

02-24-2004



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

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102676335 TRADEMARKS ONLY

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

Docket No: 839-14; 839-15; 839-16; 839-17; 839-18

Tab settings

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

1. Name of conveying party(ies):

International Service Group, Inc.

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

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

3. Nature of conveyance:

- Assignment Merger
Security Agreement Change of Name
Other

Execution Date: September 23, 2003

2. Name and address of receiving party(ies)

Name: P.S. Clearance Co., Inc.

Internal

Address:

Street Address: 3333 New Hyde Park Road

City: New Hyde Park State: New York Zip: 11042

- Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State Florida
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 No

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

A. Trademark Application No.(s)

76/339,351; 75/319,785

B. Trademark Registration No.(s)

2,745,632; 2,187,599; 2,193,525

Additional number(s) attached Yes No

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

Name: Jeffrey S. Steen, Esq.

Internal Address: Carter, DeLuca, Farrell & Schmidt, LLP

Street Address: 445 Broad Hollow Road

Suite 225

City: Melville State: NY Zip: 11747

6. Total number of applications and registrations involved:

5

7. Total fee (37 CFR 3.41): \$ 140.00

- Enclosed
Any deficiency in the amount of fees submitted in connection with this recordal is authorized to be charged to our deposit account

8. Deposit account number:

05-2140

(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.

Jeffrey S. Steen

Name of Person Signing

Signature

February 18, 2004

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

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02 FD:0522

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**ASSET PURCHASE AND SALE AGREEMENT**

among

**P.S. CLEARANCE CO., INC.,**  
a Florida corporation,

**PRO SERVICE FORWARDING CO., INC.,**  
As Guarantor of P.S. Clearance Co., Inc.

**INTERNATIONAL SERVICE GROUP, INC.,**  
a California corporation,

**JOHN ALLAN,**  
in his individual capacity to the extent provided herein

and

**KAREN ALLAN,**  
in her individual capacity to the extent provided herein

Dated as of September 23, 2003

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Rev. 9/23/03, 2:50 pm

*J* *KA*  
*SR*

**ASSET PURCHASE AND SALE AGREEMENT**

This ASSET PURCHASE AND SALE AGREEMENT, dated as of September 23, 2003 (the "Agreement"), is by and among P.S. CLEARANCE CO., INC., a Florida corporation (the "Purchaser"), PRO-SERVICE FORWARDING CO., INC., a California corporation ("Guarantor"); and INTERNATIONAL SERVICE GROUP, INC., a California corporation and its corporate affiliates (the "Seller"), and solely with respect to the Sections indicated on the signature page hereof, JOHN ALLAN (the "Shareholder") AND KAREN ALLAN (the "Key Employee"), in their individual capacities (the "Shareholders"). Each of the Purchaser, the Seller, Guarantor, the Shareholder and the Key Employee are, collectively, sometimes referred to herein as the "Parties" and, individually, a "Party".

**WITNESSETH:**

WHEREAS, the Seller is engaged in the business of international and domestic freight forwarding, cartage services and customhouse brokerage services (the "Business");

WHEREAS, all of the issued and outstanding shares of capital stock of the Seller are legally and beneficially owned by the Shareholder and the Key Employee is a necessary employee of the Business and is receiving an Employment Agreement (as defined herein); and

WHEREAS, the Seller desires to sell, convey and transfer to the Purchaser, and the Purchaser desires to acquire, receive and assume the Business and certain of the assets ("Assets") and certain specified liabilities ("Assumed Liabilities") of the Seller, upon and subject to the terms and conditions of this Agreement (the "Transaction");

NOW, THEREFORE, in consideration of the premises and the representations, warranties, agreements and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**ARTICLE 1**

**DEFINITIONS**

**SECTION 1.1 Definitions.** Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Agreement. Certain terms defined in the text of this Agreement similarly shall have the meanings therein given for all purposes of this Agreement:

"Affiliate" shall mean, with respect to any Person, any other Person, directly or indirectly controlling, controlled by or under common control with such Person.

"Agreement", "this Agreement", "herein", "hereunder", "hereof", "hereby", or other like

words mean this Asset Purchase and Sale Agreement and the Schedules hereto, as amended, modified or supplemented in writing from time to time in accordance with the terms hereof.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended.

**"Confidentiality Agreement"** shall mean that certain confidentiality agreement between the Purchaser and the Seller, dated [REDACTED], and any supplements or amendments thereof, pertaining to the confidential treatment of information.

**"Environmental Laws"** means any Laws (other than any common law principle, doctrine or judgment) now or hereafter in effect relating to the protection of human health or the environment.

**"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as amended.

**"GAAP"** shall mean generally accepted accounting principles, consistently applied in the United States.

**"Knowledge"** shall mean the actual knowledge of the Seller, Shareholder and the Key Employee, if applicable, or the directors or officers of a Party.

**"Law"** means all constitutions, laws, codes, statutes, rules, regulations, injunctions, judgments, orders, writs, decrees, rulings, charges, ordinances and other pronouncements having the effect of law of the United States, any state, county, city or other political subdivision or of any other governmental authority.

**"Loss"** shall mean any damages, losses, obligations, liabilities, claims, actions or causes of action, encumbrances and reasonable costs and expenses (including, without limitation, reasonable costs of any investigation of any claims and reasonable attorneys' and accounting fees).

**"Material Adverse Effect"** shall mean, (i) in the case of the Assets or Assumed Liabilities, unless specified otherwise, changes in the financial condition of such Assets or Assumed Liabilities resulting in a loss thereof or increase of Liability thereof which exceeds [REDACTED] in the aggregate, (ii) in the case of the Purchaser, unless otherwise specified, changes in the business, financial condition or results of operations of the Purchaser resulting in a loss or increase of liability which exceeds [REDACTED] Dollars, or (iii) in the case of the Seller, unless otherwise specified, changes having a material adverse effect on the Business in excess of [REDACTED] Dollars.

**"Person"** shall mean an individual, corporation, partnership, joint venture limited liability company, association, trust or other entity or organization including an unincorporated organization, a government or political subdivision or an agency or instrumentality thereof.

**"Purchase Price"** shall have the meaning specified in Subsection 2.8.1 hereof.

**"Taxes"** shall mean any and all federal, state, provincial, local, foreign and other tax,

levy, fee, impost, duty or other like assessment or charge of any kind whatsoever, including (x) taxes imposed on, or measured by, income, franchise, profits or gross receipts and (y) ad valorem, value added, capital gains, sales, goods and services, use, real or personal property, capital stock, license, branch, payroll, estimated withholding, employment, social security (or similar), unemployment, compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes, and customs duties, together with any interest, penalty, addition to tax or additional amount imposed by any governmental authority responsible for the imposition of any such tax (domestic or foreign) (a "Tax Authority"), and any liability for any of the foregoing as transferee.

"Transferred Employee" means an Employee who accepts from the Purchaser an offer of employment made by the Purchaser prior to, or on the Closing Date.

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1968, 29 U.S.C. §§ 2101 *et seq.*, or any similar state or local Law.

## ARTICLE 2

### PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES; CLOSING; AND PURCHASE PRICE

**SECTION 2.1 Acquired Assets.** The Seller hereby agrees to sell, assign, transfer, convey and deliver to the Purchaser and/or its affiliate, Pro-Service Forwarding Co., Inc., and the Purchaser hereby agrees to purchase, acquire and accept from the Seller, all of the Seller's right, title and interest in and to all of the assets, properties, rights and contracts owned by the Seller in connection with the Business, used by the Seller in the Business or held by the Seller for use in the Business, wherever located, other than the Excluded Assets (collectively, the "Assets"), free and clear of all Liens other than the Liens disclosed on the Schedules delivered hereunder by the Seller, including, without limitation, the following:

**2.1.1 Equipment.** All machinery, equipment (including, without limitation, all warehouse and office equipment), truck and cartage equipment computers, laboratory and test equipment and apparatus, furniture, fixtures, leasehold improvements, furnishings, tools, dies, vehicles, spare parts, office supplies and other tangible assets (collectively, the "Equipment"), including without limitation the Equipment identified on Schedule 2.1.1 hereof;

**2.1.2 Inventory.** All materials, work in process and finished goods inventories, supplies and spare parts (collectively, the "Inventory");

**2.1.3 Seller Deposits.** Seller's lease deposits for Seller's San Francisco and Chicago facilities only (security deposits) and other advances of the Seller made to any third party on account of any assumed lease to which the Seller is a party or is bound in an aggregate amount of not less than [REDACTED] Dollars (the "Seller Deposits"), including each Seller Deposit in the amount and with the party set forth on Schedule 2.1.3 hereof;

**2.1.4 Customer Deposits.** All cash and cash equivalents in an amount equal to the aggregate of the deposits from customers of the Seller or others for duty, freight, or other expenses (the "Customer Deposits");

**2.1.5 Certain Rights.** All rights of the Seller under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, equipment vendors or lessors and contractors in connection with products, equipment or services purchased by the Seller or affecting the Equipment or the Inventory, to the extent transferable;

**2.1.6 Contracts.** All contracts, subcontracts and agreements and other arrangements, proposals, bids, quotations, purchase orders and commitments, and sales orders and commitments of any kind, whether written or oral, including, without limitation, confidentiality, licensing, joint venture, teaming, partnership and transition services agreements (but excluding all agreements or instruments of indebtedness) (the "Contracts"); including without limitation the contracts listed on Schedule 2.1.6 hereof;

**2.1.7 Facility Leases.** The facility leases used by the Seller as described on Schedule 2.1.7 hereof (the "Facility Leases");

**2.1.8 Equipment Leases.** All rights and interests of the Seller in the leases of personal property (including, without limitation, vehicles) and Equipment set forth on Schedule 2.1.8 hereof (the "Equipment Leases");

**2.1.9 Insurance Proceeds.** Except for the proceeds from the claims set forth on Schedule 2.1.9, any proceeds under insurance policies for claims or losses relating to the Assets;

**2.1.10 Business Records.** Except for the Business Records set forth on Schedule 2.1.10, all business and financial records, ledgers, sales invoices, accounts and payroll records, files, books and documents, including, but not limited to, manuals, brochures, catalogues, data, sales and advertising materials, customer and supplier lists and reports, sales, distribution and purchase correspondence, personnel files and records of Transferred Employees (to the extent permitted by applicable law), engineering drawings, and logbooks, and other records relating to Assets or the Assumed Liabilities (collectively, the "Business Records");

**2.1.11 Computer Software, Computer Hardware, Etc.** All right, title and interest of the Seller in and to the computer programs (including, if any, computer modeling programs, design and operational software and computer source and object codes), computer data bases, and related documentation, (collectively, the "Computer Software"), all computer hardware, as well as corporate websites and electronic mail addresses, all as listed on Schedule 2.1.11 delivered hereunder;

**2.1.12 Patents and Technology.** All right, title and interest of the Seller in and to all patents, patent applications, and disclosed inventions and all right, title and interest of the Seller in and to processes, trade secrets, know-how, formulae, inventions, and quality control, testing, operational, logistical, maintenance and other technical information and technology used or held for use by the Seller in connection with operation of the Business (collectively, the "Patents and Technology");

**2.1.13 Trademarks and Copyrights.** All right, title, interest and goodwill of the Seller in and to trademarks, trade names and service marks, and registrations and applications for such trademarks, trade names and service marks, used by the Business and the products and services associated therewith (including the names "International Service Group, "ISG

Maritime" and "ISG" and its logo and trade dress), and all right, title and interest of the Seller in and to copyrights, and registrations and applications for copyrights all as listed on Schedule 2.1.13;

2.1.14 Permits. To the extent legally assignable, all licenses, permits, consents and authorizations, including all permits relating to the discharge of any substances into the environment or the storage, use or transport of any substances, issued by any governmental authority for the operations of the Business or otherwise relating to the Assets (collectively, the "Permits");

2.1.15 Prepaid Expenses. All deferred and prepaid charges, advances, expenses, sums and fees of the Seller (the "Prepaid Expenses"), other than, the Prepaid Expenses in the amounts and with the parties set forth on Schedule 2.1.15 hereof;

2.1.16 Claims. Except for the claims set forth on Schedule 2.1.16, all claims, defenses, causes of action, rights of recovery and rights of offset of the Seller relating to the Business, the Equipment, Inventories, Prepaid Expenses, Seller Deposits, Customer Deposits, Contracts, Patents and Technology, or the Assumed Liabilities, but excluding, for the avoidance of doubt, any such claims, causes of action and rights of recovery relating to the Receivables and the Contracts to the extent necessary to recover such Receivables; and

2.1.17 General: All other personal property, tangible or intangible, of every kind and description used or held for use in connection with the Business (including, but not limited to telephone and facsimile numbers), whether or not reflected on the books and records of the Seller or the Business, including all goodwill and all of Seller's right, title and interest therein.

**SECTION 2.2 Excluded Assets**. Notwithstanding anything to the contrary contained in Section 2.1 herein, the Seller is under no obligation to, and does not hereby, sell, assign, transfer or convey, and the Purchaser is under no obligation to, and does not hereby, accept or purchase any of the following assets, rights and properties of the Seller (collectively, the "Excluded Assets") set forth on Schedule 2.2 and as follows:

2.2.1 Cash and Receivables. All cash and cash equivalents (other than any Prepaid Expenses, the Customer Deposits and the Seller Deposits), and all billed and unbilled accounts and notes receivable, refunds from deposit premiums, short-rate premium refunds, experienced rating and profit sharing from insurance policies, pre-closing Customs refunds owed to Seller, and drawback claims owed to Seller that are attributable to services rendered for work completed by the Seller prior to the Closing, together with any unpaid interest accrued thereon from the respective obligors, and any security or collateral therefore (other than collateral for any Assumed Liability) (collectively, the "Receivables") and those items listed on Schedule 2.2.1;

2.2.2 Contracts. Any inactive, completed, closed or terminated contracts and orders and claims related thereto;

2.2.3 Purchase Price. The Purchase Price payable by the Purchaser hereunder; and

2.2.4 Retained Business Records. All business records of the Seller of the type

**SECTION 9.14 Interpretation and Construction of this Agreement.** This Agreement shall be construed in accordance with its fair meaning and shall not be construed strictly against any Party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed with legal and binding effect by their respective authorized officers, as of the day and year first above written.

P.S. CLEARANCE CO., INC.

By: *Jack J. Meekin*  
Name: Jack J. Meekin  
Title: CEO

PRO-SERVICE FORWARDING CO., INC.  
as Guarantor subject to Section 5.18

By: *Jack J. Meekin*  
Name: Jack J. Meekin  
Title: CEO

INTERNATIONAL SERVICE GROUP, INC.

By: *John Allan*  
Name: John Allan  
Title: PRESIDENT

*John Allan*  
**JOHN ALLAN**, in his individual capacity, solely with respect to Article 3, Article 7, and Sections 5.10, 5.11, 5.12, 5.14 and 5.15 hereof.

*Karen L. Allan*  
**KAREN ALLAN**, in her individual capacity, solely with respect to Article 3, Article 7, and Sections 5.10, 5.11, 5.12, 5.14, and 5.15 hereof.

*Ka*  
*WR*



**SCHEDULE 2.1.13**

**All copyrights, registrations and applications are listed on Schedule 3.9.**

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Handwritten signature and initials, possibly 'JK' and 'SB', in the bottom right corner.

**SCHEDULE 3.9****INTELLECTUAL PROPERTY****TRADEMARKS AND SERVICE MARKS - REGISTERED**

	Registration Number	Mark	Use	Registration Date	Next Maintenance Action Date Deadline
A.	2,187,599	ISG MARITIME (With Design)	Freight forwarding services (Class 39)	9/8/1998	9/8/2004
B.	2,193,525	INTERNATIONAL SERVICE GROUP, INC. (With Design)	Customs brokerage (Class 36); Freight forwarding services (Class 39)	10/6/1998	10/6/2004
C.	2,745,632	ISG (With Design)	Customs brokerage (Class 36)	8/5/2003	8/5/2009

**TRADEMARKS AND SERVICEMARKS - PENDING APPLICATIONS**

	Application Number	Mark	Use	Status
A.	75/319,785	ISG (and Design)	Customs brokerage (Class 36); freight forwarding services; (Class 39)	See Note 1
B.	75/339,351	ISG (and Design)	Freight forward services, namely the service of freight brokering (Class 39)	See Note 2

**Note 1:** This application was opposed by the USPTO on a procedural basis and the application was refused by letter dated August 13, 2003. At the time the procedural objection was raised, a replacement application was filed. (See Note 2 below).

**Note 2:** The replacement application covered two classes and was bifurcated by the USPTO. The portion of the application relating to customs brokerage (Class 36) is now registered (Item C above). The portion of the application relative to freight forwarding services (Class 39) has been suspended and we are awaiting further action by the USPTO.

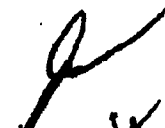
All Registrations remain subject to Sections 8 and 15 requirements.

**Seller conveys all of its interest in the referenced marks and those for which applications have been filed.**

**COPYRIGHT**

**Seller has no copyright registrations and makes no warranties regarding its copyright to any Intellectual Property used by Seller.**

**Seller has no knowledge other than set forth herein of any claims of misappropriation, infringement, wrongful or conflicting use or theft by third parties of any Intellectual Property used by Seller.**

  
TOTAL P.11