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RECORD & TRACK

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):

MFSL, Inc.

3.22.02

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

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

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: December 17, 1999

2. Name and address of receiving party(ies)

Name: James G. Benz

Internal

Address:

Street Address: 105 Morris Street

City: Sebastopol State: CA Zip: 94972

Individual(s) citizenship USA

Association

General Partnership

Limited Partnership

Corporation-State

Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

Additional name(s) & address(es) attached? Yes No

OFFICE OF PLENARY RECORDS FINANCE SECTION MAR 22 AM 11

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2045969, 2047744, 2308129

Additional number(s) attached Yes No

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

Name: Warren L. Dranit, Esq.

Internal Address:

Spaulding McCullough & Tansil LLP

Street Address:

3550 Round Barn Boulevard, Suite 306

City: Santa Rosa State: CA Zip: 95403

6. Total number of applications and registrations involved: 3

7. Total fee (37 CFR 3.41): \$90.00

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.

Warren L. Dranit

Name of Person Signing

Signature

March 22, 2002

Date

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

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

04/05/2002 TDIAR1 00000212 2045969

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TRADEMARK REEL: 002476 FRAME: 0936

1 WILLIAM R. PASCOE, ESQ. ID #54284  
2 EDWARD TREDINNICK, ESQ. ID #84033  
3 PASCOE & RAFTON  
4 1050 Northgate Drive, Suite 356  
5 San Rafael, California 94903  
6 Telephone: (415) 492-1003

7 Attorneys for Jeffrey Locke, Trustee

99 DEC 17 AM 11:09  
U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

8 UNITED STATES BANKRUPTCY COURT  
9 NORTHERN DISTRICT OF CALIFORNIA

10  
11 In Re )  
12 MISL, INC., dba )  
13 MOBILE FIDELITY SOUND LAB, )  
14 Debtor. )

Case No. 99-13558  
Chapter 7  
ORDER APPROVING SALE OF  
PROPERTY OF THE ESTATE  
(Personal Property and General  
Intangibles)

15  
16 The Motion of Jeffrey Locke, the Trustee in the above-referenced case, for approval  
17 of the sale of property of the estate consisting of certain personal property and general  
18 intangibles came on for hearing before the undersigned on December 17, 1999. Edward  
19 Tredinnick, Esq. of Pascoe & Rafton appeared on behalf of the trustee.

20 It appearing that the Trustee has properly served notice of his intent to sell property  
21 of the estate to creditors and other parties in interest. Further, it appearing that the estate  
22 is incurring administrative rent on the premises in which the property is stored and thereby  
23 it is appropriate to shorten the time for sale of the property to ten (10) days pursuant to  
24 Local Rule 9014-1(d) and the court determining that such notice is appropriate under the  
25 circumstances. And it further appearing that the sale of the property is in the best interest  
26 of the estate and its creditors and good cause appearing therefor,

27 IT IS HEREBY ORDERED, ADJUDGED AND DECREED, as follows:

- 28 1. The sale of the personal property of the debtor described in the Trustee's

1 Motion to James Benz according to the terms set forth in the Trustee's notice  
2 be and it hereby is approved.

- 3 2. The Trustee is hereby authorized to execute any and all documents necessary  
4 to consummate the sale.

5  
6 DEC 17 1999  
7 Dated: December \_\_\_\_\_, 1999

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United States Bankruptcy Judge

NORTHERN DISTRICT OF CALIFORNIA

In Re ) Case No. 99-13558  
 )  
 MFSL, Inc., ) Chapter 7  
 dba Mobile Fidelity Sound Lab, )  
 Debtors. ) NOTICE OF TRUSTEE'S INTENT TO SELL PROPERTY  
 ) OF THE ESTATE (Personal Property and General Intangibles)  
 )  
 ) Date: December 17, 1999  
 ) Time: 10:00 a.m.  
 ) Place: U.S. Bankruptcy Court  
 ) 99 South E Street  
 ) Santa Rosa, CA

PLEASE TAKE NOTICE that Jeffrey G. Locke, the trustee in the above-captioned bankruptcy estate intends to sell all of his right, title and interest in certain personal property of the bankruptcy estate, specifically all of the estate's tangible property located at 105 Morris St., Sebastopol, CA and in other locations, including but not limited to equipment, office furniture and inventory of the Debtor, and certain general intangibles of the Debtor which are listed in Exhibit A attached to this notice. The assets to be sold are described in further detail below.

The trustee has received an offer from James Benz (hereinafter "Buyer") to purchase from the bankruptcy estate certain personal property of the estate for the sum of \$65,000.00. The Trustee has been informed that the Buyer is the executive vice president, a director, and a 6% shareholder of the Debtor. The terms of the sale will be set forth in more detail below.

**NOTICE IS ALSO HEREBY GIVEN THAT BECAUSE THE ESTATE IS INCURRING ADMINISTRATIVE RENT, THIS MOTION IS BEING HEARD ON SHORTENED NOTICE AS AUTHORIZED BY LOCAL RULE 9014-1(d) WHICH ALLOWS SALES ON TEN (10) DAYS NOTICE TO CREDITORS.** Any objection to the proposed sale of the debtor's property or any request for a hearing must be filed and served upon trustee's counsel of record, at the address indicated below prior to the hearing. A request for hearing or objection must be accompanied by any declarations or memoranda of law the objecting or requesting party wishes to present in support of its position. If no objections or requests for hearing are timely filed, the trustee will request that the bankruptcy court enter an order approving and authorizing the proposed sale at the hearing.

**ASSETS BEING SOLD**

The Trustee has agreed to sell all of the tangible personal property of the Debtor that is located at their principal place of business located at 105 Morris Street, Sebastopol, CA. This property includes but is not limited to audio recording equipment, packaging equipment, including a "shrink wrap" machine, stereo systems, office furniture and equipment, including a copy machine, computer equipment and inventory, consisting of audio compact discs. In addition, the Trustee has agreed to sell all of his right, title and interest to certain inventory which is located in a warehouse in the Chicago area which was seized by the Debtor in a replevin action from one of the Debtor's customers. Finally, the Trustee is selling certain general intangibles which are listed in Exhibit A attached to this notice. Specifically excluded from this transaction are any accounts receivable of the Debtor, choses in action or other rights to payment, deposit accounts, as well as any general intangibles not specifically listed in Exhibit A.

The Buyer has agreed to pay the sum of \$65,000.00 for all of the estate's right, title and interest in the tangible and intangible personal property of the Debtor described above. The sale is subject to Bankruptcy Court approval. The Buyer has deposited \$10,000.00 of the purchase price with the trustee pending approval of this sale. The Trustee has been advised by the Debtor and the Buyer that the property being sold is not subject to any liens or encumbrances of record. The Trustee is selling the assets without warranty as to any such liens or claims and is selling the assets AS IS-WHERE IS. Further, the Trustee is selling the audio compact disk inventory subject to any royalty rights that may pertain thereto upon resale of these assets. It is the Buyer's responsibility to make arrangements with the landlord for removal or storage of the assets post-closing. The Trustee intends to reject the current lease of the Debtor's premises after the conclusion of the sale. It is also the Buyer's responsibility for storage or transportation of any property which is not on the Debtor's premises. The Buyer will be required to close the sale by paying the balance due under the purchase agreement within five (5) days after the entry of the order approving the sale.

The Trustee believes that this sale is in the best interests of the estate. The Trustee estimates that an auction of the property being sold may result in additional consideration for the estate, however because of the specialized nature of the property being sold, an auctioneer would require at least 30 days to advertise a sale. Given that the estate will incur administrative rent for the premises where the tangible property is located at a rate of approximately \$6,000 per month the proposed sale will allow the estate to limit its exposure to the landlord. A sale by an auctioneer would also be reduced by the commission and expense of the auctioneer which typically would be 10% of the purchase price. The Trustee does not believe that he would be able to sell the general intangibles to any other party. Given the circumstances of this case, the costs related in the alternative means of liquidating these assets, and the savings of additional administrative costs the Trustee believes that the proposed offer is in the best interest of the estate.

#### OVERBID PROCEDURE

Prior to concluding the sale, the trustee will accept any overbids that are offered to the estate for the property. The minimum initial overbid will be in the amount of \$70,000.00. Any person wishing to overbid for the property must deliver to counsel for the trustee, no later than December 16, 1999, a written offer to purchase the property for at least \$70,000.00 on the terms substantially the same as the offer set forth above, and a cashier's check in the amount of \$10,000.00 as a good faith deposit.

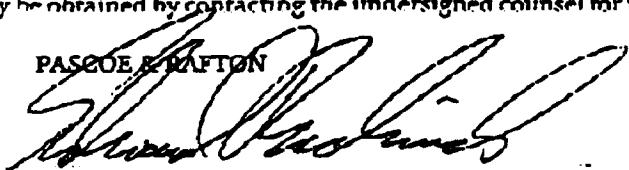
In the event there is at least one overbidder, an auction will be held at the United States Bankruptcy Court at 9:00 a.m. on December 17, 1999. Bidding will be opened at \$ 70,000.00 by the first party submitting an overbid offer and will continue in increments of at least \$1,000. Good faith deposits of unsuccessful bidders will be returned at the conclusion of the bidding. Successful bidders will be required to submit the balance of funds in the successful bid amount to counsel for the trustee within five (5) business days of the entry of the order approving the sale.

Further information regarding the sale may be obtained by contacting the undersigned counsel for the trustee.

Dated: December 6, 1999

PASCOE B. RAFTON

By:

  
Edward Fredinnick  
Attorneys for Jeffrey Locke, Trustee  
1050 Nordgate Drive, Suite 356  
San Rafael, CA 94904  
(415) 492-1003