

MMS
12-17-01

12-18-2001

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

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



101918846

To the Honorable Commissioner of Pat

original documents or copy thereof.

12-18-01

1. Name of conveying party(ies):
Paper-Pak Industries

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

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

2. Name and address of receiving party(ies)
Name: The CIT Group/Business Credit, Inc.
Internal Address: _____
Address: _____
Street Address: 300 S. Grand Avenue, 3rd Fl.
City: Los Angeles State: CA Zip: 90071

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State CA
 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 Merger
 Security Agreement Change of Name
 Other _____

Execution Date: October 9, 2001

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 B. Trademark Registration No.(s) 1,678,469;
 1,450,747; 1,262,894; 1,480,788;
 1,879,205

Additional number(s) attached Yes No

6. Total number of applications and registrations involved: 5

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Gary D. Samson, Esq.
 Internal Address: _____
 Orrick, Herrington & Sutcliffe LLP
 Street Address: 777 S. Figueroa Street
 Suite 3200
 City: Los Angeles State: CA Zip: 90017

7. Total fee (37 CFR 3.41).....\$ 140.00
 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.

Joel Kabakoff
 Name of Person Signing

Signature

December 13, 2001
 Date

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

12/18/2001 GTON11 00000013 1678469
 01 FC:481 40.00 OP
 02 FC:482 100.00 OP

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

TRADEMARK
 REEL: 002408 FRAME: 0954

GRANT OF SECURITY INTEREST

TRADEMARKS

THIS GRANT OF SECURITY INTEREST, dated as of October 9, 2001 is executed by PAPER-PAK INDUSTRIES ("Borrower"), in favor of THE CIT GROUP/BUSINESS CREDIT, INC. ("Lender").

A. Pursuant to a Financing Agreement dated as of the date hereof (the "Financing Agreement") among Borrower and Lender, Lender has agreed to extend certain credit facilities to Borrower upon the terms and subject to the conditions set forth therein.

B. Borrower has adopted, used and is using the trademarks, more particularly described on Schedules 1-A and 1-B annexed hereto as part hereof, which trademarks are registered or subject to an application for registration in the United States Patent and Trademark Office (collectively, the "Trademarks");

C. Borrower has entered into a Security Agreement (Intellectual Property) dated the date hereof (the "Security Agreement") in favor of Lender; and

D. Pursuant to the Security Agreement, Borrower has granted to Lender a security interest in all right, title and interest of Borrower in and to the Trademarks, together with the goodwill of the business symbolized by the Trademarks and the customer lists and records related to the Trademarks and the applications and registrations thereof, and all proceeds thereof, including any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the payment, performance and observance of the Obligations, as defined in the Security Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Borrower does hereby further grant to Lender a security interest in the Collateral to secure the prompt payment, performance and observance of the Obligations.

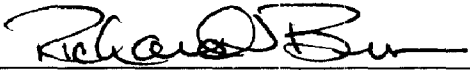
Borrower does hereby further acknowledge and affirm that the rights and remedies of Lender with respect to the security interest in the Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Lender's address is:

The CIT Group/Business Credit, Inc.
300 S. Grand Avenue, Third Floor
Los Angeles, California 90071
Telecopier No.: (213) 613-2501

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed as of the day and year first above written.

PAPER-PAK INDUSTRIES

By: 
Name: Richard J. Ben
Title: President

SCHEDULE 1-A TO GRANT OF SECURITY INTEREST

TRADEMARKS

<u>Trademark</u>	<u>Jurisdiction</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
Tissuepak (stylized letters)	United States	3-10-1992	1,678,469
Zap	United States	8-4-1997	1,450,747
Zap	United States	8-4-1987	1,450,747
P (stylized letters)	United States	1-3-1984	1,262,894
Z (and design)	United States	3-15-1988	1,480,788
Ultra Zap	United States	2-14-1995	1,879,205

SCHEDULE 1-B TO GRANT OF SECURITY INTEREST

TRADEMARK APPLICATIONS

None.

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF California)
COUNTY OF Los Angeles) ss.

On October 9, 2001, before me, Joel Kabakoff, Notary Public
(Name and Title of Officer)

personally appeared Richard J. Beu

personally known to me
-or-

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his her/their authorized capacity(ies), and that by his her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Joel Kabakoff
Signature Of Notary



OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

Title(s)

- Partner(s) Limited
- Attorney-In-Fact General
- Trustee(s)
- Guardian/Conservator
- Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Grant of Security Interest Trademarks
Title Or Type Of Document

Number Of Pages

Date Of Document

Signer(s) Other Than Named Above