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

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

1. Name of conveying party(ies): Gemini Sound Products Corp. Individual(s) Association General Partnership Limited Partnership Corporation-State Other Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: Nahum Meir Internal Address: Street Address: 235 Diane Place City: Paramus State: NJ Zip: 07652 Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State 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

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other Execution Date: 04/20/2001

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 2442488 Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Matthew R. Kaplan, Esq. Internal Address: Cole, Schotz, Meisel, Forman & Leonard, P.A. Street Address: Court Plaza North, 25 Main Street City: Hackensack State: NJ Zip: 07601

6. Total number of applications and registrations involved: 1 7. Total fee (37 CFR 3.41) \$ 40 Enclosed Authorized to be charged to deposit account 8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. Matthew R. Kaplan Name of Person Signing

Signature

2/27/04 Date

Total number of pages including cover sheet, attachments, and document: 7

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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SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this "Agreement") made effective April 20, 2001, by and between NAHUM MEIR ("Meir") and GEMINI SOUND PRODUCTS CORP. ("Gemini"), a New York corporation. Meir and Gemini are sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the Parties and others have entered into an asset sale agreement dated as of July 2, 1998 (the "Asset Sale Agreement");

WHEREAS, in connection with the Asset Sale Agreement, the Parties entered into an employment agreement dated as of July 2, 1998 (the "Employment Agreement"); and

WHEREAS, the Parties desire to terminate Meir's employment with the Company, as well as any and all rights and obligations of the Parties still existing with respect to the Employment Agreement, the Asset Sale Agreement, and any and all other agreements executed in connection with the Asset Sale Agreement (the Asset Sale Agreement, the Employment Agreement, and such other agreements being hereinafter referred to as the "**Transaction Documents**") on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. **Termination of Employment, of Employment Agreement, and of Other Agreements.** Effective at the close of business on April 20, 2001, Meir's employment with Gemini shall be terminated, and, except for the obligations set forth in this Agreement and for any accrued but unpaid salary through April 20, 2001, any and all rights or obligations of the Parties under or in accordance with the Employment Agreement and/or the other Transaction Documents shall be terminated. Meir recognizes and acknowledges that as of April 20, 2001, all of his rights as an employee of Gemini, including his right to participate in any employee benefit plans of Gemini, such as health and life insurance plans (except as otherwise provided herein) and its 401(K) Plan are being terminated.

2. **Severance Payment.**

a. **General.** Upon execution of this Agreement, Gemini agrees to pay to Meir a severance payment, to be evidenced by a promissory note in favor of Meir in the original principal amount of THREE HUNDRED TWENTY-NINE THOUSAND FOUR HUNDRED TWENTY-SEVEN AND 06/100 (\$329,427.06) DOLLARS, in the form attached hereto as **EXHIBIT 2** (the "**Promissory Note**"), which Promissory Note shall be jointly and severally guaranteed by Artie Cabasso, Isaac Cabasso, and Alan Cabasso in accordance with the Guaranty incorporated into the Promissory Note. Gemini's obligations under the Note shall be absolute

and unconditional, and Gemini hereby waives any defenses, claims, or right of set-off it may have as a basis for non-payment of the Promissory Note. Payments to be made under the Promissory Note shall be made by electronic transfer into an account that Meir directs, or as Meir may otherwise direct from time to time, and Meir initially directs that the payments be made by electronic transfer into the same account at Fleet Bank as is presently receiving payments from Gemini.

b. **Employer's Share of Payroll Taxes.** Each of Gemini, as employer, and Meir, as employee, shall bear their own respective portions of payroll tax imposed on the severance payments. Gemini will withhold applicable Federal and State income taxes as required by law pursuant to a Form W-4 signed by Meir.

3. **COBRA Health Care Continuation Coverage.** Meir shall be permitted to elect to continue health care coverage in accordance with law. Meir hereby elects to so continue health care coverage, and Gemini shall, on a weekly basis, deduct such payments from the weekly payments to be made by Gemini to Meir under the Promissory Note.

4. **Mutual Releases.** Gemini hereby agrees to enter into a release in the form attached hereto as **EXHIBIT 3A**, and Meir hereby agrees to enter into a release in the form attached hereto as **EXHIBIT 3B** (collectively, the "**Releases**").

5. **Return of Company Property.** Upon execution of this Agreement, Meir shall return to Gemini all property of Gemini that Meir has in his possession or under his control, including, without limitation, the Gemini automobile used by Meir, and all records, manuals, books, blank forms, documents, letters memoranda, notes, notebooks, reports, data, tables, accounts, calculation and copies thereof, which in any way relate to the business, products, practices, or techniques of Gemini, and all other property, trade secrets, and confidential information of Gemini, including, without limitation, all documents which in whole or in part contain any trade secrets or confidential information of Gemini, which in any of these cases, are in Meir's possession or under his control. The condition of the company automobile and any and all other Gemini property shall be "as is." Gemini acknowledges that it has received all such property required to be returned, in "as is" condition.

6. **Non-Competition Covenant.** Meir covenants and agrees that during the two (2) year period from April 1, 2001 through July 1, 2003, he shall not, directly or indirectly, alone or with others, individually or through or by a corporate or other business entity in which he may be interested as an owner, partner, stockholder, member, joint venturer, officer, director, employee, consultant, broker, agent, principal, trustee, licensor, licensee, or in any other capacity whatsoever, own, manage, control, participate in, lend his name to, or render services to or for any business that is directly competitive with that of Gemini or any of its affiliates. The foregoing shall not be deemed to prevent the ownership by Meir of up to five percent of any class of securities of any corporation which is regularly traded on any stock exchange or over-the-counter market. The term "affiliate" as used in this Agreement means any entity which, directly or indirectly, controls, is controlled by, or is under common control with Gemini. For purposes

of this Agreement, a business activity competitive with the business of Gemini or any of its affiliates shall include only the design, manufacture, marketing, sale, or distribution of (i) electronic audio equipment (the "**Audio Business**") or (ii) entertainment lighting equipment targeted to clubs and disc jockeys (the "**Lighting Business**"), in either case, of the nature sold by Gemini at the date hereof.

Notwithstanding anything contained herein to the contrary, Meir shall be permitted to sell production parts and spare parts related to the business of Ness Imports, Inc. ("Ness") that were not acquired by Gemini under the Asset Sale Agreement, which parts are on hand at Gemini on the date hereof (on an as-is, where-is basis) and such parts and any records relating to Ness shall be available to be removed by Meir and such sales shall not violate Meir's non-compete obligations under this Agreement. Spare parts and records not removed within 60 days shall be considered abandoned. Additionally, Meir is specifically hereby authorized to engage in business involving any of the following segments or products to the extent not targeted to clubs and disc jockeys: graphic and visual display projectors, point of purchase, architectural or outdoor lighting, including purchasing, manufacturing and selling graphic and visual display projectors, point of purchase, architectural or outdoor lighting.

7. **Non-interference.** Meir further agrees as follows: (i) during the period when any severance payments are due from Gemini to Meir in accordance with this Agreement, Meir will not, directly or indirectly or individually, induce or attempt to induce any employee of Gemini or any of its affiliates to leave the employ of Gemini or the affiliate, or in any way interfere with the relationship between Gemini (or any of its affiliates) and any other employee, and (ii) during the period from April 1, 2001 through July 1, 2003, Meir will not, directly or indirectly or individually, induce or attempt to induce any customer of Gemini or any of its affiliates to cease doing business with Gemini or any of its affiliates, without prior written consent of the Board of Directors of Gemini (or such affiliate), provided, however, that the restriction set forth in this clause (ii) shall not apply with respect to graphic and visual display projectors, point of purchase, architectural or outdoor lighting.

8. **Enforcement of Non-Compete and Non-Solicitation.** If, at the time of enforcement of any provisions of the non-compete or non-solicitation provisions of this Agreement, a court of competent jurisdiction holds that the restrictions stated herein are unreasonable under the circumstances then existing, the Parties agree that the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area. Any claim by Gemini that Meir has violated Sections 5, 6, or 7 of this Agreement shall be resolved exclusively through litigation in the forum set forth in Section 9.k., below, and Gemini shall not unilaterally set-off or reduce its payments owed to Meir under the Promissory Note. In advance of Gemini bringing any claim that Meir has violated Sections 6 or 7 of this Agreement, Gemini shall provide written notice to Meir describing in reasonable detail the nature of the violation, and Meir shall have a reasonable opportunity to cure such violation prior to Gemini prosecuting a claim for such violation.

9. **Miscellaneous Provisions.**

a. **Notices.** All notices required to be given hereunder shall be given in writing, signed by the Party giving said notice or by its attorney or other agent, and shall be hand-delivered against receipt or sent by certified mail, return receipt requested, by facsimile machine, or by a recognized overnight mail delivery service providing receipt against delivery, to the persons at the addresses listed below, and shall be deemed effective upon the earlier of receipt or forty-eight (48) hours after delivery.

Meir: 235 Diane Place
Paramus, NJ 07652

With a copy to: Cole, Schotz, Meisel, Forman & Leonard, P.A.
Court Plaza North
25 Main Street, P.O. Box 800
Hackensack, NJ 07602-800
Attn: Jeffrey H. Schechter, Esq.

Gemini: 8 Germak Drive
Carteret, NJ 07008
Attn: Artie Cabasso

With a copy to: Dornbush Mensch Mandelstam & Schaeffer, LLP
747 Third Avenue
New York, NY 10017
Attn: Eric Nodiff, Esq.

Any Party may change the address at which to send notices by notifying the other Party of such change of address in writing in accordance with the foregoing.

b. **Attorneys' Fees.** In the event of any suit or arbitration under this Agreement, reasonable attorneys' fees and costs shall be awarded by the court or arbitration to the prevailing party, to be included in any judgment recovered. In addition, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing any judgment arising from a suit under this Agreement. This post-judgment attorneys' fees and costs provision shall be severable from the other provisions of this Agreement and shall survive any judgment on such suit and is not to be deemed merged into any such judgment.

c. **Severability.** Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present statute, law, ordinance or regulation contrary to which the Parties have no legal right to contract, the latter shall prevail, but in such event the provision of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of law and to carry out the purposes of this Agreement.

d. **Entire Agreement.** This Agreement supersedes all prior oral and written understandings and agreements between the Parties hereto except for any confidentiality provisions set forth in any previously executed document. The Parties hereto acknowledge that, except for any such confidentiality provisions, this Agreement contains the entire agreement between the Parties relating to subject matter of this Agreement.

e. **Benefit and Assignment.** Neither Party hereto shall have the power or authority to assign any of its rights or interests herein or delegate any duties or obligations hereunder without first procuring the written consent of the other Party. The covenants, conditions and promises contained herein shall, subject to the foregoing limitations, inure to the benefit of and bind the legal representatives, successors and assigns of all of the Parties hereto.

f. **Gender, Number.** Whenever appropriate from the context of this Agreement, the use of any gender shall include any and all other genders and the singular number shall include the plural and the plural shall include the singular.

g. **Captions.** The titles or headings to the paragraphs of this Agreement are not a part hereof and shall have no effect on the construction or interpretation of any of the terms and provisions contained herein.

h. **Construction.** The Parties hereto acknowledge that both Parties participated equally in the drafting of this Agreement and the documents contemplated hereby, and that in the event of a dispute neither Party shall be treated for any purpose as the author of this Agreement nor have any ambiguity resolved against such Party on account thereof.

i. **Exhibits.** All exhibits attached to this Agreement and referred to herein are hereby incorporated herein as though fully set forth herein.

j. **No Third Party Interest.** This Agreement is entered into by and between the Parties only for their benefit. The Parties hereby expressly agree that there is no intent by either Party to create or establish third party beneficiary status rights or the equivalent in any other referenced individual, entity or third party, and no such individual, entity or third party shall have any right to enforce any right or enjoy any benefit created or established under this Agreement with respect to the rights and obligations of the Parties hereto.

k. **New Jersey Law.** This Agreement and all rights, duties and obligations hereunder shall be construed and interpreted in accordance with the internal laws (not the choice of law) of the State of New Jersey. Each Party hereto agrees to accept and submit to the exclusive jurisdiction of the courts of the State of New Jersey.

l. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which when taken together

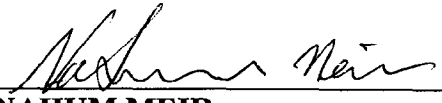
shall constitute but one Agreement. It shall not be necessary that any counterpart be signed by all Parties so long as each party shall have executed a counterpart.

m. **Transfer/Use of the Name "Ness Imports"**. Effective two years from the date hereof, Gemini hereby transfers and assigns the name "Ness Imports, Inc." and derivatives thereof and any slogans relating thereto (e.g. Ness, Light Years Ahead) to Meir for Meir's use. Gemini shall not transfer said name to any third party during said two (2) year period.

INTENDING TO BE LEGALLY BOUND, the Parties have executed this Agreement as of the day and year first above written.

GEMINI SOUND PRODUCTS CORP.

By:  CEO


NAHUM MEIR