment hereunder being deemed to be anything less than an absolute assignment, immediately, without demand of performance and without other notice (except as may be set forth below) or demand whatsoever to Grantor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale (or, to the extent required by law, otherwise realize upon in a commercially reasonable manner), all or from time to time, any of the Patents, Trademarks, or Copyrights, or any interest which the Grantor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents, Trademarks, or Copyrights all reasonable expenses (including all reasonable expenses for broker's fees and legal services), may apply the residue of such proceeds to the payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Grantor. Notice of any sale or other disposition of the Patents, Trademarks, or Copyrights shall be given to Grantor at least ten (10) business days before the time of any intended public or private sale or other disposition of the Patents, Trademarks, or Copyrights is to be made, which notice Grantor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lenders may, to the extent permissible under applicable law, purchase the whole or any part of the Patents, Trademarks, or Copyrights sold, free from any right or equity of redemption on the part of Grantor, which right and equity of redemption are hereby waived and released.
- 5) At such time as Grantor shall completely satisfy all of the Obligations, this Agreement shall terminate and Lenders shall promptly execute and deliver to Grantor at Grantor's expense all releases and other instruments as may be necessary or proper to release the security interest in and to the Patents, Trademarks, or Copyrights, subject to any disposition thereof which may have been made by Lenders pursuant hereto and in accordance with the terms hereof.
- 6) Any and all reasonable fees, costs and expenses, of whatever kind or nature, including reasonable attorney fees and legal expenses incurred by Lenders in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Patents, Trademarks, or Copyrights, in defending or litigating any actions or proceedings arising out of or related to the Patents, Trademarks, or Copyrights, or in the enforcement by Lenders of any of its rights or remedies under this Agreement, the Loan Agreement or any Loan Document shall be borne and paid by Grantor on demand by Lenders and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate of interest chargeable pursuant to the Loan Agreement upon an Event of Default.
- 7) To the extent that Grantor in the exercise of its reasonable business judgment deems it advisable, Grantor shall have the duty, through counsel of its own choosing, to litigate diligently any actions for or of the Patents, Trademarks, or Copyrights pending as of the date of this Agreement or thereafter until the Obligations shall

have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are reasonably necessary or desirable to preserve and maintain all rights in the Patents, Trademarks, or Copyrights. Any expenses incurred in connection with the Patents, Trademarks, and Copyrights shall be borne by Grantor. The Grantor shall not abandon any Patents, Trademarks, or Copyrights other than in the ordinary course of business without the consent of Lenders, which consent shall not be unreasonably withheld.

- 8) In the event of the occurrence and continuance of a Default or an Event of Default, Grantor hereby authorizes and empowers Lenders to make, constitute and appoint any officer or agent of Lenders as Lenders may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, documents, papers and instruments necessary for Lenders to use the Patents, Trademarks, or Copyrights, or to grant or issue any exclusive or nonexclusive license under the Patents, Trademarks, or Copyrights to anyone else, or necessary for Lenders to assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, or Copyrights to anyone else. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.
- 9) If Grantor fails to comply with any of its obligations hereunder, Lenders may do so in Grantor's name or in Lenders' name, but at Grantor's expense, and Grantor hereby agrees to reimburse Lenders in full for all expenses, including reasonable attorney's fees, incurred by Lenders in protecting, defending and maintaining the Patents, Trademarks, or Copyrights.
- 10) No course of dealing between Grantor and Lenders, nor any failure to exercise, nor any delay in exercising, on the part of Lenders, any right, power or privilege hereunder or under the Loan Agreement, or under any Loan Document 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.
- 11) All of Lenders' rights and remedies with respect to the Patents, Trademarks, or Copyrights, whether established hereby or by the Loan Agreement, or by any other agreement(s) or by law, shall be cumulative and may be exercised singly or concurrently.
- 12) The provisions of this Agreement 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 Agreement in any jurisdiction.
- 13) This Agreement is subject to modification only by a writing signed by the parties, except as provided elsewhere herein.
- 14) The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
- 15) The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of New Jersey.
- 16) THE PARTIES HERETO AGREE TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN NEW JERSEY IN CONNECTION WITH ANY MATTER ARISING HEREUNDER, INCLUDING THE COLLECTION AND ENFORCEMENT HEREOF. THE ASSIGNOR AND LENDERS EACH HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE ACTIONS OF LENDERS. THIS WAIVER IS MADE KNOWINGLY AND IN CONSIDERATION OF THE ADVANCES MADE UNDER THE LOAN AGREEMENT.

17) This Agreement, the Loan Agreement and the Loan Documents embody the entire agreement and understanding between the Grantor and Lenders and supersedes all prior agreements and understandings relating to the subject matter hereof and thereof.


WITNESS the execution hereof under seal as of the day and year first above written.

ATTEST:


JOSEPH M. KATZENSTEIN, Secretary
[SEAL]

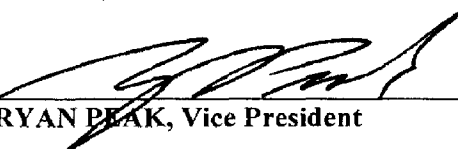
PHILIPP BROTHERS CHEMICALS, INC.

BY:


Nathan Bistricev, Vice President

PNC BANK, NATIONAL ASSOCIATION

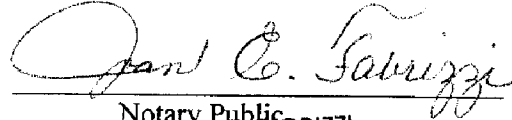
By:


RYAN PEAK, Vice President

STATE OF NEW JERSEY :
 :
COUNTY OF Middlesex :SS:
 :

On this 30th day of November, 2000, before me, a notary public for the State of New Jersey, the undersigned officer, personally appeared NATHAN Z. BISTRICK who acknowledged himself to be the CEO of PHILIPP BROTHERS CHEMICALS, INC., being authorized to do so, executed the foregoing therein contained by signing the name of the corporation by himself as CEO.

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

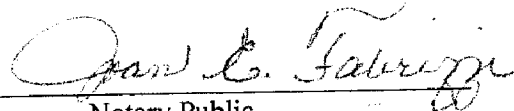


Notary Public
JOAN E. FABRIZZI
NOTARY PUBLIC, State of New Jersey
My Commission Expires Feb. 24, 2005

STATE OF NEW JERSEY, :
 :SS:
COUNTY OF Middlesex :

On this 30th day of November, 2000, before me, a notary public for the State of New Jersey, the undersigned officer, personally appeared RYAN PEAK, who acknowledged himself to be the Vice President of PNC BANK, NATIONAL ASSOCIATION, being authorized to do so, executed the foregoing therein contained by signing the name of the corporation by himself as Vice President.

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



Notary Public
JOAN E. FABRIZZI
NOTARY PUBLIC, State of New Jersey
My Commission Expires Feb. 24, 2005

SCHEDULE A
(Copyrights)

NONE

SCHEDULE B
(Patents)

NONE

SCHEDULE C
(Trademarks)

**ACTIVE TRADEMARK REGISTRATIONS OWNED BY
PHILIPP BROTHERS CHEMICALS, INC.**

MARKS	APPLICATION NUMBER & DATE	REGISTRATION NUMBER & DATE	STATUS
A-STAB	73/196,800 12/12/78	1,143,092 12/16/80	REGISTERED
PRINCE & DESIGN	74/516,225 04/25/94	1,902,265 07/04/95	REGISTERED
KASTAB	72,059 12/17/75	1,055,390 01/04/77	REGISTERED
PHIBRO & Design	76/066,169 06/08/00	Not Available	PENDING

SCHEDULE D

On April 18, 2000, Morse Enterprise Limited, Inc., through its outside counsel, sent a charge of infringement with regard to Agtrol International's use of the letters "DP" as part of its mark CHAMP DP for a pesticide. Agtrol International, through its outside counsel, responded by letters dated May 17, 2000 and May 23, 2000. Morse Enterprises Limited, Inc., through its outside counsel, reiterated its concerns in a May 31, 2000 letter. After telephone conferences between the outside counsel for the parties, on September 28, 2000, Agtrol International, through its outside counsel, indicated in writing that, without any admission of liability, it would change its CHAMP DP mark to the mark CHAMP DRY PRILL in the United States for its pesticide, and would deplete all existing stock of packaging, printed materials, specimen labels and promotional materials using the mark CHAMP DP. Neither Agtrol International nor its outside counsel have heard anything further from either Morse Enterprises Limited, Inc. or its outside counsel.