

02-24-2004

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

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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): North Atlantic Operating Company, Inc.

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

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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other Amended & Restated Collateral Execution Date: 02/17/2004 Assignment

2. Name and address of receiving party(ies) Name: Bank One, NA Internal Address: Street Address: 416 West Jefferson Street City: Louisville State: KY Zip: 40202

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

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)

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

Additional number(s) attached Yes No

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

Name: Cynthia L. Stewart Internal Address: Frost Brown Todd LLC 32nd Floor Street Address: 400 W. Market Street

City: Louisville State: KY Zip: 40202-3363

6. Total number of applications and registrations involved: 17

7. Total fee (37 CFR 3.41) \$440.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number: 024275

(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.

Cynthia L. Stewart Name of Person Signing

Signature

2-19-04 Date

02/23/2004 DBYRNE 00000063 024275 1775416 Total number of pages including cover sheet, attachments, and document: 9

01 FC:8521 40.00 DA 02 FC:8522 400.00 DA

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

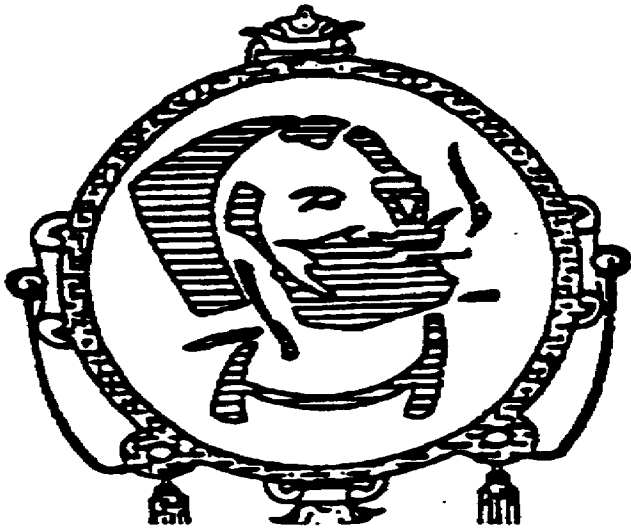
TRADEMARK REEL: 002916 FRAME: 0773

SCHEDULE A
Schedule of Trademarks

North Atlantic Operating Company, Inc.

Trademark	Current Owner	Registration No. and Date Issued
ZIG-ZAG and Design	North Atlantic Operating Co. Inc.	1,775,416 June 8, 1993
ZIG-ZAG and Design	North Atlantic Trading Company, Inc.	1,512,985 November 15, 1988
ZIG-ZAG	North Atlantic Trading Company, Inc.	1,472,580 January 12, 1988
ZIG-ZAG and Design	United States Tobacco Company	1,133,291 April 15, 1980
ZIG-ZAG GOLD STANDARD	North Atlantic Trading Company, Inc.	2,122,646 December 23, 1997
ZIG-ZAG (Stylized Letters)	North Atlantic Operating Company, Inc.	75/824,284
ZIG-ZAG and Design	North Atlantic Operating Company, Inc.	75/824,282
ZIG-ZAG	North Atlantic Operating Co. Inc.	75/255,066
ZIG-ZAG and Design	North Atlantic Operating Co. Inc.	2,512,921 November 27, 2001
MISCELLANEOUS DESIGN	North Atlantic Operating Company, Inc.	75/824,285
NORTH ATLANTIC TRADING COMPANY	North Atlantic Operating Company, Inc.	76/115,214
NORTH ATLANTIC OPERATING COMPANY, INC. and Design	North Atlantic Operating Company, Inc.	78/092,299
NORTH ATLANTIC OPERATING COMPANY, INC. and Design	North Atlantic Operating Company, Inc.	78/092,298
NORTH ATLANTIC OPERATING COMPANY	North Atlantic Operating Company, Inc.	78/091,719
NORTH ATLANTIC OPERATING COMPANY	North Atlantic Operating Company, Inc.	76/115,213
HOMETOWN	North Atlantic Operating Company, Inc.	78/091,716
H HOMETOWN and Design	North Atlantic Operating Company, Inc.	78/092,794

DESIGN



**AMENDED AND RESTATED COLLATERAL ASSIGNMENT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS**

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, NORTH ATLANTIC OPERATING COMPANY, INC., a Delaware corporation, and the successor to NATC Holdings, USA, Inc. and to North Atlantic Trading Company, Inc. (the "Assignor"), with principal offices at 257 Park Avenue South, 7th Floor, New York, NY 10010-7304, hereby collaterally assigns and grants to BANK ONE, NA, with an office and place of business at 416 West Jefferson Street, Louisville, Kentucky, 40202, as Agent Bank (defined below) (the "Assignee"), a first priority security interest in (i) all of the Assignor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, together with (ii) all Proceeds (as such term is defined in the Security Agreement referred to below) and products of the Marks, (iii) the goodwill of the businesses with which the Marks are associated and (iv) all causes of action arising prior to or after the date hereof for infringement of any of the Marks or unfair competition regarding the same.

THIS AMENDED AND RESTATED COLLATERAL ASSIGNMENT OF SECURITY INTEREST (this "Assignment") is made to secure the satisfactory performance and payment of all "Secured Obligations", as such term is defined in an Amended and Restated Security Agreement dated as of February 17, 2004, as amended, between North Atlantic Trading Company, Inc., National Tobacco Finance Corporation, North Atlantic Operating Company, Inc., Stoker, Inc., RBJ Sales, Inc., Fred Stoker & Sons, Inc. and North Atlantic Cigarette Company, Inc. and BANK ONE, NA, successor to Bank One, Kentucky, NA, a national banking association, acting as Agent Bank on behalf of itself and the Banks (hereafter referred to as the "Agent Bank") (as amended, the "Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Assignee shall, upon such satisfaction, execute, acknowledge, and deliver to the Assignor an instrument in writing releasing the security interest in the Marks acquired under this Assignment. Terms not otherwise defined herein shall have the meaning set forth in the Security Agreement.

This Assignment has been granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Assignment are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern. This Agreement and the obligations of the parties hereunder shall, in all respects, be governed by and construed in accordance with the laws of the State of New York.

This Assignment is delivered in amendment, restatement and replacement of, but not in novation of, that Assignment of Security Interest in United States Trademarks between Assignor and Assignee executed May 8, 2002, and recorded at the United States Patent and Trademark Office.

* * *

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the 17th day of February, 2004.

NORTH ATLANTIC OPERATING COMPANY, INC.

By:



David I. Brunson, Executive Vice President and Chief Financial Officer

BANK ONE, KENTUCKY, NA, as Agent Bank and as Assignee

By



H. Joseph H. Brenner, First Vice President

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 17th day of February, 2004 before me personally came David I. Brunson who, being by me duly sworn, did state as follows: that she/he is the Executive Vice President and Chief Financial Officer of NORTH ATLANTIC OPERATING COMPANY, INC., and that she/he is authorized to execute the foregoing Assignment on behalf of said corporation.

Kristen Vento
Notary Public

My commission expires: _____.


KRISTEN VENTO
Notary Public, State of New York
No. 01VE6084451
Qualified in Richmond County
Commission Expires Dec. 2, 2006

STATE OF COMMONWEALTH OF KENTUCKY)

) ss.:

COUNTY OF JEFFERSON)

On this 17 day of February, 2004 before me personally came H. Joseph Brenner who, being by me duly sworn, did state as follows: that she/he is the First Vice President of BANK ONE, NA, that she/he is authorized to execute the foregoing Assignment on behalf of said bank and that she/he did so by authority of the Board of Directors of said bank.



Notary Public

My commission expires: 1-5-07