

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Seroyal USA, Inc.		12/16/2004	CORPORATION: DELAWARE
Seroyal International Inc.		12/16/2004	CORPORATION: CANADA
RECEIVING PARTY DATA			
Name:	American Capital Financial Services, Inc. as Agent		
Street Address:	2 Bethesda Metro Center, 14th Floor		
City:	Bethesda		
State/Country:	MARYLAND		
Postal Code:	20814		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 5			
Property Type	Number	Word Mark	
Registration Number:	2420774	GENESTRA BRANDS	
Registration Number:	2452241	BIOTHERAPEUTIC DRAINAGE	
Registration Number:	2430878		
Registration Number:	2568891	SEROYAL	
Registration Number:	2533314	SEROYAL	
CORRESPONDENCE DATA			
Fax Number:	(212)310-8007		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Email:	sara.feldschreiber@weil.com		
Correspondent Name:	Weil,Gotshal&Mangesc/oSara Feldschreiber		
Address Line 1:	767 5th Avenue		
Address Line 4:	New York, NEW YORK 10153		
NAME OF SUBMITTER:	Sara Feldschreiber		

CH \$140.00 2420774

Signature:

/Sara Feldschreiber/

Date:

02/03/2005

Total Attachments: 11

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SHORT FORM TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, entered into as of December 16, 2004, by SEROYAL INTERNATIONAL INC., a corporation incorporated under the laws of the Province of New Brunswick ("Seroyal Canada") and SEROYAL USA INC., a Delaware corporation, ("Seroyal US", together with Seroyal Canada, the "Grantors" and each a "Grantor"), to and in favor of AMERICAN CAPITAL FINANCIAL SERVICES, INC., a Delaware corporation ("ACAS"), as agent for the Purchasers identified in the Note and Equity Purchase Agreement (the "Purchase Agreement") among the Grantors, ACAS and the Purchasers party thereto dated of even date herewith (in such capacity, the "Secured Party").

Witnesseth:

WHEREAS, pursuant to the Purchase Agreement, the Purchasers have severally agreed to purchase certain Notes (as defined in the Purchase Agreement) upon the terms and subject to the conditions set forth therein; and

WHEREAS, each Grantor is party to a Security Agreement of even date herewith in favor of the Agent (the "Security Agreement") and each Grantor is required to execute and deliver this Trademark Security Agreement pursuant to the Security Agreement and the Purchase Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and to induce the Purchasers and the Agent to enter into the Purchase Agreement and to induce the Purchasers to purchase the Notes thereunder, each Grantor hereby agrees with the Agent as follows:

SECTION 1. **Defined Terms.** Unless otherwise defined herein, terms defined in the Purchase Agreement or in the Security Agreement and used herein have the meaning given to them in the Purchase Agreement or the Security Agreement.

As used herein, the following terms shall have the following meanings:

"Trademark" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office, the Canadian Intellectual Property Office, or in any similar office or agency of the United States, Canada, any State, any province or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, and (b) the right to obtain all renewals and extensions thereof.

"Trademark License" means any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark.

SECTION 2. Grant of Security Interest in Trademark Collateral Each Grantor hereby sells, conveys, pledges, hypothecates and grants to the Secured Party, its successors and assigns, a continuing and unconditional first priority security interest upon, in and to all of such Grantor's right, title and interest in, to and under the following Collateral of such Grantor wherever located, and now owned or hereafter acquired (the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on Schedule I hereto;

(b) all renewals and extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(d) any consideration received when all or any part of the Trademark Collateral is sold, transferred, exchanged, leased, collected or otherwise disposed of, or any value received as a consequence of possession thereof, including but not limited to, all products, proceeds (including all "Proceeds" as defined in Section 9 102(a)(64) of the Code), cash, negotiable instruments and other instruments for the payment of money, chattel paper, security agreements or other documents, or proceeds of other proceeds, now or hereafter due and/or payable under any Trademark and with respect thereto, including, without limitation, any and all claims by any Grantor against third parties for past, present, future infringement, dilution, violation or any other impairment thereof.

Notwithstanding the foregoing, the Trademark Collateral shall exclude (i) any intellectual property rights which would be abandoned or rendered invalid or unenforceable by the grant of a security interest created pursuant to the terms of this Agreement and (ii) any Trademark License that contains provisions restricting assignment such that the creation of a security interest in such contract would be prohibited or would enable another Person party to such contract to enforce and remedy with respect thereto if, but only if, such provisions are not rendered invalid under applicable law, in each case for so long as such prohibition or reason for invalidity exists.

SECTION 3. Grantor Remains Liable. It is expressly agreed by each Grantor that, anything herein to the contrary notwithstanding, such Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with its Trademarks or Trademark Licenses, and shall hold the Agent harmless from any and all costs, damages, liabilities and expenses that may be incurred in connection with the Agent's interest in such Trademarks or Trademark Licenses or any other action or failure to act in connection with this Trademark Security Agreement. Each Grantor shall remain liable for any and all claims by any Person that the conduct of such Grantor's business or products or processes of such Grantor infringe any rights of such person.

SECTION 4. **Security Agreement**. The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Agent pursuant to the Security Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

SECTION 5. **Termination of Security Interest in Trademark Collateral**. Upon payment and satisfaction in full of the Obligations and termination of all commitments relating thereto (other than indemnification and expense reimbursement obligations not yet due), the Agent shall reassign, redeliver to the Grantors and release (or cause to be so reassigned, redelivered to the Grantors and released), without recourse upon or warranty by the Agent, and at the sole expense of the Grantors, to the Grantors, against receipt therefor, such of the Trademark Collateral (if any) as shall not have been sold or otherwise applied by the Agent pursuant to the terms of the Security Agreement and not theretofore reassigned, redelivered and released to the Grantors, together with appropriate instruments of reassignment and/or release and at such time this Trademark Security Agreement shall terminate and be of no further force or effect other than as set forth in Section 6.3 of the Security Agreement.

SECTION 6. **Counterparts**. This Trademark Security Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

SECTION 7. **APPLICABLE LAW**. THIS TRADEMARK SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF MARYLAND, WITHOUT GIVING EFFECT TO MARYLAND CHOICE OF LAW DOCTRINE.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SEROYAL INTERNATIONAL INC.
as Grantor

By: _____

Name:

Title:

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as Agent

By: _____

Name:

Title:

SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SEROYAL INTERNATIONAL INC.

as Grantor

By: _____

Name:

Title:

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as Agent

By:



Name: Brent S. Graff

Title:

SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SEROYAL USA, INC.
as Grantor

By: _____

Name:

Title:

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as Agent

By: _____

Name:

Title:

SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SEROYAL USA, INC.
as Grantor

By: _____
Name:
Title:

Accepted and Agreed:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
as Agent

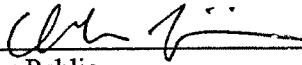
By: 
Name: Brent B. Graff
Title:

SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT

Acknowledgement of Grantor

STATE OF TORONTO)
CITY) ss.
COUNTY OF ONTARIO
PROVINCE

On this 15 day of December, 2004 before me personally appeared ROSETTA RABO, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Seroyal International Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.



Notary Public

ACKNOWLEDGEMENT OF GRANTOR

CITY
STATE OF TORONTO)
PROVINCE) ss.
COUNTY OF ONTARIO)

On this 15 day of December 2004, 2004 before me personally appeared ROBERT A. ASH, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Seroyal USA, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Charles J. [Signature]
Notary Public

SCHEDULE I
to
Trademark Security Agreement
Trademark Registrations

A. REGISTERED TRADEMARKS

Genestra Brand Marks			
<u>As of December 2004</u>			
Trademark	Country	Registration No.	Registration Date
Genestra Brands - Australia	Australia	819505	January 10, 2000
Genestra Brands - Switzerland	Switzerland	473958	February 9, 2000
Genestra Brands - Hong Kong	Hong Kong	04101/2002	April 15, 2002
Genestra Brands - U.S.	United States	2,420,774	January 16, 2001
Genestra Brands - Canada	Canada	TMA339,329	June 19, 1992
Genestra Brands - Israel Class 3	Israel	133286	November 12, 2001
Genestra Brands - Israel Class 5	Israel	133285	November 12, 2001
Genestra Brands - Community Trade Mark	CTM	1466556	February 23, 2001

U.S. Marks			
<u>As of December 2004</u>			
Trademark	Country	Registration No.	Registration Date
Biotherapeutic Drainage	United States	2452241	May 15, 2001
Tree Label Design	United States	2430878	February 27, 2001
Seroyal	United States	2568891	May 14, 2002
Seroyal	United States	2533314	January 29, 2002

Canadian Marks			
<u>As of December 2004</u>			
Trademark	Country	Registration No.	Registration Date
Biotherapeutic Drainage	Canada	TMA595365	November 20, 2003
Tree Label Design	Canada	TMA555720	December 19, 2001
Seroyal & Tree Design	Canada	TMA551917	October 3, 2001
Seroyal	Canada	TMA555719	December 19, 2001

B. TRADEMARK APPLICATIONS

None.

C. TRADEMARK LICENSES

Distributorship Agreement dated January 1, 1996 between UNDA, S.A. and Genestra Seroyal Inc.

Distributorship Agreement dated September 1990 between UNDA, S.A. and Seroyal Canada Inc.