

08-14-2001

U.S. DEPARTMENT OF COMMERCE
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4-0027 (exp. 5/31/2002)
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To the Honorable Commissioner of Patents

original documents or copy thereof.

<p>1. Name of conveying party(ies): Kae-Tech USA, Inc. <i>07/23/01</i></p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State DELAWARE <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		<p>2. Name and address of receiving party(ies) Name: National Bank of Canada Internal Address: National Bank Building Address: _____ Street Address: 150 York Street, 2nd Floor City: Toronto, Ontario State: Canada Zip: M5H 3S5</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State CANADA <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other Agreement First Amendment to Security and Pledge Execution Date: July 1, 2001</p>			
<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s) 76116834, 76194647, 76239573, 76241484, 76241485, 76241486</p>		<p>B. Trademark Registration No.(s)</p>	
Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: John E. Ottaviani, Esq. Internal Address: _____ Edwards & Angell, LLP Street Address: _____ 2800 Financial Plaza City: Providence State: RI Zip: 02903</p>		<p>6. Total number of applications and registrations involved: 6</p> <p>7. Total fee (37 CFR 3.41).....\$ 165 <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: 500402 (Attach duplicate copy of this page if paying by deposit account)</p>	
DO NOT USE THIS SPACE			
<p>9. Statement and signature. <i>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.</i></p> <p>John E. Ottaviani <i>John E. Ottaviani</i> July 18, 2001 Name of Person Signing Signature Date</p> <p style="text-align: right;">Total number of pages including cover sheet, attachments, and document: 4</p>			

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

08/13/2001 00WED1 00000135 76116834

01 FC:481
02 FC:482

40.00 DP
125.00 DP

TRADEMARK
REEL: 002347 FRAME: 0074

**FIRST AMENDMENT TO
ASSIGNMENT OF PAYMENTS AND SECURITY**

FIRST AMENDMENT TO ASSIGNMENT OF PAYMENTS AND SECURITY ("First Amendment") dated as of July 1, 2001 by and between KAE-TECH USA, INC., a Delaware corporation ("Assignor") and, NATIONAL BANK OF CANADA, as Security Agent (the "Agent") for the Lenders.

W I T N E S S E T H:

WHEREAS, Assignor and Agent have entered into an Assignment of Payments and Security dated as of May 18, 2000 ("Security Agreement"), pursuant to which Assignor has agreed to assign and transfer to Agent certain security agreements and collateral in favor of Assignor; and

WHEREAS, Assignor and Secured Party wish to modify, amend and supplement the Security Agreement to reflect additional Trademarks that have become part of the Security; and


WHEREAS, terms used but not otherwise defined in this First Amendment shall have the respective meanings ascribed to such terms in the Security Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby confirms that it has assigned and transferred to Agent, pursuant to the Security Agreement, Assignor's security interest in the Trademarks listed on Annex 4A.
2. Assignor and Agent agree that the Security Agreement is hereby amended and supplemented by adding the Trademarks listed on Annex 4A hereto.
3. Except as modified, amended and supplemented hereby, the Security Agreement shall remain in full force and effect and is in all other respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed as of the date and year first above written.

KAE-TECH USA, INC.
a Delaware corporation

By: 
Name: Leslie Martin
Date: _____

NATIONAL BANK OF CANADA, as Security Agent

By: _____
Name: _____
Date: _____


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IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed as of the date and year first above written.

KAE-TECH USA, INC.
a Delaware corporation

By: _____
Name: _____
Date: _____

NATIONAL BANK OF CANADA, as Security
Agent

By:  _____
Name: _____
Date: _____

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Annex 4A
Trademarks

U.S. Trademarks:

Serial No.	Filed	Mark	Reg. No.	Issued
76116834	2000-08-25	HAIR LOSS UPDATE		
76194647	2001-01-17	TRAX		
76239573	2001-04-12	BIO-FUSE		
76241484	2001-04-16	BIO-GRAFT		
76241485	2001-04-16	BIO-GRAFT		
76241486	2001-04-16	BIO-GRAFT		

Foreign Trademarks:

Country	Serial No.	Filed	Mark	Reg. No	Issued
Egypt	138466	22 Nov 2000	HAIR CLUB and design		
Saudi Arabia	68426	05 Dec 2000	HAIR CLUB and design		
Turkey	00/22/113	16 Oct 2000	HAIR CLUB and design		
Venezuela	200-019553	24 Oct 2000	HAIR CLUB and design		
Australia	845605	09 Aug 2000	HAIR CLUB and design		
Indonesia	J0018280	20 Aug 2000	HAIR CLUB and design		
Malaysia	2000/11422	18 Aug 2000	HAIR CLUB and design		
Norway	20069206	10 Aug 2000	HAIR CLUB and design		
Singapore	T00/14596H	18 Aug 2000	HAIR CLUB and design		
Taiwan	89046159	09 Aug 2000	HAIR CLUB and design		
Morocco	75028	06 Oct 2000	HAIR CLUB		
Peru	24274	19 Jan 2001	HAIR CLUB		

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