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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

01-20-2004

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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To the Honorable Commissioner of Pa.

102649448

1 original documents or copy thereof

1. Name of conveying party(ies):

1.6.04

A.L.CO INDUSTRIES, INC.

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

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

3. Nature of conveyance:

- Assignment Merger
- X Security Agreement Change of Name
- Other _____

Execution Date: December 30, 2003

2. Name and address of receiving party(ies)

Name: FLEET CAPITAL CORPORATION

Internal

Address: _____

Street Address: 750 WALNUT AVENUE

City: CRANFORD State: NJ Zip: 07016

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes X No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes X No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2,524,399 2,717,483 2,572,813 2,508,144 76/390297 76/328852 76/394059 76/435888 76/523028

Additional number(s) attached Yes X No

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

Name: Edward J. Albowicz, Esq.

Internal Address: Wilentz, Goldman & Spitzer, P.A.

Street Address: 90 Woodbridge Center Drive

City: Woodbridge State: NJ Zip: 07095

6. Total number of applications and registrations involved:

9

7. Total fee (37 CFR 3.41)

\$240.00

- X 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

Edward J. Albowicz, Esq.

Edward J. Albowicz
Signature

January 6, 2004

Name of Person Signing

Date

Total number of pages including cover sheet, attachments, and document 11

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

01/16/2004 ECOOPER 00000082 2524399

01 FC:4521
02 FC:8522

40.00 OP
200.00 OP

TRADEMARK REEL: 002898 FRAME: 0636

#2395406

**PATENTS, TRADEMARKS
AND COPYRIGHTS SECURITY AGREEMENT**

THIS PATENTS, TRADEMARKS AND COPYRIGHTS SECURITY AGREEMENT (this "Agreement") is made on this 30th day of December, 2003 by and between ALCO INDUSTRIES, INC., a corporation organized under the laws of the State of New York (the "Assignor"), and FLEET CAPITAL CORPORATION, a Rhode Island corporation with an office at 750 Walnut Avenue, Cranford, New Jersey 07016 (the "Lender"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Agreement (as defined below).

WITNESSETH:

WHEREAS, the Assignor and the Lender have entered into a certain Loan and Security Agreement (as same may be amended, restated, replaced, modified and/or supplemented from time to time, the "Loan Agreement") and the other Loan Documents (as such term is defined in the Loan Agreement) to secure certain loans extended by the Lender in favor of the Assignor in the aggregate principal amount of \$35,000,000, as such amount may be increased from time to time; and

WHEREAS, the Assignor owns the United States copyrights which have been registered with the United States Copyright Office and has made applications for a United States copyright registration with the United States Copyright office with respect to applications listed on Schedule A hereto ("Copyrights"), owns the United States patents and the applications for a United States patents listed on Schedule B ("Patents"), owns the United States trademark applications and trademarks listed in Schedule C hereto, along with the good-will of the Assignor to which such trademark applications and trademarks relate ("Trademarks") and owns the United States trademark applications filed in the United States Patent and Trademark Office based on its intent to use the corresponding mark and listed on Schedule D, along with any good-will of the Assignor relating to such trademarks ("ITU Marks"); and

WHEREAS, pursuant to the Loan Agreement, the Assignor is required to and has conveyed and granted to Lender a security interest in, among other things, all right, title and interest of the Assignor in, to and under all of the Assignor's Copyrights, Patents and Trademarks, whether presently existing or hereafter arising or acquired, and all products, substitutions, replacements and proceeds thereof to secure all obligations of the Assignor to Lender, including contingent obligations; and

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Assignor does hereby absolutely grant and convey to Lender a security interest in, all of the Assignor's right, title and interest in, to and under the following, whether presently existing or hereafter arising or acquired:

- (a) Each of the Copyrights which are presently, or in the future may be, owned by the Assignor, in whole or in part, as well as any application for a United States copyright registration now or hereafter made with the United States Copyright Office by the Assignor, as the same may be updated hereafter from time to time;
- (b) Each of the Patents, which are presently, or in the future may be owned by the Assignor, in whole or in part, as well as all applications for United States patents now or hereafter owned by the Assignor, as the same may be updated hereafter from time to time; and
- (c) Each of the Trademarks, which are presently, or in the future may be owned by the Assignor, in whole or in part, together with the good-will associated with each Trademark, as well as all applications for Trademarks now or hereafter owned by the Assignor, as the same may be updated hereafter from time to time.

Said security interest includes, without limitation, all proceeds thereof, the right to sue for past, present, and future infringements thereof, all rights corresponding thereto throughout the world, and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof.

1) Assignor covenants and warrants that, to the extent that any Patents, Trademarks and/or Copyrights exist:

(a) it is the true and lawful exclusive owner of all the Copyrights listed on Schedule A and that said Copyrights constitute all the United States Copyrights registered in the United States Copyright Office and applications for United States Copyrights that the Assignor now owns;

(b) it is the true and lawful exclusive owner and/or intended assignee of all the Patents listed on Schedule B and that said Patents constitute all the United States Patents registered in the United States Patent and Trademark Office and applications for United States Patents that the Assignor now owns;

(c) it is the true and lawful exclusive owner of all the Trademarks listed on Schedule C and that said Trademarks constitute all the United States Trademarks registered in the United States Patent and Trademark Office and applications for Trademarks that the Assignor now owns;

(d) The Assignor agrees, at Lender's request, on a semi-annual basis to execute such additional agreements with respect to any new Patent, Trademark and/or Copyright in which the Assignor hereinafter obtains rights or any ITU Mark which becomes registered with the United States Patent and Trademark Office. The Assignor further warrants that it is not aware of any third party claim that any of the aspects of the Assignor's present or contemplated business operations infringe or will infringe on any Patent, Trademark or Copyright. The Assignor grants to Lender an absolute power of attorney to sign any document which will be required by the United States Copyright Office or the United States Patent and Trademark Office in order to record the security interest in the Patents, Trademarks and Copyrights;

(e) the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable;

(f) Each of the Patents, Trademarks and Copyrights is in use and does not infringe the rights of any other person or entity;

(g) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements, and covenants by Assignor not to sue third persons, other than the assignment to Lender pursuant to this Agreement;

(h) Assignor has the unqualified right to enter into this Agreement and perform its terms;

(i) Assignor believes it has used, and will use its best efforts to continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights;

(j) Assignor has used, and will use commercially reasonable good faith effort to continue to use for the duration of this Agreement, consistent standards of quality in its manufacture or use of products sold under the Trademarks;

(k) At its own expense, the Assignor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. Sec. 41 to maintain in force rights under each Patent;

(l) The Assignor hereby agrees not to divest itself of any right under any Copyright, Trademark and/or Patent, which divestiture would have a material adverse effect on Assignor's business, its properties, or its ability to perform its obligations under the Loan Agreement; and

(m) The Assignor agrees to promptly, upon learning thereof, furnish Lender in writing all pertinent information available to the Assignor with respect to any infringement or other violation of the Assignor's rights in any Copyright, Trademark and/or Patent, which infringement or violation could have a material adverse effect on the Assignor, its properties or its ability to perform its obligations under the Loan Agreement and the other Loan Documents. The Assignor further agrees to prosecute any Persons infringing upon any Copyright, Trademark and/or Patent to the extent such infringement could have a material adverse affect on the Assignor, its properties or its ability to perform its obligations under the Loan Agreement and the other Loan Documents.

- 2) Subject to the provisions of the Loan Agreement, Assignor hereby grants to Lender and its employees and agents the right to visit Assignor's facilities (during normal business hours and upon reasonable notice) which maintain or store products sold under any of the Patents, Trademarks, or Copyrights, and to inspect the products and quality control records relating thereto. Assignor shall do any and all acts required by Lender to ensure Assignor's compliance herewith.
- 3) Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent.
- 4) If, before the Obligations have been satisfied in full,:

(a) Assignor shall obtain rights to any new Trademark, any new Copyright, or any new patentable inventions, or become entitled to the benefit of any patent application or patent for reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions hereof shall automatically apply thereto and Assignor shall give to Lender prompt notice thereof in writing; and

(b) any ITU Mark becomes registered with the United States Patent and Trademark Office, the terms of this Agreement shall automatically apply without any further action on the part of the Assignor or Lender (including, without limitation, the grant of a security interest by Assignor to Lender in any such ITU Mark which becomes registered with the United States Patent and Trademark Office) and Assignor shall give to Lender prompt notice in writing of such ITU Mark becoming registered.

- 5) Assignor authorizes Lender to modify this Agreement by amending Schedules A, B, C and D to include any future Patents, Trademarks, Copyrights or ITU Marks covered hereby.
- 6) Upon and during the occurrence of any Event of Default:
 - a) Lender shall have, in addition to all other rights and remedies given to it by this Agreement, the Loan Agreement, and the other Loan Documents, those rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks, or Copyrights may be located; and
 - b) Lender may, in addition to any other remedies which may be available to Lender, without being deemed to have made an election of remedies, and without the assignment hereunder being deemed to be anything less than an absolute assignment, immediately, without demand of performance and without other notice (except as may be set forth below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale (or, to the extent required by law, otherwise realize upon in a commercially reasonable manner), all or from time to time, any of the Patents, Trademarks, or Copyrights, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents, Trademarks, or Copyrights all reasonable expenses (including all reasonable expenses for broker's fees and legal services), may apply the residue of such proceeds to the payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Assignor. Notice of any sale or other disposition of the Patents, Trademarks, or Copyrights shall be given to Assignor at least ten (10) business days before the time of any intended public or private sale or other disposition of the Patents, Trademarks, or Copyrights is to be made,

which notice Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Patents, Trademarks, or Copyrights sold, free from any right or equity of redemption on the part of Assignor, which right and equity of redemption are hereby waived and released.

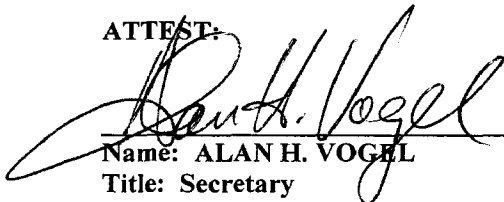
- 7) At such time as Assignor shall completely satisfy all of the Obligations, this Agreement shall terminate and Lender shall execute and deliver to Assignor at Assignor's expense all releases and other instruments as may be necessary or proper to release the security interest in and to the Patents, Trademarks, or Copyrights, subject to any disposition thereof which may have been made by Lender pursuant hereto and in accordance with the terms hereof.
- 8) Any and all reasonable fees, costs and expenses, of whatever kind or nature, including reasonable attorney fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Patents, Trademarks, or Copyrights, in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks, or Copyrights, or in the enforcement by Lender of any of its rights or remedies under this Agreement, the Loan Agreement or any other Loan Document shall be borne and paid by Assignor on demand by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate of interest chargeable pursuant to the Loan Agreement upon an Event of Default.
- 9) Assignor shall have the duty, through counsel reasonably acceptable to Lender, to prosecute diligently any actions for or of the Patents, Trademarks, or Copyrights pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are reasonably necessary or desirable to preserve and maintain all rights in the Patents, Trademarks, or Copyrights. Any expenses incurred in connection with the Patents, Trademarks, and Copyrights shall be borne by Assignor. The Assignor shall not abandon any Patents, Trademarks, or Copyrights other than in the ordinary course of business without the consent of Lender.
- 10) Assignor shall have the right to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Patents, Trademarks, or Copyrights, in which event Lender may, if necessary, be joined as a nominal party to such suit if Lender shall have been satisfied that it is not incurring any risk of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including attorney fees, incurred by Lender in the fulfillment of the provisions of this paragraph. The obligations of the Assignor under this paragraph shall survive the termination of this Agreement.
- 11) In the event of the occurrence and continuance of a Default or an Event of Default, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for Lender to use the Patents, Trademarks, or Copyrights, or to grant or issue any exclusive or nonexclusive license under the Patents, Trademarks, or Copyrights to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, or Copyrights to anyone else. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.
- 12) If Assignor fails to comply with any of its obligations hereunder, Lender may do so in Assignor's name or in Lender's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Lender in full for all reasonable expenses, including reasonable attorney's fees, incurred by Lender in protecting, defending and maintaining the Patents, Trademarks, or Copyrights.
- 13) No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement, or under any other

Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.


- 14) All of Lender's rights and remedies with respect to the Patents, Trademarks, or Copyrights, whether established hereby or by the Loan Agreement, or by any other agreement(s) or by law, shall be cumulative and may be exercised singly or concurrently.
- 15) The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.
- 16) This Agreement is subject to modification only by a writing signed by the parties, except as provided elsewhere herein.
- 17) The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
- 18) The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of New Jersey.
- 19) THE PARTIES HERETO AGREE TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN NEW JERSEY IN CONNECTION WITH ANY MATTER ARISING HEREUNDER, INCLUDING THE COLLECTION AND ENFORCEMENT HEREOF. THE ASSIGNOR AND LENDER EACH HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE ACTIONS OF LENDER. THIS WAIVER IS MADE KNOWINGLY AND IN CONSIDERATION OF THE ADVANCES MADE UNDER THE LOAN AGREEMENT.
- 20) This Agreement, the Loan Agreement and the other Loan Documents embody the entire agreement and understanding between the Assignor and Lender and supersedes all prior agreements and understandings relating to the subject matter hereof and thereof.

WITNESS the execution hereof under seal as of the day and year first above written.

ATTEST:


 Name: ALAN H. VOGEL
 Title: Secretary

ALCO INDUSTRIES, INC.

BY: 
 Name: ELLIOT RICK STEINBERG
 Title: President

FLEET CAPITAL CORPORATION

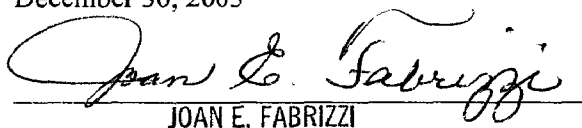
By: 
 Name: JOHN LEIFER
 Title: Vice President

STATE OF NEW JERSEY :
 :SS:
COUNTY OF MIDDLESEX :

I CERTIFY that on December 30, 2003, ELLIOT RICK STEINBERG personally came before me and stated under oath to my satisfaction that:

- (a) this person is the President of ALCO INDUSTRIES, INC., the corporation named in this Instrument;
- (b) this Instrument was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;
- (c) this person knows the proper seal of the corporation, which are affixed to this Instrument;
- (d) this person signed this acknowledgement to attest to the truth of these facts.

Signed and sworn to before me on
December 30, 2003

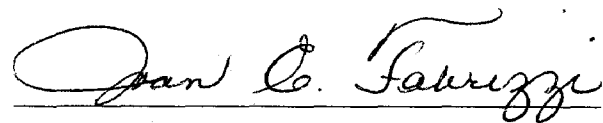

JOAN E. FABRIZZI

NOTARY PUBLIC, State of New Jersey
My Commission Expires Feb. 24, 2005
STATE OF NEW JERSEY :
 :SS:
COUNTY OF MIDDLESEX :

I CERTIFY that on December 30, 2003, JOHN LEIFER personally came before me and stated under oath to my satisfaction that:

- (a) this person is a Vice President of FLEET CAPITAL CORPORATION, the corporation named in this Instrument;
- (b) this Instrument was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;
- (c) this person knows the proper seal of the corporation which was affixed to this Instrument;
- (d) this person signed this acknowledgement to attest to the truth of these facts.

Signed and sworn to before me on
December 30, 2003


JOAN E. FABRIZZI

NOTARY PUBLIC, State of New Jersey
My Commission Expires Feb. 24, 2005

SCHEDULE A
(Copyrights)

NONE

SCHEDULE B

(Patents)

NONE

SCHEDULE C
(Trademarks)

| <u>Trademark</u> | <u>Status in Trademark Office</u> | <u>Federal Registration Number</u> | <u>Registration Date</u> |
|-----------------------------------|-----------------------------------|------------------------------------|--------------------------|
| PRESCOTT FORGE | registered | 2,524,399 | 1/1/02 |
| ALCO | registered | 2,717,483 | 5/20/03 |
| ALCO VALUES FOR THE HOME & Design | registered | 2,572,813 | 5/28/02 |
| LITETyme | registered | 2,508,114 | 11/1/01 |
| STORAGE Tyme | petition to revive filed | 76/390297 | 11/3/03 |
| DINNERTyme | abandoned | 76/328852 | 10/23/01 |
| PANTRY Tyme | abandoned | 76/394059 | 4/11/02 |
| PIGGY PATCH | SOU filed 11/3/03 | 76/435888 | 7/30/02 |
| COLORFUL MEMORIES | Published 12/16/03 | 76/523028 | 6/6/03 |

SCHEDULE D
(ITU Marks)

NONE