

02-11-2003

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

2-11-03

Tab settings

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

1. Name of conveying party(ies): 2.11.03
Morton Grove Pharmaceuticals, Inc.

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

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

2. Name and address of receiving party(ies)
Name: Harris Trust and Savings Bank, as Agent
Internal Address: _____
Street Address: 111 West Monroe Street
City: Chicago State: IL ZIP: 60603

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other an Illinois banking corporation

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 Trademark Collateral Agreement

Execution Date: January 31, 2003

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

A. Trademark Application No.(s)
See Schedule A attached hereto
1418112

Additional numbers attached? Yes No

B. Trademark Registration No.(s)
See Schedule A attached hereto

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

Name: _____
Internal Address: _____

RETURN TO:
FEDERAL RESEARCH CORP
1030 15th STREET NW
SUITE 920
WASHINGTON, D.C. 20005
City: Washington State: DC ZIP: 20005
02/12/2003 6TON11 00000054 1418112

6. Total number of applications and registrations involved: 11

7. Total fee (37 CFR 3.41).....\$290.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

01 FC:8521 40.00 OP
02 FC:8522 250.00 OP

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.

Elizabeth A. Szklarz
Name of Person Signing

Elizabeth A. Szklarz
Signature

2/6/03
Date

Total number of pages including cover sheet, attachments, and document: 4

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

1337102

TRADEMARK
REEL: 002667 FRAME: 0598

**SCHEDULE A
TO TRADEMARK COLLATERAL AGREEMENT**

REGISTERED U.S. TRADEMARKS

Registered Trademarks	Registration Number	Registration Date
Mytussin DM	1,418,112	11/25/86
Myphetane	1,423,581	1/6/87
Myphetapp	1,423,586	1/6/87
Myminic	1,423,591	1/6/87
Mytussin	1,810,428	12/14/93
Tannihist-12	2,643,928	10/29/02

U.S. TRADEMARK APPLICATIONS

Marks	Application Serial Number	Application Filing Date
C-Phed Tannate	76/316,865	9/25/01
Bromaxefed	76/316,866	9/25/01
Pyrilafen Tannate-12	76/316,867	9/25/01
Carbaxefed	76/316,944	9/25/01
Phenclor Tannate	76/344,188	10/30/01

CANADIAN TRADEMARK APPLICATIONS

Marks	Application Serial Number	Application Filing Date
Tannihist-12	109403600	2/23/01

COMMUNITY TRADEMARK APPLICATIONS

Marks	Application Serial Number	Application Filing Date
Tannihist-12	2099133	2/22/01

TRADEMARK COLLATERAL AGREEMENT

This 31st day of January, 2003, MORTON GROVE PHARMACEUTICALS, INC., a Delaware corporation (the "*Debtor*"), with its principal place of business and mailing address at 6451 West Main Street, Morton Grove, Illinois 60053 in consideration of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants a continuing security interest to HARRIS TRUST AND SAVINGS BANK, an Illinois banking corporation ("*HTSB*") with its mailing address at 111 West Monroe Street, Chicago, Illinois 60603, acting as agent hereunder for the Secured Creditors defined in that certain Security Agreement referred to below (said HTSB acting as such agent and any successor or successors to said HTSB in such capacity being hereinafter referred to as the "*Secured Party*"), in the following property:

(i) Each trademark, trademark registration and trademark application listed on Schedule A hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each such trademark, trademark registration and trademark application; and

(ii) All proceeds of the foregoing, including without limitation any claim by a Debtor against third parties for damages by reason of past, present or future infringement of any trademark or trademark registration listed on Schedule A hereto or by reason of injury to the goodwill associated with any such trademark, trademark registration or trademark license, in each case together with the right to sue for and collect said damages;

to secure performance of all Secured Obligations as set out in that certain Security Agreement dated as of even date herewith between Debtor and Secured Party, as the same may be amended, supplemented, restated, or modified from time to time (the "*Security Agreement*"). Notwithstanding anything herein to the contrary, this Trademark Collateral Agreement shall not operate as a sale, transfer, conveyance or other absolute assignment to Secured Party of any of the foregoing property described in clauses (i) and (ii) above, but rather shall operate only to create a security interest for collateral purposes in favor of Secured Party in order to secure the Secured Obligations.

Debtor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the trademarks, trademark registrations, and trademark applications granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Debtor has caused this Trademark Collateral Agreement to be duly executed as of the date and year last above written.

MORTON GROVE PHARMACEUTICALS, INC.

By *Richard Lopatin*
Name *Richard Lopatin*
Title *Chief Financial Officer and Vice President*

Accepted and agreed to in Chicago, Illinois, as of the date first above written.

HARRIS TRUST AND SAVINGS BANK, as Secured Party

By _____
John M. Dillon, Managing Director

IN WITNESS WHEREOF, Debtor has caused this Trademark Collateral Agreement to be duly executed as of the date and year last above written.

MORTON GROVE PHARMACEUTICALS, INC.

By _____
Name _____
Title _____

Accepted and agreed to in Chicago, Illinois, as of the date first above written.

HARRIS TRUST AND SAVINGS BANK, as Secured
Party

By John M. Dillon
John M. Dillon, Managing Director