

10-29-2003

Atty. Docket No. C1123/30009, 30010, 30011



Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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ET 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):

James B. Copelan SurgiGuard

- Individual(s) [checked] Association [] General Partnership [] Limited Partnership [] Corporation-State [checked] Other []

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

2. Name and address of receiving party(ies)

Name: Colby Manufacturing Corporation

Internal Address: _____

Street Address: 1016 Branagan Drive

City: Tullytown State: PA Zip: 19007

- Individual(s) citizenship [] Association [] General Partnership [] Limited Partnership [] Corporation-State [checked] Commonwealth of PA 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 [checked] No

3. Nature of conveyance:

- Assignment [checked] Merger [] Security Agreement [] Change of Name [] Other []

Execution Date: August 25, 2003

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

A. Trademark Application No.(s) 76/268,933

B. Trademark Registration No.(s) 2,665,437 2,751,943

Additional number(s) attached [] Yes [checked] No

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

Name: Frank M. Linguiti, Esquire Caesar, Rivise, Bernstein, Cohen & Pokotilow, Ltd.

Street Address: 12th Floor, 1635 Market Street, Seven Penn Center City: Philadelphia PA Zip: 19103

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 [checked]

8. Deposit account number:

03-0075

(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.

Frank M. Linguiti, Esq.

Name of Person Signing

Signature: Frank Linguiti

Date: 10/23/03

Total number of pages including cover sheet, attachments, and document: 17

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

10/29/2003 LNWELLER 00000071 030075 76268933

01 FC:0521 40.00 DA 02 FC:0522 50.00 DA

TRADEMARK REEL: 002852 FRAME: 0979

10-27-03

OFFICE OF PATTENT RECORDS 2003 OCT 27 PM 4:28 FINANCE SECTION

Business Assets Purchase Agreement

THIS AGREEMENT is made effective this 25th day of August, 2003, by and between SurgiGuard, Inc., a California corporation ("Seller") and Colby Manufacturing Corporation, a Pennsylvania corporation ("Buyer").

RECITALS

A. Seller is the owner of the following assets:

1. All of Seller's right, title, and interest in the product, SurgiGuard and VeriSite concepts, and method (the "SurgiGuard Product") described in U.S. Patent Application Number 09/729,888 (the "SurgiGuard Patent Application").
2. All of Seller's right, title, and interest in the trademark (the "VeriSite Trademark") described in U.S. Trademark Application Number 76/268933 (the "VeriSite Trademark Application").
3. All of Seller's right, title, and interest in the trademark (the "SurgiGuard Trademark") described in U.S. Trademark Registration 2,665,437, issued December 24, 2002 (the "SurgiGuard Trademark Registration").
4. All of Seller's right, title, and interest in the trademark (the "No Cut Trademark") described in U.S. Trademark Registration 2,751,943, issued on or about August 19, 2003 (the "No Cut Trademark Registration").
5. All of Seller's right, title, and interest in the SurgiGuard Patent Application, the VeriSite Trademark Application, the SurgiGuard Trademark Registration, and the No Cut Trademark Registration.
6. All of Seller's right, title, and interest in any copyrights associated with the SurgiGuard Product.
7. All tangible property of Seller which Seller uses to print any SurgiGuard Products, as specified in Paragraph 3.1 (the "Printing Equipment").
8. All of Seller's right, title, and interest in the Website located at www.SurgiGuard.com, as well as the domain name "SurgiGuard.com", and the domain name "surgisafe.com" (the "Domain Names").
9. All of Seller's inventory of SurgiGuard Product as specified in Paragraph 3.2 (the "Inventory").
10. The good will associated with the SurgiGuard product.

All of Seller's right, title, and interest in the assets described in Recital A, are collectively referred to herein as the "Business Assets".

B. Seller desires to sell and Buyer desires to purchase the Business Assets for the price and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the benefits to be derived from mutual observance of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Purchase Price.

Buyer agrees to purchase, and Seller agrees to sell, the Business Assets, for a purchase price of:

1.1 The sum of Three Hundred Fifty Thousand Dollars (\$350,000), as payment for those Business Assets described in Recital A of this Agreement, payable at Closing (as defined below).

1.2 A royalty of Ten Cents (10¢) per each item of SurgiGuard Product sold by Buyer or its assigns, successors, agents, employees, or licensees (a "Buyer Agent") during the period of time commencing on September 1, 2004 and continuing through August 31, 2009 (the "Royalty Period"). The terms of this royalty are more fully set forth below.

2. Payment of Purchase Price.

2.1 Payment. The payment of Three-hundred Fifty Thousand Dollars (\$350,000) shall be made by wire transfer as described in Section 1.1 above ("Purchase Price").

2.2 Purchase Price Allocation. The parties shall allocate the purchase price, for all purposes including any and all tax returns, as follows:

Printing Equipment	\$ 25,000.00
Domain Names	\$ 25,000.00
Intellectual Property	\$ 208,000.00
Inventory	\$ 82,000.00
Covenant Not to Compete	\$ 10,000.00

3. Transfer of Assets. At the Closing, Seller will transfer all of the Business Assets to the Buyer, including but limited to the following:

3.1 Printing Equipment. Title to the Printing Equipment shall be transferred to Buyer by Seller's Bill of Sale, in the form attached hereto as Exhibit A and incorporated herein by reference. The Printing Equipment is stored at LA Label, 6141 Sheila Street, Commerce, CA 90040, c/o Mark Gaw (323-720-1200) and will be shipped to Buyer via FedEx at Buyer's cost within two weeks of Closing. Printing Equipment consists of the following:

- a. 3" Round SurgiGuard and VeriSite machine dies ("kiss cut")
- b. 3" Round SurgiGuard and VeriSite machine dies ("perforation")
- c. 1" x 3" Rectangular SurgiGuard and VeriSite machine dies ("kiss cut")
- d. 1" x 3" Rectangular SurgiGuard and VeriSite machine dies ("perforation")
- e. 1-1/8" x 3" Rectangular SurgiGuard and VeriSite machine dies ("kiss cut")
- f. 1.5" Round SurgiGuard machine die ("kiss cut")
- g. 5 silicone printing plates
- h. Artwork

3.2 Inventory. Seller shall ship the Inventory to Buyer via FedEx at Buyer's cost on August 26, 2003. Inventory consists of the following SurgiGuard Products manufactured with TS583 adhesive:

- a. 53,800 3" Round SurgiGuard Labels
- b. 28,300 Rectangular SurgiGuard Labels
- c. 47,800 1.5" Round SurgiGuard Labels
- d. 10,800 3" Round VeriSite Labels
- e. 42,800 Rectangular VeriSite Labels

3.3 Intellectual Property. The Business Assets described in Recital A, Paragraphs 1-6 and all other Intellectual Property (as hereinafter defined) shall be transferred to Buyer by an Assignment of Intellectual Property, in the form attached hereto as Exhibit B and incorporated herein by reference.

3.4 Domain Names. The Domain Names described in Recital A, Paragraph 8 shall be transferred to Buyer by Seller's electronic communication of a form acceptable to the domain registrars of the Domain Names. Buyer agrees to effectuate such transfer within one week of the Closing. Furthermore, Buyer agrees to modify the Website described in Recital A, Paragraph 8 to remove all references to Seller within two weeks of Closing.

3.5 Website. Seller agrees to assist in transferring the Website described in Recital A, Paragraph 8 source code along with the appropriate access codes or passwords at time of Closing.

3.6 Assets Not Included. All other assets except those set forth herein are specifically excluded from transfer or sale, and shall remain the property of Seller.

4. Accounts Payable and Other Liabilities. The parties intend that Buyer shall acquire ownership of the Business Assets free and clear of all liens and encumbrances. All accounts payable and other liabilities incurred by Seller prior to the Closing shall be the sole responsibility of Seller. Buyer will pay all debts incurred related to the Business Assets as of the Closing forward, and will not make any representations that Seller is obligated on such debts.

5. Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

5.1 Business Assets. The Business Assets as described in Paragraphs 3.1, 3.2, 3.3, 3.4 and 3.5 constitute substantially all of the tangible and intangible property which are owned by the Seller or used by the Seller in connection with the Seller's business as now conducted. Seller has and Buyer will receive good and marketable title to the Business Assets, free and clear of any and all liens, agreements,

restrictions, claims, security interests, pledges, charges, equities and other encumbrances except as set forth in this Agreement.

5.2 Legal Proceedings. There are no known actions, suits, litigation, proceedings or investigations pending or threatened against Seller or the Business Assets that relate to, arise out of or would affect the Business Assets, the business currently conducted by the Seller, the consummation of the transactions contemplated by this Agreement or which would result in any lien being placed on the Business Assets.

5.3 Intellectual Property. The Business Assets described in Recital A, Paragraphs 1-6 (collectively "Intellectual Property") include all SurgiGuard-related patent applications, trademarks, service marks, copyrights, trade secrets, licenses, information and proprietary rights and processes. Seller owns all Intellectual Property right applications necessary for its business as presently conducted without any known conflict with, or infringement upon the rights of others, except "Perlow," patent application #09/865563, filing date 5/29/2001 and trademark #74160218, registration date 6/30/92, which Buyer acknowledges has been previously disclosed. Seller has not received any communication alleging that it has violated or, by continuing to conduct business, would violate the intellectual property rights of any other person or entity, except "Perlow," which Buyer acknowledges has been previously disclosed. Seller has not licensed or granted rights to others in any of its Intellectual Property or granted rights to manufacture, produce, assemble, license, market or sell any of its products to any other person.

5.4. Absence of Changes or Events. Seller has conducted its business in the ordinary course and consistent with past practice and has not suffered or continued to suffer any change, event or condition outside of the ordinary course of business which has had or may have a material adverse effect on the Seller's condition (financial or otherwise) properties, assets, liabilities, operations or prospects, including, without limitation, any change in its revenues, costs, inventory, back log or its relations with its customers or suppliers, except for the dispute as alleged by Buyer regarding the suitability of TS583 adhesive, which dispute Buyer acknowledges.

5.5 Inventory. Buyer agrees and acknowledges that the Inventory being purchased was manufactured with TS583 adhesive. Buyer accepts the Inventory in its existing condition AS-IS and WHERE-IS.

6. Closing. Buyer and Seller agree that the purchase will be consummated as follows:

6.1 Closing Date. This transaction will close on August 25, 2003, or on such earlier date as is mutually agreed upon by the parties (the "Closing"). The Closing will take place at the offices of Seller's attorney, or such other place as agreed to by Seller and Buyer, with the exact time for Closing to be designated by Seller. The parties anticipate that the Closing will be accomplished by exchange of documents through courier such as FedEx, as opposed to a mutual meeting.

6.2 Seller's Instruments. At Closing, Seller will deliver or cause to be delivered to Buyer the following:

- a. The Bill of Sale and the Assignment of Intellectual Property, executed on behalf of Seller.
- b. A copy of a corporate resolution authorizing the execution of those instruments by James B. Copelan, as president of Seller.

6.3 Buyer's Instruments. At Execution, Buyer will deliver or cause to be delivered to Seller the following:

- a. Three-hundred Fifty Thousand Dollars (\$350,000) by wire transfer.
- b. A copy of a corporate resolution authorizing the execution of those instruments by the president of Buyer.

6.4 Business Insurance. Buyer will provide Seller at Closing with a certificate of insurance evidencing that Buyer has obtained and paid for commercial general liability insurance against claims for personal injury, bodily injury, death or property damage related to the Business Assets, in an amount not less than One Million Dollars (\$1,000,000) per occurrence. Buyer will maintain this commercial general liability insurance policy in force from Closing through the end of the Royalty Period.

6.5 Costs. Seller will pay Seller's attorney's fees associated with this transaction. Buyer will pay Buyer's attorney's fees, and any sales, filing, and transfer taxes or fees imposed by any governmental authority or the domain registrar of the Domain Names on the sale of the Business Assets.

7. Royalty. During the Royalty Period, not later than the fifteenth day of each calendar quarter, Buyer will pay to Seller Ten Cents (10¢) for every individual SurgiGuard Product sold (to include sale, transfer, barter or exchange for value, including samples and gifts that exceed ten per cent [10%] of sales for value) by Buyer during the previous calendar quarter. This royalty shall apply to each label, tattoo, and other product which is described in the SurgiGuard Patent Application or any amendments, continuations, or continuations-in-part thereof.

7.1 Sales Reports and Records. From the Closing through the end of the Royalty Period, not later than the fifteenth day of each calendar quarter, Buyer will provide Seller with a report of sales (to include sale, transfer, barter or exchange for value and samples and gifts) of SurgiGuard Products during the previous calendar quarter. Such sales records shall be retained for at least five (5) years after the year described in such records. Such sales records shall be kept so as to disclose all information required to determine the royalty due to Seller under this Section. The sales information is deemed to be confidential, not to be disclosed by Seller other than to counsel, accountants or taxing authorities.

7.2 Right to Audit. Buyer's sales records shall be open to inspection by Seller and its agents during ordinary business hours. At its option, Seller may cause, at any reasonable time but on no more than an annual basis, upon ten (10) days prior written notice to Buyer, a complete audit to be made of Buyer's sales records concerning the sale of SurgiGuard Products. If such audit shall disclose an understatement of sales of SurgiGuard Products of more than two per cent (2%) per annual period, Buyer shall promptly pay to Seller the cost of said audit in addition to the deficiency. Any deficiencies in Buyer's royalty payments shall be paid to Seller, together with interest at the rate of twelve per cent (12%) per annum on the balance due accruing from the date such payment was originally due to Seller until paid.

8. As-Is Purchase. Buyer agrees, acknowledges and represents to Seller that Buyer has concluded whatever studies, tests, and investigations Buyer desires relating to the assets being purchased and that Buyer has made such independent studies and investigations as Buyer deemed necessary. Buyer has entered into this Agreement, and elected to close under this Agreement, based upon such personal examination and inspection and upon Buyer's own "due diligence" investigation of the assets

being purchased without reliance in any way on any oral representations of Seller or representative thereof. Buyer agrees and acknowledges that the Business Assets being purchased are to be sold to and accepted by Buyer at Execution in their then existing condition AS-IS and WHERE-IS. Seller has made no representations concerning the condition, quality or suitability of the Business Assets.

9. Intellectual Property. Buyer acknowledges that the SurgiGuard Patent Application and the VeriSite Trademark Application (collectively the "Pending Applications") are currently pending in the United States Patent and Trademark Office. The pending SurgiGuard Patent Application has been rejected by the examiner assigned to that application. Commencing with the Closing, Seller will take no further action to prosecute either of the Pending Applications, and Buyer will make all decisions regarding the prosecution of the Pending Applications, including whether to pursue or file appeals with respect to the Pending Applications. Seller will cooperate with Buyer to execute any documents deemed necessary by Buyer's patent attorney to prosecute either of the Pending Applications, provided that Buyer will indemnify Seller for any documented direct costs, expenses, and liabilities associated therewith. Buyer will pay any issuance, appeal, and maintenance fees associated with the Pending Applications, the SurgiGuard Trademark Registration, and any patents or trademarks resulting therefrom. Seller has not made any representations regarding the potential of obtaining patents or trademarks based on the Pending Applications, and Buyer will have no claim against Seller if either of the Pending Applications does not result in a patent or trademark. The terms set forth herein remain the same regardless of whether the Pending Applications result in patents or trademark registrations.

10. Bulk Sales. The parties acknowledge that this transfer may be subject to the bulk transfer provisions of the Uniform Commercial Code as adopted in California. Seller shall prepare a notice to creditors if it is required to do so by that statute. Seller represents that they have no known creditors and will indemnify Buyer against any claims made by creditors of the Seller.

11. Indemnification. Buyer hereby indemnifies and holds harmless Seller, its principals, officers, directors, shareholders, attorneys and agents ("Seller Parties") against and in respect of all claims, causes of action, liabilities, costs and expenses, known or unknown, of any nature, associated with, related to, or arising out of the sale, use, license, or production of any of the Business Assets or any SurgiGuard Product, arising after the Closing. This indemnification shall include reasonable attorney's fees related to any claim covered by the indemnification. Seller hereby indemnifies and holds harmless Buyer, its principals, officers, directors, shareholders, attorneys and agents ("Buyer Parties") against and in respect of all known claims, causes of action, liabilities, costs and expenses of any nature associated with, related to or arising out of a breach of any of the Seller's representations and warranties contained in this Agreement or any negligence or willful misconduct of Seller, its agents, employees or representatives, in the manufacture of Seller's product arising before the Closing. This indemnification shall include reasonable attorney's fees related to any claim covered by the indemnification and the provisions of this paragraph will survive the Closing.

12. Remedies in Event of Default. Time is of the essence hereof. If any payment or any other condition hereof is not made, tendered or performed by either Seller or Buyer as herein provided, and such default is not cured within ten (10) days of notice thereof, then this Agreement, at the option of the party who is not in default, may be terminated by such party, in which case the non-defaulting party may recover such damages as may be proper. In the event, however, the non-defaulting party elects to treat this contract as being in full force and effect, the non-defaulting party shall have the right to an action for specific performance and damages.

12.1 Attorney's Fees. In the event either party incurs attorney's fees or costs in order to enforce this Agreement, the prevailing party shall be entitled to recover all reasonable attorney's fees and costs.

13. Covenant Not to Compete. For a period from the Closing through five (5) years after the Royalty Period, Seller, its principals, officers, directors, shareholders, James B. Copelan and Janice E. Kopanski, will not directly or indirectly develop, manufacture, sell, license, rent or otherwise transfer or assign any product or the information related to those products concerning sales, design, manufacture, costs, pricing or methods of distribution which could be used for the same purpose as Buyer's products (to include the acquired products as well as previous products as listed in Exhibit A of the 3/01/01 Exclusive Distributorship Agreement). James B. Copelan is the sole principal, officer, director and shareholder of SurgiGuard, Inc.

14. Notices. All notices to be given by either party to the other shall be in writing, shall be served by delivery in person, delivery by a nationally recognized overnight delivery service such as FedEx, by depositing such notice in the United States mails certified, with certification and postage charges prepaid, or by facsimile with confirmation copy mailed or sent by overnight delivery within 24 hours, properly addressed and directed to the party to receive the same as follows:

SELLER:

SurgiGuard, Inc.
Attention: James B. Copelan
P.O. Box 802976
Santa Clarita, CA 91380-2976
Phone: (661) 296-9922
Fax: (661) 296-9922

BUYER:

Colby Manufacturing Corporation
Attention: Aaron Heintz
1016 Branagan Drive
Tullytown, PA 19007
Phone: (215) 949-2860
Fax: (215) 949-1680

Any party may change said address by giving the other party hereto notice of such change of address at least ten (10) calendar days preceding the effective date of such change. Notice given as hereinabove provided shall be deemed given at the time of delivery in person, delivery by overnight courier service, delivery by mail, or delivery by facsimile, as the case may be. Refusal to accept delivery of any notice or inability to make delivery because of a change of address of which no notice is given shall conclusively be deemed to constitute receipt of such notice.

15. Benefit of Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns. In the event that the Intellectual Property is assigned by the Buyer to a third party, Seller shall be given thirty (30) days' notice, during which Seller may elect to either accept the transfer and the right to royalties as set forth in Paragraph 7 or in lieu of these royalties Seller may elect to receive fixed quarterly royalty payments for the

duration of the Royalty Period equal to the average royalty paid for the prior four (4) calendar quarters, or Ten Thousand Dollars (\$10,000) per quarter, whichever is greater. In the event that said notice is given before the first four (4) quarterly royalty payments are made and Seller elects to receive the fixed quarterly royalty payments, the quarterly royalty payments shall be fixed at an imputed rate based on Ten Cents (10¢) per label sold for the prior twelve (12) full months, or Ten Thousand Dollars (\$10,000) per quarter, whichever is greater.

16. Survival. All of the representations, warranties, covenants, agreements and undertakings contained in this Agreement and in any separate instruments delivered hereunder or in connection herewith shall survive the Closing.

17. Entire Agreement. This Agreement sets forth the entire understanding of the parties and supersedes all prior agreements, arrangements and communications, whether oral or written, including but not limited to the Exclusive Distributorship Agreement dated March 1, 2001. This Agreement shall not be modified except by written agreement of Seller and Buyer.

18. Choice of Law. Any dispute related to this Agreement shall be decided in accordance with the laws of the State of California. The parties acknowledge that in any arbitration or litigation related to the enforcement or interpretation of this Agreement, jurisdiction and venue shall be proper in Los Angeles County, California.

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Agreement to be effective the date indicated above.

SELLER:

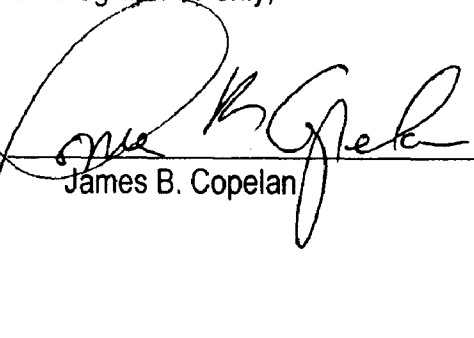
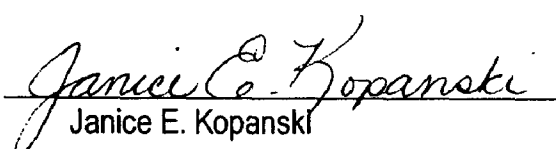
BUYER:

SurgiGuard, Inc.

Colby Manufacturing Corporation

By:  By: 
James B. Copelan, President 8-25-03 James Aaron Heintz

As to Paragraph 13 only,

By:  By: 
James B. Copelan Janice E. Kopanski

STATEMENT OF UNANIMOUS WRITTEN CONSENT
TO ACTION TAKEN BY THE BOARD
OF DIRECTORS

OF

SurgiGuard, Inc.

The undersigned, being all the directors of SurgiGuard, Inc., a California corporation (the "Corporation"), do hereby take the following actions in the name of and on behalf of the Corporation:

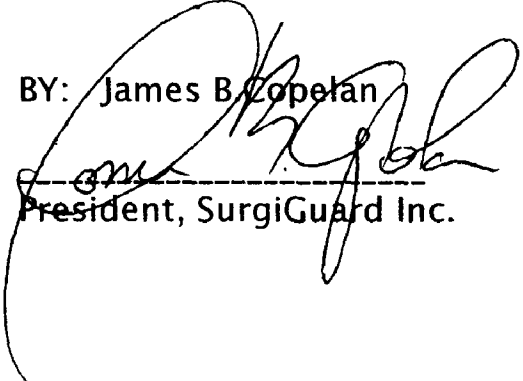
RESOLUTION OF DIRECTORS APPROVING CONTRACT

Upon motion duly made, seconded and carried, a majority of the Directors of the Corporation adopted the following resolution.

Resolved, that the proposed contract between SurgiGuard Inc. and Colby Manufacturing, Inc., a copy of which is attached and made a part hereof be, and it hereby is, approved. The President or any Vice-President is hereby authorized to execute the same in duplicate and to deliver a duplicate original to Colby Manufacturing, Inc.

IN WITNESS WHEREOF, the undersigned have executed this Consent as of August 25, 2003.

BY: James B. Copelan



President, SurgiGuard Inc.

EXHIBIT B

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT, made this 25th day of August, 2003 by and between SurgiGuard, Inc. ("Assignor") and Colby Manufacturing Corporation ("Assignee").

RECITALS

A. Assignor has made Application for Letters Patent of the United States Patent with respect to an invention described therein. The Application is identified in the United States Patent and Trademark Office as Application Serial No. 09/729,888 (the "Patent Application").

B. Assignor is also the Applicant under the Trademark Applications pending in the United States Patent and Trademark Office as Trademark Application No. 76/268,933 (the "VeriSite Trademark Application").

C. Assignor is the Owner of United States Trademark Registration 2,665,437, issued December 24, 2002 (the "SurgiGuard Trademark Registration") and United States Trademark Registration 2,751,943, issued on or about August 19, 2003 (the "No Cut Trademark" Registration).

D. Assignor is the Owner of any copyrights (the "Copyrights") relating to the intellectual property recited in Paragraphs A-C herein.

E. Assignor has agreed to assign its rights in the Patent Application, the VeriSite Trademark Application, the No Cut Trademark Registration, the SurgiGuard Trademark Registration and the Copyrights, pursuant to this Assignment.

NOW THEREFORE, and in consideration for the amount set forth in the Agreement to which this Assignment of Intellectual Property is attached as an exhibit and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. Assignor has sold, assigned, and set over and by these presents does hereby, sell, assign and set over unto Assignee, Assignee's successors and assigns, Assignor's entire right, title and interest in and throughout the United States, its territories and all countries foreign thereto, in and to the Patent Application and any improvements thereon which may have been made, conceived or acquired by Assignee during the course of Assignor's association with Assignee, and for one year thereafter, in and to the Patent Application and any and all Letters Patents and extensions thereof of the United States and countries foreign thereto which have been or may be granted on the Patent Application or any part thereof, or any improvements thereon, or any divisional, continuing, renewal, reissue, or other application and all international priority rights associated therewith, based in whole or in part thereon, or based upon the Patent Application or any improvements thereon; to be held and enjoyed by the Assignee, Assignee's successors and assigns to the full ends of the terms for which the Letters Patent, or any of them, have been granted or may be granted, as fully and entirely as the same would have been held and enjoyed by Assignor had no sale and assignment of the interest been made; and Assignor does hereby authorize and request the Commissioner of Patents and Trademarks to issue any and all Letters Patent which may be granted upon the Patent Application, or any of them, or upon the invention or any part thereof, or upon any improvements thereon which may be made, conceived or acquired by Assignor during the course of Assignor's association with Assignee and for one year thereafter, to Assignee, and Assignor hereby agrees to execute without further consideration, any further legal documents and any further assignments and any releases, reissues, renewals or other applications for Letters Patent that may be deemed necessary by

Assignee fully to secure to Assignee its interest as aforesaid in and to the invention or any part thereof or any improvements thereon, and in and to the several Letters Patent, or any of them.

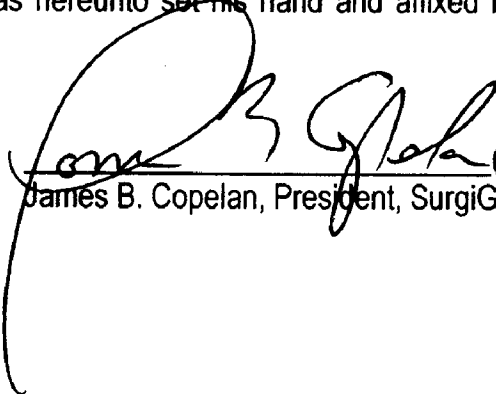
2. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over to Assignee, Assignee's successors and assigns, all of its rights, title, and interest in and to its VeriSite Trademark Application itself, any Certificate of Registration issuing therefrom and the good will of the business associated with and symbolized by the mark, and Assignor does hereby authorize and request the Commissioner of Patents and Trademarks to issue the Certificate of Registration to the Assignee, consistent with the terms of the Agreement attached hereto; Assignor further agrees to execute, without further consideration, any further legal documents, any further assignments, and any releases, declarations, renewals or other applications for the aforesaid Trademark Application that may be deemed necessary by Assignee or by Assignee's successors-in-interest or assigns, fully to secure to Assignee Assignor's interest as aforesaid in and to the Trademark Application.

3. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over unto Assignee, Assignee's successors and assigns, all of its rights, title and interest in and to the trademarks described in the SurgiGuard Trademark Registration and the No Cut Trademark Registration including the right to sue others for past acts of infringement of the SurgiGuard Trademark Registration and No Cut Trademark Registration and to retain all revenues received from others for such past acts of infringement; Assignor further agrees to execute, without further consideration, any further legal documents, any further assignments, and any releases, declarations, renewals or other applications for SurgiGuard Trademark Registration or No Cut Trademark Registration that may be deemed necessary by Assignee or by Assignee's successors-in-interest or assigns, fully to secure to Assignee Assignor's interest as aforesaid in and to the SurgiGuard Trademark Registration and the No Cut Trademark Registration.

4. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over to Assignee, Assignee's successors and assigns on an exclusive basis all of Assignor's right, title and interest in and to the Copyrights and to all of the assets, properties, contracts, rights, and obligations relating thereto, including without limitation, Copyrights and renewals and/or extensions thereof for all territories of the world in perpetuity.

UPON SAID CONSIDERATION, Assignor does hereby covenant and agree with Assignee that Assignor will not execute any writings or do any act whatsoever conflicting with these presents.

IN WITNESS WHEREOF, Assignor has hereunto set his hand and affixed his seal on the date hereinafter set forth.

 (SEAL)
James B. Copelan, President, SurgiGuard, Inc.

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT, made as of this 1st day of January, 2003, by and between James B. Copelan ("Assignor") and SurgiGuard, Inc. ("Assignee").

RECITALS

A. Assignor has made Application for Letters Patent of the United States with respect to an invention described therein. Said Application is identified in the United States Patent Office as Application Serial Number 09/729,888 (the "Patent Application").

B. Assignor is also the applicant under the trademark applications pending in the United States Patent and Trademark Office as Trademark Application Number 76/268933 (the "VeriSite Trademark Application") and Trademark Application Number 76/333,415 (the "No Cut Trademark Application").

C. Assignor is the owner of U.S. Trademark Registration 2,665,437, issued December 24, 2002 (the "SurgiGuard Trademark Registration").

B. Assignor has agreed to assign his rights in the Patent Application, the VeriSite Trademark Application, the No Cut Trademark Application, and the SurgiGuard Trademark Registration, pursuant to this Assignment.

NOW THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over unto Assignee, Assignor's right, title, and interest in and to the invention described in the Patent Application, the Patent Application itself, any Letters Patent issuing as a result of the Patent Application, and Assignor does hereby authorize and request the Commissioner of Patents and Trademarks to issue said Letters Patent to the Assignee, consistent with the terms of this Assignment.

2. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over unto Assignee, Assignor's right, title, and interest in and to the trademarks described in the VeriSite Trademark Application and the No Cut Trademark Application, the Trademark Applications themselves, any Certificates of Registration issuing as a result of said Trademark Applications, and Assignor does hereby authorize and request the Commissioner of Patents and Trademarks to issue said Certificates of Registration to the Assignee, consistent with the terms of this Assignment.

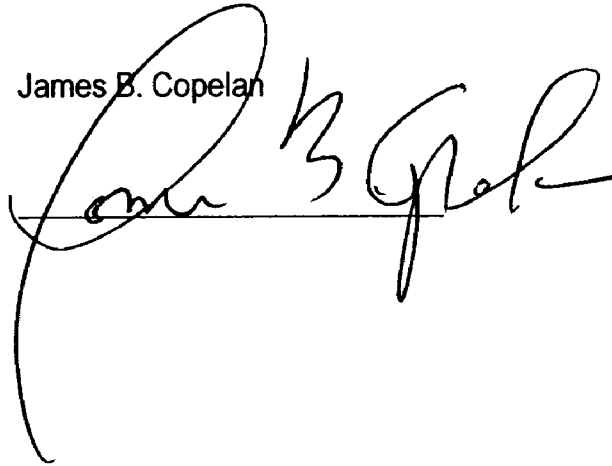
3. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over unto Assignee, Assignor's right, title, and interest in and to the trademark described in the SurgiGuard Trademark Registration.

UPON SAID CONSIDERATION, Assignor does hereby covenant and agree with the said Assignee that Assignor will not execute any writing or do any act whatsoever conflicting with these presents, and that Assignor will, at any time upon request, without further or additional consideration, but at the expense of said Assignee, execute such additional acts as said Assignee may deem necessary or desirable to perfect the Assignee's enjoyment of this grant, and render all necessary assistance in making application for and obtaining original, divisional, renewal, reissued, or extended Letters Patent of the United States, regarding the invention described in the SurgiGuard Patent Application.

Assignee may not further assign the rights assigned hereunder without the prior, written consent of Assignor, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, Assignor has hereunto set his hand and affixed his seal on the date hereinafter set forth.

James B. Copelan

A handwritten signature in black ink, appearing to read "James B. Copelan", written over a horizontal line. The signature is stylized and cursive.

ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS ASSIGNMENT, made as of this 1st day of January, 2003, by and between World Legacy Group, Inc. ("Assignor") and SurgiGuard, Inc. ("Assignee").

RECITALS

A. Assignor has made Application for Letters Patent of the United States with respect to an invention described therein. Said Application is identified in the United States Patent Office as Application Serial Number 09/729,888 (the "Patent Application").

B. Assignor is also the applicant under the trademark applications pending in the United States Patent and Trademark Office as Trademark Application Number 76/268933 (the "VeriSite Trademark Application") and Trademark Application Number 76/333,415 (the "No Cut Trademark Application").

C. Assignor is the owner of U.S. Trademark Registration 2,665,437, issued December 24, 2002 (the "SurgiGuard Trademark Registration").

B. Assignor has agreed to assign his rights in the Patent Application, the VeriSite Trademark Application, the No Cut Trademark Application, and the SurgiGuard Trademark Registration, pursuant to this Assignment.

NOW THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over unto Assignee, Assignor's right, title, and interest in and to the invention described in the Patent Application, the Patent Application itself, any Letters Patent issuing as a result of the Patent Application, and Assignor does hereby authorize and request the Commissioner of Patents and Trademarks to issue said Letters Patent to the Assignee, consistent with the terms of this Assignment.

2. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over unto Assignee, Assignor's right, title, and interest in and to the trademarks described in the VeriSite Trademark Application and the No Cut Trademark Application, the Trademark Applications themselves, any Certificates of Registration issuing as a result of said Trademark Applications, and Assignor does hereby authorize and request the Commissioner of Patents and Trademarks to issue said Certificates of Registration to the Assignee, consistent with the terms of this Assignment.

3. Assignor has sold, assigned, and set over and by these presents does hereby sell, assign, and set over unto Assignee, Assignor's right, title, and interest in and to the trademark described in the SurgiGuard Trademark Registration.

UPON SAID CONSIDERATION, Assignor does hereby covenant and agree with the said Assignee that Assignor will not execute any writing or do any act whatsoever conflicting with these presents, and that Assignor will, at any time upon request, without further or additional consideration, but at the expense of said Assignee, execute such additional acts as said Assignee may deem necessary or desirable to perfect the Assignee's enjoyment of this grant, and render all necessary assistance in making application for and obtaining original, divisional, renewal, reissued, or extended Letters Patent of the United States, regarding the invention described in the SurgiGuard Patent Application.

Assignee may not further assign the rights assigned hereunder without the prior, written consent of Assignor, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, Assignor has hereunto set his hand and affixed his seal on the date hereinafter set forth.

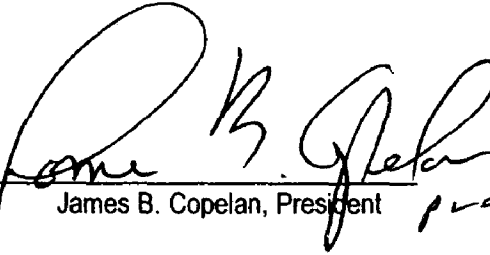
By: 
James B. Copelan, President

EXHIBIT A

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that SurgiGuard, Inc. ("Seller"), for and in consideration of the sum of One Dollar (\$1) and other good and valuable consideration, to it in hand paid, the receipt and adequacy of which is hereby acknowledged, does by these presents grant, bargain, sell, convey and transfer to Colby Manufacturing Corporation, the following personal property:

All tangible property as specified in Paragraph 3.1 of the Business Assets Purchase Agreement (the "Printing Equipment") of Seller which Seller uses to print any SurgiGuard Products described in U.S. Patent Application 09/729,888.

The undersigned will warrant and forever defend the sale of said property against the claims of all and every person or persons whomsoever claiming by, through, or under the undersigned.

It is expressly understood and agreed that all the covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, legal representatives, successors and assigns of the respective parties hereto. Whenever used the singular numbers shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed effective August 25, 2003.

SurgiGuard, Inc.

By: *James B. Copelan*
James B. Copelan, President 8-25-03

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

Subscribed and sworn to before me this 26th day of August, 2003, by James B. Copelan as President of SurgiGuard, Inc.

Witness my hand and official seal.
My commission expires:
January 21, 2005
SEAL

Fernando Mercado
Notary Public

