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MAY 2002

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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):
The Braver Capital Group, LLC
n/k/a CIGARETTE RACING TEAM, LLC
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State Illinois
 Other limited liability company
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Old CRT, Inc.
Internal f/k/a Cigarette Racing Team, Inc.
Address:
Street Address: 3131 Northeast 188th Street
City: Aventura State: FL Zip: 33180
 Individual(s) citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation-State Florida
 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: May 17, 2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
See Attachment.
B. Trademark Registration No.(s)
See Attachment.
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Leonard H. Bloom, P.A.
Broad and Cassel
Internal Address: 201 S. Biscayne Blvd.
Suite 3000
Broad and Cassel
Street Address: 201 S. Biscayne Blvd.
Suite 3000
Miami FL 33131
City: State: Zip:

6. Total number of applications and registrations involved: 14
7. Total fee (37 CFR 3.41).....\$ 365.00
 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.
SKIP BRAVER Name of Person Signing
 Signature
May 17, 2002 Date
Total number of pages including cover sheet, attachments, and document: 09

05/24/2002 DBYRNE 00000154 7589979

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

01 FC:481
02 FC:482
40.00 OP
325.00 OP

TRADEMARK
REEL: 002513 FRAME: 0514

TRADEMARK	STATUS	SERIAL NO.	CLASS	OUR REF.
CIGARETTE	SUSPENDED - Pending outcome of prior application serial no. 75/376,339. We shall keep you advised of all developments.	75/890,979	6-28	2.672.99
CIGARETTE	PENDING - The Examiner has entered a preliminary approval which should now place your application in condition to be passed to publication. We will keep you advised as the matter proceeds.	75/821,548	35	2.672A.99
CIGARETTE	PENDING - A Notice of Allowance has been issued by the U.S. Patent and Trademark Office. Deadline to file Statement of Use or an Extension of Time is <u>March 18, 2002</u> .	75/822,016	9,28	2.672B.99
THE ULTIMATE OFFSHORE STORE	PENDING - We submitted an Amendment on October 29, 2001 to the U.S. Patent and Trademark Office. We should be receiving a Notice of Publication or Office Action shortly. We shall keep you advised as the matter proceeds.	76/182,551	35	2.119.00
1 WORLD CIGARETTE CRTI RACING TEAM & Design	PENDING - The U.S. Patent and Trademark Office has approved your trademark for publication. We will keep you advised as this matter proceeds.	76/022,396	28	2.872.00
1 WORLD CHAMPION CIGARETTE RACING TEAM & Design	REGISTERED - A U.S. Trademark Registration was granted on October 13, 1981. This registration was due for renewal on 10-13-01. The renewal application was submitted. We await the Notice of Renewal Acceptance.	1,173,121.	12	8.594.01
CIGARETTE	REGISTERED - A U.S. Trademark Registration was granted on July 13, 1982. Renewal due 7-13-02.	1,200,981	12	CLOSED
WORLD CHAMPION CIGARETTE RACING TEAM 1 & Design	REGISTERED - A U.S. Trademark Registration was granted on July 12, 1983. Renewal due 7-12-03.	1,245,373	25	CLOSED
TOP GUN	REGISTERED - A U.S. Trademark Registration was granted on September 1, 1998. A Section 8 & 15 Declaration is due by 9-04-04.	2,185,198	12	CLOSED

CAFERACER & Design	REGISTERED - A U.S. Trademark Registration was granted on January 17, 1989. Renewal due 1-17-09.	1,520,791	12	N/A
CAFÉ RACER	REGISTERED - A U.S. Trademark Registration was granted on October 4, 1988. Renewal due 10-04-08	1,507,022	12	N/A
CAFÉ RACER	REGISTERED - A U.S. Trademark Registration was granted on July 14, 1987. Renewal due 7-14-07.	1,447,671	25	N/A
FIREFOX	REGISTERED - A U.S. Trademark Registration was granted on June 17, 1986. Renewal due 6-17-06.	1,397,567	12	N/A
DECATHLON	REGISTERED - A U.S. Trademark Registration was granted on July 28, 1987. Renewal due 7-28-07.	1,449,571	12	N/A

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Security Agreement") is made this 17th day of May, 2002, between Cigarette Racing Team, Inc., a Florida corporation ("Seller"), and The Braver Capital Group, LLC, an Illinois Limited Liability Company ("Purchaser").

RECITALS:

WHEREAS, Purchaser and Seller have entered into that certain Agreement of Purchase and Sale of Assets dated May 10, 2002 (the "Purchase Agreement") pursuant to which Purchaser, as assignee is acquiring substantially all of Seller's assets used in the conduct of its business (the "Assets");

WHEREAS, as part of its payment for the Assets, Purchaser is delivering to Seller a secured promissory note of even date herewith in the principal amount of U.S. \$2,000,000 (the "Note"); and

WHEREAS, the parties desire to provide security for Purchaser's obligations under the Note and to provide for the remedies of the parties if an "Event of Default" (as defined in the Note) occurs.

NOW THEREFORE, in consideration of these premises and subject to the representations, warranties, covenants and conditions contained herein, the parties agree as follows:

1. Security Interest in Assets.

a. As collateral security for the Note, Purchaser hereby pledges and grants to Seller a lien, second only to the lien created by the financing obtained by Purchaser to purchase the Assets (the "Purchase Financing") from CIB Bank (the "Bank") in the principal sum of \$3,000,000, on and grants a security interest in and to, and agrees and acknowledges that Seller has, and shall continue to have, a security interest in and to, and collaterally assigns, transfers, pledges and conveys to Seller, all of Purchaser's right, title and interest in and to the following described collateral (the "Collateral") now owned or hereafter acquired, wherever located, howsoever arising or created, and whether now existing or hereafter arising, existing or created:

(i) the Assets (as defined in the Purchase Agreement), as well as all assets and properties acquired by Purchaser subsequent to the date hereof ("After Acquired Property") and all rights of Purchaser with respect thereto and all proceeds, income and profits therefrom;

(ii) all of Purchaser's distribution rights, income rights, liquidation interests, accounts, contract rights, notes, instruments, drafts and documents relating to the Assets and After Acquired Property; and

(iii) all substitutions, replacements, products, proceeds, income and profits arising from any of the foregoing, including, without limitation, insurance proceeds.

b. The foregoing security interest (the "Security Interest") is granted as security only and shall not subject Seller to, or transfer or in any way affect or modify, any obligation or liability of Purchaser with respect to any of the Collateral.

c. The Collateral shall secure the following obligations, indebtedness, and liabilities, whether at stated maturity, by acceleration or otherwise (all such obligations, indebtedness, and liabilities being hereinafter sometimes called the "Secured Indebtedness"):

(i) the Note and any other indebtedness (now or hereafter incurred) owed by Purchaser to Seller;

(ii) all reasonable costs and expenses, including, without limitation, all reasonable attorneys' fees and legal expenses, incurred by Seller to preserve and maintain the Collateral, collect the obligations herein described, and enforce this Security Agreement; and

(iii) all extensions, renewals and modifications of any of the foregoing.

In addition, Purchaser shall execute and deliver any and all financing statements necessary or advisable to perfect Seller's Security Interest in such of the Collateral as may be perfected by filing, and further agrees to and authorizes the filing of any and all such future amendments, continuations or additional filings as may be necessary or advisable to maintain the perfection of Seller's Security Interest in such Collateral. Purchaser hereby authorizes Seller to file all such financing statements and any amendments or continuations thereof without Purchaser's signature, to the extent permitted by applicable law.

2. Purchaser's Representations and Warranties.

a. Purchaser is the sole owner of the Collateral and has the full right and authority to sell, pledge, transfer and assign the Collateral pursuant to the terms of this Security Agreement, free and clear of all claims, liens and encumbrances, except only those relating to the Purchase Financing, and such assignment and transfer is not contrary to or in conflict with any agreement to which Purchaser or the Collateral are subject.

b. No financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of Seller relating to this Security Agreement or which relates to claims, liens or encumbrances for the Purchase Financing; and

c. The Security Agreement has been duly executed and delivered by Purchaser and is the legal and binding obligation of Purchaser enforceable in accordance with its terms except as limited by debtors' laws and general principles of equity.

3. Remedies upon an Event of Default.

a. Upon the occurrence of an Event of Default (as such term is defined in the Note), Seller shall have the right, in its discretion and without notice to Purchaser, to transfer to or register in the name of Seller the Collateral, and Purchaser shall fully cooperate with any such transfer or registration. Seller shall also have the right to exercise all other remedies afforded a secured party under the Uniform Commercial Code of Florida or any other applicable law with respect to the Collateral. Seller's rights and remedies shall be cumulative and concurrent; may be pursued against any or all of the Collateral, at the sole discretion of Seller; and may be exercised as often as occasion therefor shall arise, it being agreed by Purchaser that the exercise or failure to exercise any such rights or remedies shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse.

b. Upon the occurrence of an Event of Default (as such term is defined in the Note), Seller is authorized and empowered to apply any and all proceeds realized from the sale of all or any part of the Collateral in any foreclosure sale or other realization upon the Collateral as follows (as modified, if necessary, by the requirements of applicable law): (i) first, to the payment of all reasonable costs and expenses (including attorneys' fees) of any foreclosure and collection hereunder and all proceedings in connection therewith; (ii) then, to the reimbursement of Seller for all disbursements made by Seller for taxes, assessments or liens superior to the Security Interest and that Seller shall deem expedient to pay; (iii) then, to the reimbursement of Seller for any other disbursements made by, or reasonable expenses incurred by, Seller in accordance with the terms hereof; (iv) then, to the Secured Indebtedness, in any manner determined by Seller in its sole discretion; and (v) the remainder of such proceeds, if any, shall be paid to Purchaser. The foregoing provisions shall apply not only to proceeds resulting from foreclosure but also to proceeds or distributions resulting from any other claim (including claims made in bankruptcy proceedings or under applicable insurance policies), action or proceeding to enforce or protect Seller's Security Interest in the Collateral.

4. Purchaser's Covenants. Until the Secured Indebtedness is paid and satisfied in full, Purchaser shall:

a. Notify Seller of and defend the Collateral against any claims and demands of any parties;

b. Perform fully all obligations imposed upon it by any agreements or instruments concerning all or any part of the Collateral, and shall maintain in full force and effect all such agreements and instruments, and shall not amend or modify (or consent to any amendment or modification of) such agreements or instruments, without the prior written consent of Seller;

c. Not sell, transfer or convey any interest in or permit any lien or encumbrance to be created upon or with respect to any of the Collateral, except for the Security Interest created hereby other than in the ordinary course of business;

d. Not incur any additional indebtedness other than (i) additional indebtedness to the Bank not in excess of \$2,000,000 or (ii) short term debt in the ordinary course of business, without Seller's prior written consent;

e. Not increase indebtedness to the Bank;

f. Pay all taxes and assessments upon the Collateral prior to the date of delinquency for payment of such taxes and assessments;

g. At Purchaser's expense, at any time and from time to time, do, procure, execute and deliver all acts, assurances and other documents as may be reasonably requested by Seller to preserve the Seller's Security Interest in the Collateral;

h. Not make any dividend distribution or payment to any shareholder, other than reasonable compensation for work performed;

i. Provide copies to Seller of all financial information supplied to Bank;

j. Not transfer any of the Collateral to another location without prior written notice to Seller; and

k. Not change the name of Purchaser without 10 days prior written notice to Seller.

5. Expenses. Purchaser shall, upon demand, pay to Seller the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which Seller may incur in connection with the exercise or enforcement of any of the rights of Seller hereunder or the failure by Purchaser to perform or observe any of the provisions hereof.

6. Security Interest Absolute. All rights of Seller and remedies of Seller hereunder, and all obligations of Purchaser hereunder, shall be absolute and unconditional irrespective of:

a. any lack of validity or enforceability of the Note or any other agreement or instrument relating to any of the Secured Indebtedness;

b. any change in the time, manner or place of payment of, or in any other term of, the Note, or any other amendment or waiver of or any consent to any departure from the Note;

c. any exchange, release or nonperfection of any Collateral; or

d. any other circumstance that might otherwise constitute a defense available to, or a discharge of, Purchaser.

7. Termination. This Security Agreement shall terminate upon payment or satisfaction in full of the Secured Indebtedness in accordance with the terms thereof.

8. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with

postage and other fees prepaid, to the following addresses, or such other addresses as are given to other parties in the manner set forth herein.

If to Purchaser: The Braver Capital Group, LLC
Attn: Skip Braver
1939 E. Illinois Road
Lake Forest, Illinois 60045

If to Seller: Cigarette Racing Team, Inc.
Attn: Glenn B. Laken
3131 Northeast 188 Street
Aventura, Florida 33180

9. Amendment. This Security Agreement may not be amended, supplemented or modified in whole or in part except by an instrument in writing signed by the party or parties against whom enforcement of any such amendment, supplement or modification is sought.

10. Binding Effect. All of the terms, covenants, representations, warranties and conditions herein shall be binding upon, and inure to the benefit of, and be enforceable by the parties and their respective successors and assigns.

11. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

12. Waiver. The failure of Seller at any time to require performance of any provision of this Security Agreement will in no manner affect the right to enforce the same. The waiver by Seller of any breach of any provision of this Security Agreement will not be construed to be a waiver by any such party of any succeeding breach of that provision or a waiver by such party of any breach of any other provision.

13. Attorneys' Fees. Subject to the provisions of Section 5 hereof, if any party brings an action in connection with the performance, breach or interpretation of this Security Agreement, or in any action related to the Secured Indebtedness, the prevailing party in such action shall be entitled to recover from the losing party in such action all reasonable costs and expenses of such litigation, including attorneys' fees, court costs, costs of investigation, accounting and other costs reasonably incurred in or related to such litigation.

14. Severability. The invalidity, illegality or unenforceability of any provision or provisions of this Security Agreement will not affect any other provision of this Security Agreement, which will remain in full force and effect, nor will the invalidity, illegality or unenforceability of a portion of any provision of this Security Agreement affect the balance of such provision. In the event that any one or more of the provisions contained in this Security Agreement or any portion thereof shall for any reason be held to be invalid, illegal or unenforceable in any respect, this Security Agreement shall be reformed, construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

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

IN WITNESS WHEREOF, Purchaser and Seller have duly executed and delivered this Security Agreement as of the date first above written.

SELLER:

CIGARETTE RACING TEAM, INC.

By: 

Name: Glenn Loken

Title: President

PURCHASER:

THE BRAVER CAPITAL GROUP, LLC

By: 

Name: Skip Braver

Title: Manager