

03-28-2003

Docket No.:



Tab settings

To the Honorable Commissioner of Patents

102402454

Attached original documents or copy thereof.

1. Name of conveying party(ies): 3-26-03
 Three R's, Inc.

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

Additional names(s) of conveying party(ies) Yes No

2. Name and address of receiving party(ies):
 Name: The CIT Group/Commercial Services, Inc.
 Internal Address: _____
 Street Address: 300 S. Grand Ave., 2nd Flr.
 City: Los Angeles State: CA ZIP: 90071

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

If assignee is not domiciled in the United States, a domestic designation is Yes N
 (Designations must be a separate document from
 Additional name(s) & address(es) Yes N

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other peaceful possession of collateral

Execution Date: November 1, 2002

4. Application number(s) or registration numbers(s):
 A. Trademark Application No.(s)
 Additional numbers

B. Trademark Registration No.(s)
1,832,282 1,722,438
1,711,869 1,390,837

Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Christa Perez
 Internal Address: _____

Buchalter, Nemer, Fields & Younger
 Street Address: 601 S. Figueroa St., #2400

 City: Los Angeles State: CA ZIP: 90017

6. Total number of applications and registrations involved:..... **4**

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

8. Deposit account number:
500977

03/28/2003 EDOOPER 00000013 500977 1832282
 01 FC:8521 40.00 CH
 02 FC:8522 75.00 CH

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.
Christa Perez Christa Perez 3/20/03
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and **4**

**ACKNOWLEDGMENT OF DEFAULT,
SURRENDER OF POSSESSION AND WAIVERS**

November 1, 2002

TO: The CIT Group/Commercial Services
 300 South Grand Avenue, Second Floor
 Los Angeles, California 90071
 (hereinafter, "Lender")

FROM: THREE R's INC.
 2610 E. 37th Street
 Vernon, California 90058
 (hereinafter, "Borrower")

Borrower hereby acknowledges that it is unable to meet its obligations to Lender and acknowledges that it is presently in breach and default of its obligations to Lender under the terms and conditions of the various loan agreements, security agreements, factoring agreements, and any and all other agreements providing for the security of its obligations to Lender (collectively the "Lending Agreements"). Borrower also finds that due to its financial circumstances, it is unable to continue business operations.

Borrower further acknowledges that Lender has properly exercised its right to declare the entire indebtedness immediately due, owing and payable pursuant to the Lending Agreements and that Borrower has no means by which to satisfy the indebtedness.

In light of the defaults, and in order to facilitate an orderly disposition of the collateral securing the Indebtedness, Borrower hereby surrenders possession and requests that Lender, as a secured party, take immediate possession of all of its collateral securing Borrower's obligations to Lender, all as more particularly set forth in the Lending Agreements (collectively the "Collateral"), located at 2610 E. 37th Street, Vernon California 90058 ("Premises"), or wherever else located, whether in the United States or any other country.

Borrower further requests that Lender exercise, at Lender's discretion, its remedies as provided in the Lending Agreements and in accordance with the California Uniform Commercial Code (the "UCC"), it being understood that Borrower's surrender of peaceful possession shall not constitute a retention of collateral in satisfaction of indebtedness under the UCC.

This letter agreement will serve as Borrowers written statement renouncing and waiving after default, pursuant to the UCC, Borrower's rights to notification of any foreclosure sale or sales Lender may hold in connection with your exercise of any and all rights you may have to sell or otherwise dispose of the Collateral in satisfaction of our obligations in whole or in part. This letter agreement will also serve as Borrower's written statement renouncing after default any rights Borrower may have to notification of any proposal Lender may wish to make under the

UCC to elect to retain the Collateral, or any part thereof in satisfaction, in whole or in part, of Borrower's obligations to Lender. Borrower hereby acknowledges that Borrower's renunciation of any rights that it may have to notification of any foreclosure sale or sales or any proposal that Lender may make regarding its retention of the Collateral in satisfaction of Borrower's obligations to Lender, pursuant to the remedies available to Lender as a secured party under the Lending Agreements- and/or under the UCC, is a knowing and informed waiver by use of Borrower's rights, after default by Borrower of its obligations to Lender secured by the Collateral surrendered to Lender.

Borrower hereby represents, covenants and warrants to Lender that the officers and employees of the Borrower will cooperate with Lender in accomplishing the purposes set forth herein and Borrower recognizes and acknowledges that the presence on the Premises, of said officers, directors, stockholders and employees of the Borrower hereafter are solely and only for the purpose of rendering such assistance as they are able to and not for the purpose of altering or modifying in any respect Lenders exclusive right to possession of the property, records and Collateral being surrendered to Lender.

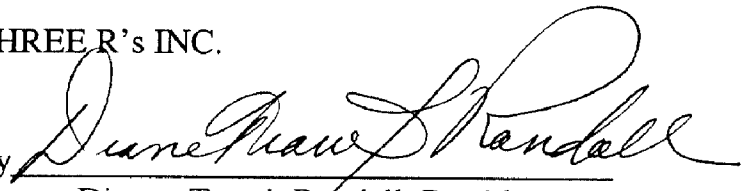
Borrower hereby further represents, warrants and agrees that the Lending Agreements remain valid and binding upon Borrower in light of and notwithstanding the foregoing and Borrower is and shall remain liable to Lender for all of the Indebtedness reduced only by the amounts received and retained from the Collateral as contemplated hereby. Further, nothing contained herein shall constitute a waiver of any of Lender's rights and remedies under the Lending Agreements, any personal guaranty or otherwise, and of Lender's rights to seek a deficiency under the Lending Agreements, under the California Uniform Commercial Code and under the continuing guaranties that Lender has, all of which rights are fully reserved to Lender.

Borrower represents that it has all requisite corporate power and has taken all necessary corporate action to authorize this letter agreement and all transaction contemplated hereby.

Borrower further declares and confirms that it had the opportunity to seek the advice of independent legal counsel prior to the signing of this letter agreement, and has obtained such advise and has executed this letter agreement voluntarily, with full knowledge of its significance and the legal consequences thereof.

This letter agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same letter agreement. Delivery of an executed counterpart of this letter agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart of this letter agreement. Any party delivering an executed counterpart of this letter agreement by facsimile shall deliver a manually executed counterpart of this letter agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforce-ability, and binding effect of this letter agreement.

THREE R's INC.

By 
Dianne Trauth Randall, President

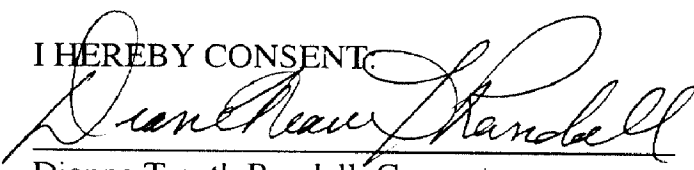
ACCEPTED:

November 1, 2002

THE CIT GROUP/COMMERCIAL SERVICES

By 
Its V.P.

I HEREBY CONSENT:


Dianne Trauth Randall, Guarantor

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SURRENDER OF POSSESSION AND WAIVERS**

November 1, 2002

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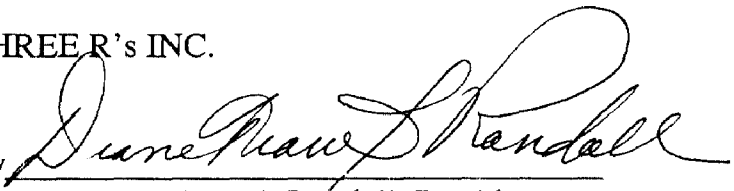
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THREE R's INC.

By 
Dianne Trauth Randall, President

ACCEPTED:

November 1, 2002

THE CIT GROUP/COMMERCIAL SERVICES

By 
Its V.P.

I HEREBY CONSENT:


Dianne Trauth Randall, Guarantor