

FORM PTO-1584  
(Rev. 8-03)  
OMB No. 0951-0011 (exp. 4/04)

# RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
Patent and  
Trademark Office

Tab settings ⇄⇄⇄

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

1. Name of conveying party(ies):  
 MRN Enterprises, Inc. d/b/a American Hairlines  
 (New York Corporation)

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

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

2. Name and address of receiving party(ies)  
 Name: Eva Gabor International, Ltd.  
 Internal Address: \_\_\_\_\_  
 Street Address: 5775 Deramus Avenue  
 City: Kansas City    State: MO    Zip: 64120

Individual(s) citizenship: \_\_\_\_\_  
 Association: \_\_\_\_\_  
 General Partnership: \_\_\_\_\_  
 Limited Partnership: \_\_\_\_\_  
 Corporation-State: Delaware  
 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: Asset Purchase Agreement dated March 31, 2000

4. Application number(s) or patent number(s):  
 A. Trademark Application No.(s)  
 B. Trademark Registration No.(s)  
2,269,435 LIVE SCALP REPLICA

Additional numbers attached?     Yes     No

5. Name and address of party to whom correspondence concerning document should be mailed:  
 Name: Marta I. Burgin  
 Internal Address: Armstrong Teasdale  
Suite 2600  
 Street Address: One Metropolitan Square  
 City: St. Louis    State: MO    Zip: 63102-2740

6. Total number of applications and registrations involved ..... 1

7. Total fee (37 CFR 3.41) ..... \$40.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
01-2384  
 (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*

Marta I. Burgin                      Marta I. Burgin                      April 15, 2002  
 Name of Person Signing                      Signature                      Date

Total number of pages including cover sheet, attachment, and document:

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT (this "Agreement") is dated as of the 31<sup>st</sup> day of March, 2000, by and between Eva Gabor International, Ltd. ("EGI"), a Delaware corporation ("Purchaser"), MRN Enterprises, Inc. d/b/a American Hairlines, a New York corporation ("MRN"), Michael Napolitano, Eleanor Napolitano, and Denise Napolitano, the shareholders of MRN ("Shareholders") (MRN and Shareholders hereinafter collectively referred to as "Seller").

### RECITALS:

A. MRN is engaged in the business of operating and managing a men's hair-replacement business (the "Business").

B. Seller desires to sell, and Purchaser desires to purchase, the customer lists and records, goodwill, intellectual property, inventory, accounts receivables, and other items (the "Assets"), all of which are owned by Seller in connection with the operation and conduct of the Business, on the terms and subject to the conditions herein set forth.

C. Seller and Purchaser both desire to enter into a five (5) year Consulting Agreement wherein Purchaser would pay an annual consulting fee to MRN for the services of Eleanor Napolitano and Denise Napolitano, employees of MRN.

D. MRN and Shareholders agree that as an inducement and as consideration for Purchaser to enter into the terms of this Agreement, both MRN and Shareholders will enter into a non-competit agreement under the terms as set forth in the Non-Competition Agreement as attached to this Agreement.

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

### ARTICLE I

#### Purchase and Sale of the Purchased Assets

1.1 Purchased Assets. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, transfer, assign and deliver to Purchaser, and Purchaser agrees to purchase from Seller, free and clear of any lien, restriction, encumbrance, or right of any party (collectively, "Liens"), substantially all of Seller's assets ("Purchased Assets") listed in Exhibit I.1 used in the Business as each exist as of the Closing Date (as hereinafter defined).

1.2 Retained Assets. Seller shall retain all other assets not listed on Exhibit 1.1.

## ARTICLE II

### Liabilities

2.1 No Assumption of Liabilities By Purchaser. Purchaser does not agree to assume and shall not be responsible to pay the liabilities, obligations, claims or commitments of Seller except for the customer deposits set forth on Exhibit I.1. All other liabilities of Seller of any nature, whether known or unknown, shall be retained by and paid by Seller if incurred prior to March 31, 2000.

## ARTICLE III

### Purchase Price and Payment By Purchaser to Seller

3.1 Purchase Price. The total purchase price to be paid for the assets in Exhibit I.1 shall be in the amount of Two Hundred Eighty Seven Thousand Nine Hundred Thirty Seven and No/100s Dollars (\$287,937.00), to be paid as follows:

A. One Hundred Eighty Thousand and No/100s Dollars (\$180,000.00) to be paid by Purchaser to Seller on the Closing Date as follows: i) that amount needed to fully pay off the Chase line of credit owed by Seller shall be paid first, so that the title on the Accounts Receivable and Inventory can be transferred to Purchaser at Closing, free and clear of all liens, and ii) any additional monies shall be paid directly to Seller on the Closing Date in cash;

B. One Hundred Thousand and No/100s Dollars (\$100,000.00) to be paid by Purchaser to Seller as follows: (1) Seven Thousand Five Hundred and No/100s Dollars (\$7,500.00) per week for four (4) weeks following Closing date on April 3, 10, 17, and 24, 2000; (2) Six Thousand Three Hundred Sixty-Three and 64/100s Dollars (\$6,363.64) per month for ten (10) months starting May 1, 2000; and (3) One (1) final payment of Six Thousand Three Hundred Sixty-Three and 60/100s Dollars (\$6,363.60) due March 1, 2001;

C. Credit in favor of Purchaser of Seven Thousand Nine Hundred Thirty Seven and No/100s Dollars (\$7,937.00) for customer deposits assumed by not paid to Purchaser;

C. EGI shall have the right to set-off any and all payments due and owing to MRN pursuant to Section 3.1B upon MRN's failure to make indemnity payments to EGI pursuant to Article IX, Section 9.1.

## ARTICLE IV

### Closing

4.1 Closing. The transactions contemplated by this Agreement shall be effective as of the closing date (the "Closing"), which shall be March 31, 2000, at 11:59 p.m. local time at the offices of Purchaser, or on such other date or at such other time or place as the parties may mutually determine.

4.2 Deliveries by Seller. At the Closing, Seller shall deliver to Purchaser the following:

- A. An executed copy of this Agreement;
- B. A Warranty Bill of Sale and Assignment conveying the Purchased Assets to Purchaser and an Assignment/Assumption of Contracts Agreement;
- C. Such other instruments of sale, transfer and assignment as shall be necessary or appropriate to effectuate the transfer, assignment and conveyance of the Purchased Assets to Purchaser, and to vest in Purchaser good and marketable title to the Purchased Assets, free and clear of all Liens;
- D. Resolutions of the Shareholders of Seller authorizing the execution, delivery and performance of this Agreement and all related agreements, documents and certificates, as of the Closing Date;
- E. A Certificate of Good Standing issued by the New York Secretary of State not more than thirty (30) days before the Closing Date; and
- F. Such other documents and certificates required to be executed or delivered at the Closing in accordance with the terms of this Agreement.
- G. Executed Consulting Agreement, as set forth in Exhibit 7.6.

4.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller the following:

- A. An executed copy of this Agreement;
- B. Resolutions of Purchaser authorizing the execution, delivery and performance of this Agreement and all related agreements, documents and certificates, as of the Closing Date;
- C. Payment of the Purchase Price, which is due upon Closing;
- D. Such other documents and certificates required to be executed or delivered at the Closing in accordance with the terms of this Agreement.

4.4 Simultaneous Delivery. All documents and instruments to be delivered on the Closing Date pursuant to this Article IV shall be regarded as having been delivered simultaneously, and no document or instrument shall be regarded as having been delivered until all such documents and instruments have been delivered.

ARTICLE V

Conditions to Closing

5.1 Conditions Precedent to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject to the satisfaction of each of the following conditions, any one or more of which may be waived in writing by Purchaser:

A. Representations, Warranties and Covenants. All of the representations and warranties of Seller contained herein shall be true and correct in all material respects on and as of the date hereof and on and as of the Closing Date, and Seller shall have complied with and performed in all material respects all of the covenants and agreements to be complied with and performed by Seller on or prior to the Closing Date.

B. Required Consents. All third party consents, waivers and releases under any agreements, leases, mortgages, licenses, permits and other instruments to which Seller is a party or by which any of the Purchased Assets may be bound, shall have been obtained and attained on or prior to, and shall be in full force and effect as of, the Closing Date.

C. Consulting Agreement. Seller shall have delivered, as of the Closing Date, a Consulting Agreement, as attached hereto as Exhibit 7.6.

D. Deliveries. Seller shall have delivered to Purchaser all documents required to be delivered to Purchaser on the Closing Date.

5.2 Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction of each of the following conditions, any one or more of which may be waived in writing by Seller:

A. Representations, Warranties and Covenants. All of the representations and warranties of Purchaser contained herein shall be true and correct in all material respects on and as of the date hereof and on and as of the Closing Date, and the Purchaser shall have complied with and performed in all material respects all of the covenants and agreements to be complied with and performed by Purchaser on or prior to the Closing Date.

B. Deliveries. Purchaser shall have delivered to Seller all documents required to be delivered to Seller on the Closing Date.

ARTICLE VI

Representations and Warranties

6.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser on and as of the date hereof and on and as of the Closing Date as follows:

A. Organization and Standing. Seller is a corporation duly incorporated, organized, validly existing and in good standing under the laws of the State of New York, and has all requisite power and authority to own or hold under lease its properties and assets and to carry on its Business as now conducted.

B. Authorized Action. Seller has all necessary power and authority to make, execute and deliver this Agreement and all other agreements and documents to be executed and delivered by it pursuant hereto, and has taken all necessary actions required to be taken to authorize it to execute and deliver this Agreement and such other agreements, and to perform all obligations, undertakings and agreements to be observed and performed by it hereunder and thereunder. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid and binding agreement of Seller, enforceable in accordance with its terms.

C. No Default. Neither the execution and delivery of this Agreement by Seller, nor its consummation of the transactions contemplated hereby, will violate, conflict with or result in a breach of (A) any term or provision of its Articles of Incorporation or Bylaws (or other organizational documents) of Seller, (B) any judgment, decree, order, regulation or rule of any court or governmental authority, (C) any material statute or law, or (D) any material contract, agreement, lease or other commitment to which Seller is a party or by which it is bound.

D. Consents. Except as set forth herein, the execution and delivery of this Agreement by Seller, and its consummation of the transactions contemplated hereby, will not require the approval, consent or authorization of any third party, any federal, state or local court, government authority or regulatory body or creditor, or give any party with rights under any instrument, agreement, contract, dealer agreement, mortgage, judgment, award, order or other restriction the right to terminate, modify or otherwise change any of the current rights or obligations of Seller.

E. Title to and Sufficiency of Purchased Assets. Seller has and will convey to Purchaser good and marketable title to all of the Purchased Assets, free and clear of any Liens.

F. Litigation. There are no claims, actions, suits, legal or administrative proceedings, governmental investigations or any labor matters pending or to Seller's knowledge threatened, nor any outstanding judgments, decrees, settlements, orders, rulings, writs or injunctions, against or involving Seller, which have a material adverse effect on the Purchased Assets or which relate in any material way to the transactions contemplated by this Agreement.

G. Taxes. All taxes, including, without limitation, income, sales, use, real estate, personal property (tangible and intangible), withholding, social security, employment and other taxes, together with all interest, penalties and additions imposed with respect to such amounts, which are due or claimed to be due by federal, state or local taxing authorities or due or to become due with respect to ownership of the Purchased Assets or the operation of the Business by Seller prior to March 31, 2000 have been or will be paid when due.

6.2 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller on and as of the date hereof and on and as of the Closing Date as follows:

A. Organization and Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own or hold under lease its properties and assets and to carry on its business as now conducted.

B. Corporate Action. Purchaser has all necessary power and authority to make, execute and deliver this Agreement and all other agreements and documents to be executed and delivered by it pursuant hereto, and has taken all necessary corporate actions required to be taken to authorize it to execute and deliver this Agreement and such other agreements, and to perform all obligations, undertakings and agreements to be observed and performed by it hereunder and thereunder. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding agreement of Purchaser, enforceable in accordance with its terms.

## ARTICLE VII

### Covenants and Agreements

7.1 Conduct Prior to Closing. Seller agrees to conduct Business and its operation only in the usual, ordinary and regular course, and shall exert good faith efforts to maintain and preserve the Business and purchase assets intact and in good working order and condition, ordinary wear and tear accepted and shall cause all necessary repairs to the purchased assets to be performed in a good and workmanlike manner.

7.2 Right of Inspection; Purchaser's Access. Between the date of this Agreement and the Closing Date, except as otherwise provided herein, Seller shall afford to Purchaser, its counsel, accountants, employees, agents and other representatives reasonable access upon reasonable prior notice, at any time during regular business hours, to all of the Purchased Assets, wherever located, the facilities, records, documents, files, premises, buildings, books, or records personnel, accountants and agents of Seller relating to the Business, and shall provide Purchaser with such other information with respect to the Business, the Purchased Assets and the Assumed Liabilities as Purchaser may reasonably request. Purchaser shall be permitted to make extracts from, or copies of, any books or records of Seller in connection with the rights of access herein granted.

### 7.3 Confidentiality and Non-Competition.

A. Seller hereby covenants and agrees that at all times from and after the date of this Agreement, it shall keep secret and maintain in strictest confidence, and shall not use for its benefit or for the benefit of others, and shall not cause or allow any of its agents, officers, directors and employees to so disclose or use, any information relating to Seller or the Business or otherwise pertaining to this transaction contemplated hereby that is deemed by Purchaser to be confidential or otherwise to constitute a trade secret of the business.

B. If the transaction contemplated by this Agreement is terminated or abandoned as provided in Article VIII, below, then Purchaser hereby covenants and agrees that at all times from and after the date of this Agreement, it shall keep secret and maintain in strictest confidence, and shall not use for its benefit or for the benefit of others, and shall not cause or allow any of its agents,

officers, directors and employees to so disclose or use, any information relating to Seller or the Business or otherwise pertaining to this transaction contemplated hereby that is deemed by Seller to be confidential or otherwise to constitute a trade secret of the business.

C. Seller agrees that for three (3) years from the date of this Agreement, for any reason, Seller will not solicit, divert, influence, or attempt to solicit, divert or influence any employee of EGI to leave the employ of EGI or to transfer his or her employment from EGI to any other firm, person or entity, whether or not such firm, person or entity employs, is owned by or is affiliated with Seller in any manner, or directly or indirectly cause such employee or agent to terminate such employment or agency relationship with EGI in order to work for another. The covenant contained herein shall be enforceable against Seller and any firm, person or entity for which Seller's employees are employees, agents, consultants, partners, shareholders, members or which is affiliated with Seller or its employees in any manner.

D. Seller agrees that for three (3) years after from the date of this Agreement, for any reason, it will not compete with EGI or engage in the business of manufacturing, distributing and/or selling Products similar to those of EGI as an employee, owner, independent contractor, officer, director, shareholder, member or partner or in any other capacity with any active or proposed account of EGI's, which was an active or proposed account of EGI's during the term of this Agreement. Seller agrees that its resources and capabilities are such that adequate sources of employment and income remain available to it in light of the restrictions of this Section 7.3.

7.4 IRS Form Filing. Seller and Purchaser hereby covenant that each will cooperate in the preparation and filing of any necessary IRS Forms in a manner consistent with this Agreement.

7.6 Consulting Agreement. Seller will enter into a five (5) year Consulting Agreement with Seller, as attached hereto as Exhibit 7.6, wherein Purchaser shall pay an annual consulting fee to Seller for the services of Eleanor Napolitano and Denise Napolitano.

7.7 Payment in Full of Chase Account. Seller agrees that amount of the Purchase Price to be paid on the Closing Date shall first be paid directly to the Chase line of credit in an amount sufficient to fully pay off the Chase line of credit owed by Seller, so that the title on the Accounts Receivable and Inventory can be transferred to Purchaser at Closing, free and clear of all liens.

ARTICLE VIII

Termination

8.1 Termination. This Agreement and the transaction contemplated hereby may be terminated in the following manner:

A. By the mutual consent of the parties hereto;

B. By either party if the conditions precedent to such party's respective obligations contained in Article IV hereof have not been satisfied on or prior to the Closing Date; or



C. By either party if, through no fault of the canceling party, the Closing shall not have occurred on or prior to 11:59 p.m. on April 17, 2000, or such later date as may be mutually approved in writing by Seller and Purchaser.

8.2 Effect of Termination. If this Agreement is terminated or abandoned for any reason under the terms of this Article VIII, Purchaser and Seller shall return all confidential information acquired pursuant to this Agreement to the other party, and both Purchaser and Seller will be relieved of any further liability under this Agreement.

ARTICLE IX

Indemnification

9.1 Seller's Indemnity; Maximum Liability and Limitations. From and after the Closing Date, Seller shall completely defend, indemnify and hold Purchaser and its assigns harmless from and against any and all liability of the Seller related to the Purchased Assets and the operation of the Business prior to March 31, 2000, and from and against any and all liabilities arising as a result of any inaccuracy in any representation or warranty made on behalf of Seller to Purchaser. Additionally, should any amounts become due and owing under this provisions, Purchaser shall have the right to offset amounts due under the Consulting Agreement, which is attached hereto as Exhibit 7.6.

9.2 Purchaser's Indemnity. From and after March 31, 2000, Purchaser shall completely defend, indemnify and hold Seller and its assigns harmless from and against any and all liability of the Purchaser related to the Purchased Assets, the customer deposits, and the operation of the Business conducted by EGI after March 31, 2000, and from and against any and all liabilities arising as a result of any inaccuracy in any representation or warranty made on behalf of Purchaser to Seller.

ARTICLE X

Miscellaneous

10.1 Entire Agreement; Amendment. This Agreement is the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous negotiations, undertakings and agreements, written or oral, between the parties. No representation, inducement, agreement, promise, understanding or waiver altering, modifying, taking from or adding to the terms and conditions hereof shall have any force or effect unless the same is in writing and validly executed by each of the parties hereto.

10.2 Binding Effect; Assignment; Survival. This Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns. This Agreement shall not be assignable by either party without the prior written consent of the other.

10.3 Notices. Any notice, request, instruction or other communication to be given hereunder by any party hereto shall be in writing and shall be deemed to have been duly given on the date of delivery, provided delivery is actually tendered at the appropriate address, addressed to the

persons identified below (i) in person, or (ii) by courier service, or (iii) by facsimile copy (with original copy mailed the same day), or (iv) three (3) days after deposit in the U.S. mails by first class certified mail, postage prepaid, return receipt requested, all addressed as set forth below:

(i) If to Seller, to: MRN Enterprises, Inc.  
3039 Emmons Avenue  
Brooklyn, New York 11235  
Telephone No.: (718) 332-0020 or (800) 275-2434  
Facsimile No.: (718) 332-3301

With a copy to:

(ii) If to Purchaser, to: Eva Gabor International, Ltd.  
5775 Deramus Avenue  
Kansas City, Missouri 64120  
Telephone No.: (816) 231-3700  
Facsimile No.: (816) 231-8030

With a copy to:

Armstrong Teasdale LLP  
2345 Grand Boulevard, Suite 2000  
Kansas City, Missouri 64108  
Attn: Thomas H. Stahl  
Telephone No.: (816) 221-3420  
Facsimile No.: (816) 221-0786

or to such other person or persons at such address or addresses as may be designated by written notice to the other party pursuant to this Section 10.3.

10.4 Survival. The provisions of Sections 7.3, 7.4, 7.7, 8.1, 8.2, and Article IX shall survive the purchase contemplated by this Agreement.

10.5 Severability. If any provision of this Agreement is found invalid, unenforceable or in violation of any law by a court of competent jurisdiction, such provision shall be modified only to the extent necessary to enable such provision to be valid and enforceable, without affecting the remaining portions of this Agreement, which shall remain in full force and effect. As so amended, this Agreement shall be enforced to the fullest extent possible to give effect to the intention of the parties expressed herein.

10.6 Waivers. No delay on the part of any party in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any waiver of any right, power or privilege operate as a waiver of any other right, power or privilege, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies which the parties otherwise may have at law or in equity.

10.7 Applicable Law. This Agreement is governed by and shall be construed and enforced in accordance with the internal laws of the State of Missouri.

10.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

10.9 Attorney Fees and Expenses. In the event of any litigation between the parties arising out of this Agreement, in addition to any other damage or remedy available to either party, the prevailing party in such litigation shall be entitled to recover reasonable attorney fees and expenses incurred in connection with such litigation.

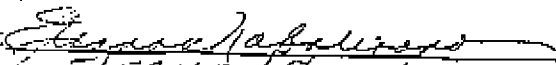
IN WITNESS WHEREOF, each of the parties hereto has caused this Asset Purchase Agreement to be executed on its behalf, in the case of corporations, by their duly authorized officers, as of the date first written above.


SELLER:

PURCHASER:

MRN ENTERPRISES, INC. d/b/a  
AMERICAN AIRLINES

EVA GABOR INTERNATIONAL, LTD.

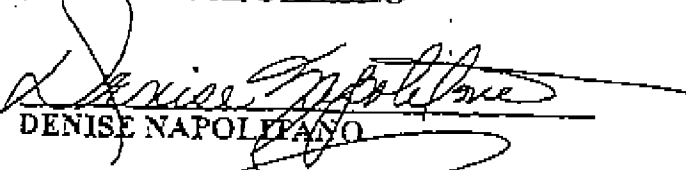
By:   
Name: ELEANOR NAPOLITANO  
Title: PRESIDENT

By:   
Name: MICHAEL NAPOLITANO  
Title: PRESIDENT

SHAREHOLDERS:

  
MICHAEL NAPOLITANO

  
ELEANOR NAPOLITANO

  
DENISE NAPOLITANO

**EXHIBIT 1.1  
PURCHASED ASSETS**

	<b>Amount</b>
A. Company Name: "MRN Enterprises, Inc."	\$ 1.00
B. Accounts Receivable	59,448.35
C. Inventory as of March 31, 2000	228,377.18
D. Assumption of Customer Deposits(7,937.00)	(7,937.00)
E. Customer Lists and Records	109.47
F. Intellectual Property	<u>1.00</u>
<b>NET TOTAL:</b>	<b><u>\$ 280,000.00</u></b>