

09-10-2001



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

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U.S. DEPARTMENT OF COMMERCE 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): Atkins Nutritionals, Inc. [checkbox] Individual(s) [checkbox] Association [checkbox] General Partnership [checkbox] Limited Partnership [x] Corporation-State [checkbox] Other Additional name(s) of conveying party(ies) attached? [checkbox] Yes [x] No

2. Name and address of receiving party(ies) Name: Citibank, N.A. Internal Address: Street Address: 1 EAB Plaza City: Uniondale State: NY Zip: 11555 [checkbox] Individual(s) citizenship [checkbox] Association [checkbox] General Partnership [checkbox] Limited Partnership [checkbox] Corporation-State [x] Other National Association If assignee is not domiciled in the United States, a domestic representative designation is attached: [checkbox] Yes [checkbox] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [checkbox] Yes [checkbox] No

3. Nature of conveyance: [checkbox] Assignment [checkbox] Merger [x] Security Agreement [checkbox] Change of Name [checkbox] Other Execution Date: August 23, 2001

4. Application number(s) or registration number(s): A. Trademark Application No.(s) See attached Schedule B. Trademark Registration No.(s) See attached Schedule Additional number(s) attached [x] Yes [checkbox] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Michael L. Dornbaum, Esq. Internal Address: Street Address: Cullen and Dykman 100 Quentin Roosevelt Blvd. City: Garden City State: NY Zip: 11530

6. Total number of applications and registrations involved: [] 7. Total fee (37 CFR 3.41) \$ 340.00 [x] Enclosed [checkbox] 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. Michael L. Dornbaum Signature August 28, 2001 Date Name of Person Signing Signature Date Total number of pages including cover sheet, attachments, and document: 4

09/10/2001 DBYRNE 00000030 75490275 01 FC:481 02 FC:482

40.00 documents to be recorded with required cover sheet information to: 300.00 Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002364 FRAME: 0083

SCHEDULE A

1

MARK	SERIAL	REGISTRATION
Arthrijoint	75/490275	2,253,675
Atkins Diet Advantage Bar	75/440375	2,437,823
Atkins Diet	75/439907	2,434,476
Dr. Atkins	75/440322	2,436,113
A Basic #3	75/440323	2,411,688
A Atkins (w/ Design)	76/225472	Pending
Atkins Direct	76/225473	Pending
Atkins	76/225469	Pending
Atkins	76/225470	Pending
Atkins	76/225468	Pending
Atkins Endulge	76/225471	Pending
Atkins Nutritional Approach		Pending
Atkins Nutritional Principals	76/290508	Pending

¹ This schedule lists all issued and pending trademarks on file with the U.S. Patent and Trademark Office.

TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT is entered into as of this 23rd day of August, 2001, between **ATKINS NUTRITIONALS, INC.** (the "Assignor"), a New York corporation having a mailing address at 2002 Orville Drive North, Suite A, Ronkonkoma, New York 11779 and **CITIBANK, N.A.** (the "Secured Party").

WHEREAS:

A. The Secured Party has heretofore granted to the Assignor and may grant to the Assignor loans or other extensions of credit from time to time;

B. The Assignor has entered into a general security agreement dated as of December 11, 2000 (the "Security Agreement") pursuant to which the Assignor has granted to the Secured Party a first priority security interest in and lien against the Collateral, as defined therein; and

C. Assignor wishes to grant further collateral security and assurance to the Secured Party in order to secure the performance by Assignor of the Obligations (as defined herein), and to that effect Assignor agrees to grant to Assignee a security interest in certain tradenames and trademark rights.

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with Assignee as follows:

1. As used in this Agreement, the following term shall have the following meaning:

"Obligations" shall mean all now existing or hereafter arising obligations of the Assignor to the Secured Party, whether primary or secondary, direct or indirect, absolute or contingent, joint or several, secured or unsecured, due or not, liquidated or unliquidated, arising by operation of law or otherwise under any promissory note, guarantee, loan or credit agreement, letter of credit, draft, acceptance, interest rate or foreign exchange agreement, mortgage or other documents evidencing indebtedness whether for principal, interest, fees, expenses or otherwise, together with all costs of collection or enforcement, including, without limitation, reasonable attorneys' fees incurred in any collection efforts or in any action or proceeding. The Obligations shall include interest accruing thereon before or after the commencement of any insolvency, bankruptcy or reorganization proceeding in respect of the Assignor or any guarantor of the Obligations whether or not such interest is an allowable claim in any such proceeding and irrespective of the discharge or release of the Assignor or any other guarantor in such proceeding.

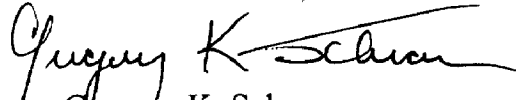
2. To secure the complete and timely satisfaction of all Obligations, Assignor hereby grants, assigns and conveys to Assignee a continuing security interest in and to the trademarks and trademark applications and tradenames and tradename applications listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), all proceeds thereof (including but not limited to license royalties and proceeds of infringement suits thereon), claims for past, present and future infringements, all rights corresponding thereto throughout the world, all reissues, divisions, continuations, renewals, extensions and continuations in part thereof, and all trademarks and applications for trademarks and all tradenames and applications for tradenames of Assignor hereafter filed or acquired, together with all goodwill associated with any and all of the foregoing and all proceeds of any and all of the foregoing (collectively called the "Collateral" or the "Trademarks"); Ownership of the Trademarks is not assigned, conveyed or transferred to Assignee hereunder.

3. This security interest is granted in conjunction with the security interests granted to the Secured Party pursuant to the Security Agreement. The Assignor does hereby further acknowledge and affirm that the rights and remedies of the Secured Party with respect to the security interest in the Trademarks made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

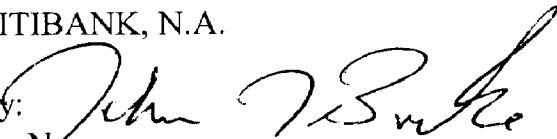
4. Assignor authorizes the Secured Party to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications which are Trademarks under paragraph 2 hereof, provided that any such amendment shall not be effective until ten (10) business days after written notice and a copy of such amendment been delivered to Assignor.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ATKINS NUTRITIONALS, INC.

By: 
Name: Gregory K. Schraer
Title: Senior Vice President Finance, CFO

CITIBANK, N.A.

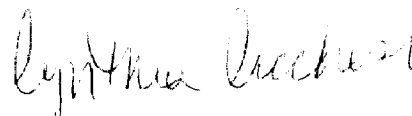
By: 
Name: JOHN J. BURKE
Title: VP

STATE OF NEW YORK
COUNTY OF Bronx ss.:

On the 23 day of August, in the year 2000 before me, the undersigned, a notary public in and for said State, personally appeared Gregory Schmees, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

CYNTHIA CICCYESI
Notary Public, State of New York
No. 01C15069917
Qualified in Bronx County
Commission Expires December 9, 2002


Notary Public



STATE OF NEW YORK
COUNTY OF Suffolk ss.:

On the 24th day of August, in the year 2000 before me, the undersigned, a notary public in and for said State, personally appeared John T. Romano, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public



RICHARD ROMANO
Notary Public, State of New York
No. 4873628
Qualified in Suffolk County
Commission Expires October 20, 2002

EXHIBIT A¹

MARK	SERIAL NUMBER	REGISTRATION NUMBER
Arthrijoint	75/490275	2,253,675
Atkins Diet Advantage Bar	75/440375	2,437,823
Atkins Diet	75/439907	2,434,476
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Atkins Direct	76/225473	Pending
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