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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):

Capital Factors, Inc. MRB 8-2-02

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

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

3. Nature of conveyance:

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

Execution Date: April 12, 2001

2. Name and address of receiving party(ies)

Name: FE Industries, Inc.
Internal Address: 4700 S. Boyle Avenue

Street Address: SAME
City: Vernon State: CA Zip: 90058-3021

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

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

A. Trademark Application No.(s) 75/647,729
75/647,727

B. Trademark Registration No.(s) 1,987,316
1,897,607

Additional number(s) attached Yes No - SEE ATTACHMENT "A"

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

Name: Anthony J. Wall
Internal Address: General Counsel

Street Address: 121 Gray Avenue

City: Santa Barbara State: CA Zip: 93101

6. Total number of applications and registrations involved: 15

7. Total fee (37 CFR 3.41).....\$ 390.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Brand Simpson
Name of Person Signing

[Signature]
Signature

July 24, 2002
Date

Total number of pages including cover sheet, attachments, and document: 7

08/07/2002 DDYRNE 00000195 75647729

01 FC:481
02 FC:482

40.00 OP
350.00 OP

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

TRADEMARK
REEL: 002557 FRAME: 0187

ATTACHMENT "A"

4(A) – TRADEMARK APPLICATION NO.(S) CONTINUED....

73/763,666

75/647,730

74/180,375

73/414,052

73/414,051

4(B) – TRADEMARK REGISTRATION NO.(S) CONTINUED....

1,883,665

1,885,067

1,883,664

1,911,494

1,188,734

2,118,293

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") is entered into on April 12, 2001, between CAPITAL FACTORS, INC., a Florida corporation ("Factor") and FF INDUSTRIES, INC., a Nevada corporation (the "Buyer"), on the other hand.

This Agreement is entered into with reference to the following facts:

A. LITTLE LAURA OF CALIFORNIA, INC., a California corporation ("Company"), has defaulted on all of its presently outstanding obligations owing to Factor (the "Obligations"), including, but not limited to, the Obligations arising under or pursuant to (a) that certain Factoring Agreement, dated August 3, 1989, between Factor and Company, as amended from time to time (the "Company Factoring Agreement"), (b) that certain Security Agreement Supplement – Inventory, dated April 26, 2000 (the "Inventory Supplement") and (c) various other agreements entered into in connection with the Factoring Agreement (such other agreements, together with the Company Factoring Agreement, are collectively referred to as the "Factoring Documents"). Factor has declared the Obligations to be immediately due and owing. Factor has a security interest in, among other things, all of Company's Inventory (as that term is defined in the Inventory Supplement), all of Company's general intangibles consisting or patents, trademarks, and copyrights registered in the United States Copyright and Patent offices, trade secrets, customer lists and all other licenses, right privileges and franchises, together with the goodwill of the business in connection with which such trademark may be used and the royalties and other fees which become due for the use of such patents, trademarks, or copyrights), and all of Company's books and records relating to the foregoing (collectively, the "Sale Assets"). Notwithstanding the foregoing, the Sale Assets shall not be deemed to include factored accounts under Company's Factoring Agreement. Factor has perfected its security interest in the Sale Assets to the extent a security interest in such Sale Assets can be perfected by the filing a Uniform Commercial Code Financing Statement (Form UCC-1) in the office of the California Secretary of State. Notice of a private foreclosure sale pursuant to Section 9504 of the California Uniform Commercial Code has been waived by the Company in writing, post default. Factor has the immediate right to exercise all of its rights and remedies against the Company and to enforce its security interest in the Sale Assets.

B. Factor has made diligent efforts to obtain a purchaser for the Sale Assets and has determined that Buyer is the best purchaser. Any such sale must be concluded immediately, because Company does not have the ability to continue in business and the Sale Assets may lose value. Factor believes that the best price and terms reasonably obtainable for a sale of the Sale Assets are those described herein, taking into account the time pressure for a sale and the expectation that substantially less would be received for the Sale Assets if there are significant time delays in selling the Sale Assets.

Now, therefore, the parties agree as follows:

1. Sale of Sale Assets.

1.1 Sale and Delivery. At a closing ("Closing"), to be held concurrently herewith, Factor will sell to the Buyer, in a private sale under Section 9504 of the California

Commercial Code, and the Buyer will purchase from Factor, the Sale Assets. Buyer shall make its own arrangements to obtain possession of the Sale Assets.

1.2 Purchase Price. The purchase price (the "Purchase Price") for the Sale Assets shall be [REDACTED] which Buyer shall pay to Factor as follows:

A. Down Payment. Concurrent with the execution of this Agreement, Buyer shall pay to Factor [REDACTED] as a down payment on the Purchase Price (the "Down Payment").

B. Note. The balance of the Purchase Price shall be paid pursuant to the terms of that certain Term Note of even date herewith, in the amount of [REDACTED] payable by Buyer to Factor (the "Note").

1.3 Further Assurance. Factor agrees to execute and deliver to Buyer, upon Buyer's written request, such further instruments of assignment and transfer as may, in Buyer's reasonable discretion, be necessary or desirable to pass to Buyer title to the Sale Assets consistent with this Agreement.

2. Limited Warranty of Title. Factor represents and warrants that (i) Factor has a perfected security interest in the Sale Assets to the extent a security in the Sale Assets can be perfected by the filing of a Uniform Commercial Financing Statement (Form UCC-1) in the office of the California Secretary of State, (ii) Factor is not aware of any security interests or liens on the Sale Assets that have priority over the security interest of Factor in the Sale Assets; provided, however, Buyer acknowledges that Factor has not conducted a search of the records of the office of the California Secretary of State in connection with this representation and warranty, but has received a search conducted by Capitol Document Services, Inc., a summary of which is attached hereto as Exhibit A (iii) Factor has the immediate right to exercise all of their rights and remedies against Company and to enforce its security interest in the Sale Assets, and (iv) Factor is conveying to Buyer all of Company's right, title and interest in the Sale Assets, free and clear of all liens, security interests and encumbrances which are junior and subordinate to the security interests of Factor in the Sale Assets. In this connection, no warranty is made, or defense will be given, as to any claims or liens of contractors with statutory liens or proprietary rights under applicable federal, state or other law. Factor will defend Buyer's title to the Sale Assets to the extent of the limited warranty of title contained in this Section.

3. Security for Purchase Price.

A. Buyer and Factor have entered into, or are in the process of entering into a factoring agreement (the "Factoring Agreement"). In order to secure the payment of the Purchase Price, Buyer agrees that the indebtedness evidenced by the Note shall be included in the "Obligations" (as that term is defined in the Factoring Agreement) and shall be secured by the Sale Assets securing the Obligations under the Factoring Agreement. Upon repayment in full of the Obligations and termination of the Factoring Agreement, the UCC-1 Financing Statements shall be terminated in their entirety.

B. Concurrent with the execution of this Agreement, Fred Kayne shall execute and deliver to Factor a guaranty of the indebtedness evidenced by the Note pursuant to a guaranty containing terms and conditions acceptable to Factor (the "Guaranty").

4. Conditions Precedent. As conditions precedent to the effectiveness of this Agreement, the following are to be delivered to the designated party:

A. Buyer shall deliver to Factor the Down Payment (by company check) and the Note, properly executed.

B. Buyer shall deliver to Factor a certified copy of its corporate resolutions authorizing the transactions contemplated by this Agreement.

C. Fred Kayne shall deliver to Factor the executed Guaranty.

D. Factor shall deliver to Buyer an executed Certificate of Sale.

5. Due Organization and Authorization. Buyer represents and warrants that (i) Buyer is duly existing and in good standing in the State of Nevada, and has filed an application with the State of California to be qualified as a foreign corporation in the State of California, and (ii) the execution, delivery and performance of the Factoring Agreement, Note, Certificate of Sale, and this Agreement have been duly authorized, and do not conflict with Buyer's formation documents, nor constitute an event of default under any material agreement by which Buyer is bound.

6. Sale As Is, Where Is. THE SALE ASSETS ARE BEING SOLD AND PURCHASED AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER (INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE), EXCEPT AS HEREIN EXPRESSLY SET FORTH. Without limiting the generality of the foregoing, the Buyer acknowledges that Buyer is not relying on any representation or warranty of Factor, express or implied, except as herein expressly set forth. Other than the Sale Assets delivered by Factor to Buyer, the Buyer shall be responsible for obtaining possession of the Sale Assets from the Company.

7. Notices. All notices to be given under this Agreement shall be in writing and shall be given either personally or by reputable private delivery service or by regular first-class mail, or certified mail return receipt requested, or by fax (and if by fax, sent concurrently by one of the other methods provided herein), addressed to the parties at the addresses shown below, or at any other address designated in writing by one party to the other party. All notices shall be deemed to have been given upon delivery in the case of notices personally delivered, or at the expiration of one business day following delivery to the private delivery service, or two business days following the deposit thereof in the United States mail, with postage prepaid or on the first business day of receipt in the case of notices sent by fax.

If to Factor: Capital Factors, Inc.
700 S. Flower Street
Suite 2001
Los Angeles, California 90017
Attn: Rob Garfalo
Fax: 213-891-1324

with a copy to: William Schoenholz, Esq.
Buchalter, Nemer, Fields & Younger
601 S. Figueroa Street, 24th Floor
Los Angeles, California 90017
Fax: 213-896-0400

If to Buyer: FF Industries, Inc.
4700 South Boyle Avenue
Vernon, California 90058
Attn: Fred Kayne
Fax: 323-277-7745

with a copy to: Lawrence Nagler, and Richard P. Yang
Attorneys at Law
2300 South Sepulveda Blvd.
Los Angeles, California 90064
Fax: 310-473-7144

8. Integration: Amendment. This Agreement sets forth in full the terms of the agreement between Factor and Buyer with respect to the subject matter hereof and is intended as the full, complete and exclusive contract governing the agreement between Factor and Buyer regarding the subject hereof. This Agreement supersedes all prior discussions, promises, representations, warranties, agreements and understandings between Factor and Buyer regarding the subject hereof. This Agreement may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by the party against whom enforcement of the modification, amendment or waiver is sought. No course of dealing between the parties, no usage of trade, and no parol or extrinsic evidence of any nature shall be used or be relevant to supplement, explain or modify any term or provision of this Agreement or any supplement or amendment thereto.

9. General. Any waiver of any breach of this Agreement in a particular instance shall not operate as a waiver of subsequent breaches of the same or a different kind. Any party's exercise or failure to exercise any rights under this Agreement in a particular instance shall not operate as a waiver of the party's right to exercise the same or different rights in subsequent instances. Nothing herein constitutes a waiver of any of Factor's rights and remedies against the Company or any other person, firm or corporation. In the event of any litigation between the parties based upon or arising out of this Agreement, the prevailing party shall be entitled to recover all of its reasonable costs and expenses (including without limitation reasonable attorneys fees) from the non-prevailing party. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided,

however, that Buyer may not assign or transfer any rights hereunder, nor delegate any duties hereunder, without the prior written consent of Factor. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person other than Factor and Buyer. There are no third party beneficiaries of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction. to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect. The headings in this Agreement are solely for convenience and shall be given no effect in the construction or interpretation of this Agreement. This Agreement may be executed in any number of counterparts, which together shall constitute one and the same agreement. Time is of the essence in the performance of the obligations of the parties hereunder. The Recitals at the beginning of this Agreement are hereby incorporated herein and are part of this Agreement.

10. WAIVER OF RIGHT TO JURY TRIAL. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

11. Governing Law. This Agreement is being entered into in the State of California. This Agreement shall be governed by the internal laws (and not the conflict of laws rules) of the State of California.

CAPITAL FACTORS, INC.

By:  _____

Title: SV _____

FF INDUSTRIES, INC.

By:  _____

Title: President _____