

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
Critical Imports, Inc.		06/09/2005	CORPORATION: NEVADA
RECEIVING PARTY DATA			
Name:	Star Funding, Inc.		
Street Address:	237 West 37th Street		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10018		
Entity Type:	CORPORATION: NEW YORK		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	78586965	TRYPOD	
CORRESPONDENCE DATA			
Fax Number:	(212)797-9161		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	212-797-9100		
Email:	mclain@braunerbaron.com		
Correspondent Name:	Michael J. Clain, Esq.		
Address Line 1:	61 Broadway		
Address Line 2:	Brauner Baron Rosenzweig & Klein, LLP		
Address Line 4:	New York, NEW YORK 10006		
NAME OF SUBMITTER:	Michael J. Clain		
Signature:	/Michael J. Clain/		
Date:	07/07/2005		

OP \$40.00 78586965

Total Attachments: 10

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TRADEMARK COLLATERAL AGREEMENT

This TRADEMARK COLLATERAL AGREEMENT (this "Agreement") is made as of June 9th, 2005, by CRITICAL IMPORTS, INC., a Nevada corporation (hereinafter referred to, with its successors and assignees, as the "Assignor"), to and in favor of STAR FUNDING, INC., a New York corporation (hereinafter referred to, with its successors and assignees, as the "Assignee").

BACKGROUND

WHEREAS, the Assignor is the owner of certain trademarks, service marks and tradenames; and

WHEREAS, the Assignor and the Assignee have entered into a Supply Agreement (as amended, extended, supplemented, restated or otherwise modified, the "Supply Agreement") and a Factoring Agreement (as amended, extended, supplemented, restated or otherwise modified, the "Factoring Agreement", and together with the Supply Agreement, the "Funding Agreements"), each dated as of June 9th, 2005; and

WHEREAS, under the terms of the Funding Agreements, the Assignor has granted to the Assignee a security interest in, among other property, certain intellectual property of the Assignor and has agreed as a condition thereof to execute this Agreement covering such intellectual property for recording with the U.S. Patent and Trademark Office and other governmental authorities;

NOW, THEREFORE, for and in consideration of the funding and other financial accommodations extended by the Assignee under the Funding Agreements, and intending to be legally bound hereby, the Assignor hereby covenants and agrees as follows:

1. Definitions.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Funding Agreements or the Uniform Commercial Code, as applicable, and in addition the following terms shall have the following meanings:

"Obligations" means any and all indebtedness and other liabilities and obligations of the Assignee hereunder or under either of the Funding Agreements including, but not limited to, (i) the obligation to repay any Advances made under the Factoring Agreement when due, (ii) the obligation to pay interest on such Advances at the rates and on the dates specified in the Factoring Agreement; (iii) the obligation to pay the Purchase Price pursuant to the terms and conditions of the Supply Agreement, (iv) the obligation to pay any fees payable under the Funding Agreements when due and at the rates and on the dates specified therein, (v) the obligation to indemnify the Assignor as provided in this Agreement and in the Funding Agreements, (vi) the obligation to pay costs and expenses as provided in this Agreement and in the Funding Agreements, and (vii) the obligation to pay all other amounts specified in this Agreement or in the Funding Agreements.

"Proceeds" has the meaning assigned to such term under the Uniform Commercial Code and, in any event, shall also include without limitation (i) any and all proceeds of any guarantee, insurance or indemnity payable to the Assignee from time to time with respect to any of the Marks; (ii) any and all payments (in any form whatsoever) made or due and payable to the Assignee from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the

Marks by any governmental authority (or any person acting under color of governmental authority); (iii) all proceeds of any sale or other disposition of any of the Marks and of any of the assets, properties and rights described in the definition of "Marks" whether or not the lien therein purportedly granted hereunder is valid or attaches or is perfected; and (iv) any and all other amounts from time to time paid or payable with respect to or in connection with any of the Marks.

"Uniform Commercial Code" means the Uniform Commercial Code, as amended, as is in effect in the State of New York or in any applicable state, as the case may be.

2. Security Agreement and Collateral Assignment.

2.1 Grant. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, the Assignor hereby pledges and grants to the Assignee a security interest in each and all of the following, whether now or hereafter existing, arising or created (collectively, the "Marks");

(a) all present and future trademarks, service marks, tradenames, logos and other distinctive indicia which are, have been or may hereafter be adopted or used by the Assignor, including, without limitation, those now or hereafter listed in Schedule A hereto;

(b) all actual or potential applications, registrations, affidavits, renewals, divisions, continuations or extensions thereof;

(c) all goodwill associated therewith;

(d) all rights to sue for past, present and future infringements thereof;

(e) all rights owned by the Assignor corresponding or relating thereto throughout the world; and

(f) all Proceeds thereof (such as, by way of example and not by way of limitation, license royalties and proceeds of infringement suits).

2.2 Future Marks. If, before the Obligations shall have been finally satisfied in full, the Assignor shall adopt or use or obtain any other Mark, then the provisions of this Section 2 shall automatically apply thereto, and the Assignor shall give to the Assignee prompt notice thereof in writing. The Assignor hereby irrevocably authorizes the Assignee to modify this Agreement by amending Schedule A hereto to include any future Mark.

2.3 Negative Pledge. Except as permitted under the terms of the Funding Agreements, the Assignor agrees that it (a) will not assign, transfer, sell, hypothecate or encumber any Mark; (b) will not take any action, nor enter into any license, royalty, assignment or other agreement which is inconsistent with the Assignor's obligations under this Agreement, or which has the effect of reducing the distinctiveness of the Marks; and (c) will give the Assignee thirty (30) days prior written notice of any proposed license, royalty, assignment or other agreement.

2.4 Continuing Security Interest. This Agreement shall create a continuing security interest in the Marks and shall (i) remain in full force and effect until terminated pursuant to Section 2.6 below, (ii) be binding upon the Assignor, its successors and assigns, and (iii) inure to the benefit of the Assignee

and its successors, transferees and assigns, provided, however, that the Assignor shall not be permitted to transfer or delegate any of its obligations hereunder.

2.5 Further Assurances. At any time and from time to time, upon request of the Assignee and at the sole expense of the Assignor, the Assignor will give, execute, file, transfer and record any further notice, financing statement, continuation statement, instrument, document or agreement that the Assignee may consider necessary or desirable to create, preserve, continue, perfect, charge or validate the security interest pledged and granted hereunder or which the Assignee may consider necessary, convenient or desirable to exercise or enforce its rights hereunder with respect to such security interest.

2.6 No Deemed Assignment. Notwithstanding anything to the contrary contained in this Agreement, nothing herein shall be deemed to constitute an assignment of any asset which, in the event of an assignment, becomes void by operation of applicable law or the assignment of which is otherwise prohibited by applicable law, provided, however, to the extent permitted by applicable law, this Agreement shall create a valid security interest in such asset and, to the extent permitted by applicable law, this Agreement shall create a valid security interest in the Proceeds of such asset

3. Representations and Covenants with Respect to Marks.

3.1 Representations. The Assignor hereby represents and warrants, now and automatically upon each amendment of Schedule A that:

(a) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in the Marks, free and clear of any liens, charges and encumbrances except for those created hereunder; and Schedule A is complete and correct and lists all Marks owned by the Assignor;

(b) the Assignor has the unqualified right to enter into this Agreement and perform its terms, and the agreements and assignments herein provided are and shall be the legal, valid, binding and enforceable obligations of the Assignor subject only to bankruptcy, insolvency and similar laws affecting creditors rights;

(c) upon execution and filing of each Notice, the Assignee shall have a valid first priority lien and security interest on each of the Marks, securing the Obligations;

(d) there are no infringement actions filed or, to the knowledge of the Assignor, threatened against the Marks, and to the Assignor's knowledge, no person is engaging in any activity that in any way infringes upon any Mark;

(e) the Marks are all valid, subsisting and enforceable; and

(f) to the Assignor's knowledge, there are no other users of the Marks or variations thereof that are similar enough to the Marks hereby assigned, with due regard to goods and services with which the respective Marks are used, as to be likely to cause confusion or mistake among consumers.

3.2 Conduct of Business; Quality Control. To preserve and protect the goodwill associated with the Marks, the Assignor covenants that it shall maintain the quality of the products and services sold under or in connection with the Marks and shall not at any time permit any impairment of the quality of such products and services, and will provide the Assignee from time to time with a certificate to such

effect signed by an officer of the Assignor upon request. The Assignor shall do any and all acts reasonably required by the Assignee to ensure the Assignor's compliance with this Section.

3.3 Indemnification. Without limiting the generality of any indemnifications provided in the Funding Agreements, the Assignor shall indemnify, defend and hold harmless the Assignee, and each of its directors, officers, employees and agents, on demand, from and against any and all losses, claims, obligations, damages, fees, costs, liabilities, expenses or disbursements of any kind and nature whatsoever (including, but not limited to, reasonable fees and disbursements of counsel, interest, penalties, and amounts paid in settlement):

(a) which may be imposed on, incurred by or asserted against the Assignee, or any director, officer, employee or agent thereof, in any way related to or arising out of this Agreement, the assignment of the Marks, the use of the Marks, the alleged infringement by the Assignor of the intellectual property rights of others, any infringement action or other claim relating to the Marks, or the enforcement of any of the terms hereof, including, but not limited to, the negligence of the Assignee, or any director, officer, employee or agent thereof, or any action taken or omitted by such party; or

(b) incurred by the Assignee in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, preserving the Marks, or in defending or prosecuting any actions or proceedings arising out of or related to the Marks;

except only in each case such losses, claims, damages, liabilities or expenses which the Assignor proves were clearly and directly a result of such party's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

3.4 Prosecution and Maintenance. Until the Obligations have been paid in full and the Assignee has no commitment to provide any funding or other financial accommodations pursuant to the Funding Agreements, the Assignor will have the duty to prosecute diligently any trademark/service mark application for the Marks pending as of the date of this Agreement or thereafter, to maintain any trademark/service mark registrations for the Marks in effect as of the date of this Agreement or thereafter, to make application for registration of non-registered marks as they are adopted and used, and to preserve and maintain all rights in the Marks and any registrations thereof and/or the applications therefor. In each case, the Assignor shall notify the Assignee so that the Assignee may record and/or perfect its security interest in and to such Marks and will cooperate with the Assignee in preparation and filing of all required documents. Any expenses incurred in connection with such applications shall be borne by the Assignor. The Assignor shall not unreasonably allow any pending trademark or service mark application to become abandoned or unreasonably allow any trademark or service mark registration to become cancelled, and shall not unreasonably forego any right to protect and enforce any rights to trademarks, service marks or other distinctive styles or designations.

3.5 Enforcement of Marks. The Assignee shall have the right, but shall in no way be obligated, to bring suit in its own or the Assignor's name to enforce and protect rights to the Marks in which event the Assignor shall at the request of the Assignee do any and all lawful acts and execute any and all proper documents required by the Assignee in aid of such enforcement and the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all reasonable costs and expenses incurred by the Assignee in the exercise of its rights under this Section.

3.6 Responsibility of Assignor. In furtherance and not limitation of the other provisions of this Section 3, the Assignee shall not have any duty or responsibility with respect to the Marks or their

preservation. The Assignor acknowledges and agrees that it has reviewed the terms of this Agreement with trademark counsel of its choosing and that the Assignor has determined that neither execution, delivery, nor performance of this Agreement by the Assignor or the Assignee will in any way impair the Marks or the Assignor's right, title and interest therein, subject to the purpose of this Agreement which is to impose a lien thereon in favor of the Assignee.

3.7 Reimbursement. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses incurred by the Assignee 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 Marks, or in defending or prosecuting any actions or proceedings arising out of or related to the Marks, shall be borne and paid by the Assignor on demand and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the rate prescribed in the Factoring Agreement.

4. Events of Default and Remedies.

4.1 Rights of Assignee. If any Event of Default shall have occurred and be continuing, the Assignee shall have, in addition to all other rights and remedies given it by this Agreement or the Funding Agreements those allowed by law and the rights and remedies under the Uniform Commercial Code as enacted in any jurisdiction the law of which is applicable and, without limiting the generality of the foregoing, the Assignee may immediately, without demand of performance and without advertisement, require the Assignor to assign of record the Marks to the Assignee (or its designees), and beneficially, sell at public or private sale or otherwise realize upon, the whole or from time to time any part of the Marks and the goodwill associated therewith, or any interest that the Assignor has therein, and after deducting from the proceeds of said sale or other disposition of the Marks all expenses (including all reasonable expenses for brokers, fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in the Funding Agreements and under applicable law. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Assignor. Prior notice of any sale or other disposition of the Marks need not be given to the Assignor unless otherwise required by law (and if notice is required by law, it shall be given ten (10) days before the time of any intended public or private sale or other disposition of the Marks is to be made, which the Assignor hereby agrees shall be reasonable notice of such sale or other disposition). At any such sale or other disposition, the Assignee may, to the extent permissible under applicable law, purchase the whole or any part of or interest in the Marks sold, free from any right of redemption on the part of the Assignor, which right is hereby waived and released.

4.2 Power of Attorney. Effective immediately and automatically after an Event of Default, and in furtherance of and in accordance with Section 4.1, the Assignor hereby irrevocably authorizes and empowers the Assignee to make, constitute and appoint any officer or agent of the Assignee as the Assignee may select in its exclusive discretion, as the Assignor's true and lawful attorney-in-fact, with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Assignee to use the Marks, or to grant or issue any exclusive or non-exclusive license under the Marks to any third person, or necessary for the Assignee to assign, pledge, convey or otherwise transfer title in or dispose of the Marks, including the goodwill and equipment associated therewith, to Assignee or any third person. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.

4.3 Proceeds of Collateral Disposition. During the continuance of an Event of Default, at the Assignee's request, the Assignor shall establish and maintain at all times a trust account with the Assignee, and all Proceeds of any disposition of Marks, before or after an Event of Default, shall be deposited directly and immediately into such account. The Assignor shall be responsible for all costs and fees arising with respect to such account at the standard rates. The Assignor expressly and irrevocably authorizes and consents to the ability of the Assignee to charge such trust account, in its sole discretion, and recover from the funds on deposit therein, from time to time and at any time, and to apply such funds in payment (or partial payment) for any and all Obligations.

4.4 Deficiency. If proceeds referred to in Section 4.1 above are insufficient to pay the Obligations in full, the Assignor shall continue to be liable for the entire deficiency.

5. Miscellaneous Provisions.

5.1 Notices. Any notice contemplated herein or required or permitted to be given hereunder shall be made in the manner set forth in the Supply Agreement and delivered at the addresses set forth on the signature pages to this Agreement, or to such other address as any party hereto may have last specified by written notice to the other party or parties.

5.2 No Waiver. No course of dealing between the Assignor or any other obligor on the Obligations and the Assignee, nor any failure to exercise, nor any delay in exercising, on the part of the Assignee, any right, power or privilege hereunder or under the Funding Agreements 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.

5.3 Remedies Cumulative. All of the Assignee's rights and remedies with respect to the Marks, whether established hereby or by the Funding Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

5.4 Severability. 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.

5.5 Amendment and Assigns. This Agreement is subject to modification only by a writing signed by the parties, except as specifically provided otherwise in Section 2.2 above. This Agreement shall be binding upon the Assignor and its successors and permitted assigns, but shall not be assignable by the Assignor, and shall inure to the benefit of the Assignee, which may assign a its interests.

5.6 Consent to Jurisdiction, Service and Venue; Waiver of Jury Trial.

(a) Submission to Jurisdiction. Assignor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably

and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Waiver of Venue. The Assignor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to this subsection 5.6. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Subsection 5.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(d) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

5.7 Governing Law. 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 York to the extent not governed, under applicable conflicts of laws principles or preemption, by the federal law of the United States of America.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Assignor has executed this Agreement as of the day and year first above written.

Assignor:

CRITICAL IMPORTS, INC.

By: 

Name: Joseph Monastiero

Title: President

Notice Information:

81 Tourmaline Avenue

Livermore, California 94550

Fax No.: _____

Attn: Joseph Monastiero, President

Acknowledged By Assignee:

STAR FUNDING, INC.

By: 

Name: _____

Title: _____

MARTIN WEINGARTEN

Notice Information

237 West 37th Street

New York, New York 10018

Fax No.: (212) 768-9800

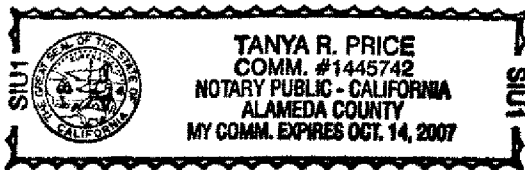
Attention: Martin Weingarten, Chief Executive Officer

STATE OF California :

SS.

COUNTY OF Alameda :

9th Before me, the undersigned, a Notary Public in and for the state and county aforesaid, on this day of June, 2005, personally appeared Joseph Monastiero, and _____, ~~to me known personally~~, and who, being first by me duly sworn, depose and say that they are the President and Secretary, respectively of CRITICAL IMP^{ORTS} INC., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that they acknowledged said instrument to be the free act and deed of said corporation.



Tanya R. Price

Notary Public

My Commission Expires: Oct. 14, 2007

TRADEMARK

REEL: 003118 FRAME: 0353

SCHEDULE A
TO TRADEMARK COLLATERAL AGREEMENT

U.S. Trademarks:

<u>Registered Owner</u>	<u>Trademark</u>	<u>Registration/Serial No.</u>	<u>Issue/Filing Date</u>
Critical Imports, Inc.	Trypod	78586965	3/14/05

Foreign Trademarks:

None.