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To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Audio and Video Labs, Inc., a New Jersey corporation and
Audio and Video Labs Holdings, Inc., a Delaware corporation

- Individual(s) Association
- General Partnership Limited Partnership
- Corporation- State: New Jersey and Delaware
- Other _____

Citizenship (see guidelines) _____
Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: D.B. Zwirn Special Opportunities Fund, L.P.
Internal
Address: 745 Fifth Avenue
Street Address: _____
City: New York
State: New York
Country: U.S.A. Zip: 10151

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship Delaware
- Corporation Citizenship _____
- Other _____ Citizenship _____

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)

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) March 23, 2006
 Assignment Merger
 Security Agreement Change of Name
 Other _____

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)
SN78/768,154

B. Trademark Registration No.(s)
78/578,111 78/578,511 78/578,499 78/578,142 78/578,518

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Christina McClure, Paralegal
Internal Address: _____
Street Address: c/o Latham & Watkins
233 S Wacker Drive, #5800
City: Chicago
State: Illinois Zip: 60606
Phone Number: (312) 876-6557
Fax Number: (312) 993-9767
Email Address: christina.mcclure@lw.com

6. Total number of applications and registrations involved:

nine

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 240.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____
b. Deposit Account Number _____
Authorized User Name _____

9. Signature: Christina McClure
Signature

04/04/2006
Date

Christina McClure

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 14

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

4B. Trademark Application/Registration No.(s)

78/578,279

78/578,422

78/578,408

**PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES SECURITY
AGREEMENT**

THIS PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES SECURITY AGREEMENT (this "**Security Agreement**") is made effective as of the 23rd day of March, 2006 by and among **AUDIO AND VIDEO LABS, INC.** and **AUDIO AND VIDEO LABS HOLDINGS, INC.**, (each an "**Assignor**" and jointly and severally "**Assignors**") and **D.B. ZWIRN SPECIAL OPPORTUNITIES FUND, L.P.**, in its capacity as agent for itself and the other Lenders (as hereinafter defined) ("**Assignee**").

BACKGROUND

A. Pursuant to that certain Loan and Security Agreement dated of even date herewith by and among Assignee, the Lenders party thereto, and Assignors (such Loan and Security Agreement, as heretofore or hereafter amended, modified or restated, being referred to herein as the "**Loan Agreement**"), Lenders agreed to extend certain credit facilities to Assignors subject to the terms and conditions thereof.

B. The Loan Agreement provides, inter alia, that Assignors will grant to Assignee a security interest in substantially all of Assignors' assets, including, without limitation, its patents, patent rights, patent applications, servicemarks, trademarks, service trademark applications, service tradenames, goodwill, copyrights and licenses.

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

1. **Incorporation of Loan Agreement and Intercreditor Agreement.**

1.1 **Loan Agreement.** The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All Obligations (as defined in the Loan Agreement) are sometimes hereinafter referred to collectively as the "**Second Lien Indebtedness**". All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

1.2 **Intercreditor Agreement.** The liens and security interests securing the Second Lien Indebtedness and the rights and obligations evidenced hereby with respect to such liens and security interests are subordinate in the manner and to the extent set forth in that certain Intercreditor Agreement (as the same may be amended or otherwise modified from time to time pursuant to the terms thereof, referred to in this paragraph as the "**Intercreditor Agreement**"), dated as of March 23, 2006 among Assignors (and each other person who guarantees, or otherwise grants a lien or security interest on its assets is referred to in this paragraph as a "**Credit Party**" and, collectively, as the "**Credit Parties**"), Agent, and Wilmington Trust FSB ("**Bank**"), to the liens and security interests securing indebtedness (including interest) owed by the Credit Parties pursuant to that certain Loan and Security Agreement dated as of the date hereof (as the same may be amended or otherwise modified from time to time) among Credit Parties and Bank; and each party to this instrument hereby acknowledges that it is bound by the provisions of the Intercreditor Agreement.

2. Security Interests.

2.1 Security Interest (Patents, Copyrights and Licenses) To secure the complete and timely payment and satisfaction of all Second Lien Indebtedness, Assignors hereby assign, mortgage and pledge to Assignee and grant to Assignee, for the benefit of Assignee and the Lenders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests (other than Liens permitted under the Loan Agreement), with power of sale, to the extent permitted by law, all of Assignors' right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed (collectively with items named in section 2.2, below, the "**Collateral**"):

(a) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit "A", attached hereto and made a part hereof, and (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**");

(b) copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by Assignors, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyrights, copyrights registrations and copyrights applications listed on Exhibit "C" attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (c) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**"); and

(c) license agreements with any other party, whether Assignors are licensors or licensees under any such license agreement, including, without limitation, the licenses listed on Exhibit "D" attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by Assignors and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "**Licenses**").

2.2 **Security Interest (Trademarks)**. To secure the complete and timely payment and satisfaction of all Second Lien Indebtedness, Assignors hereby mortgage and pledge to Assignee and grant to Assignee, for the benefit of Assignee and the Lenders, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests (other than Liens permitted under the Loan Agreement), with power of sale, to the extent permitted by law, all of Assignors' right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed (collectively with items named in **section 2.1**, above, the "**Collateral**"):

(a) servicemarks, trademarks, servicemark and trademark registrations, tradenames, trademark applications, and all goodwill attendant thereto, including, without limitation, the servicemarks, trademarks, tradenames, registrations and applications listed on **Exhibit "B"**, attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing servicemarks, trademarks, servicemark and trademark registrations, tradenames and applications together with the items described in clauses (i)-(iv), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**").

3. **Restrictions on Future Agreements**. Assignors agree that until all Second Lien Indebtedness (other than contingent reimbursement and indemnification obligations in respect of which no claim has been made) shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignors will not, without Assignee's prior written consent, enter into any agreement (including, without limitation, any license or royalty agreement) which is inconsistent with Assignors' obligations under this Security Agreement or the Loan Agreement and Assignors further agree that they will not take any action, or permit any action to be taken by others, subject to their control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights of Assignee under this Security Agreement.

4. **New Patents, Trademarks, and Licenses**. Assignors represent and warrant that the Patents, Trademarks, Copyrights and Licenses listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the patents, trademarks, copyrights, applications and licenses, now owned by Assignor. If, before all Second Lien Indebtedness (other than contingent reimbursement and indemnification obligations in respect of which no claim has been made) shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignors shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, tradenames, copyrights or licenses, or (ii) become entitled to the benefit of any patent, trademark or copyright application, trademark, trademark registration or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of **Article 2** above shall automatically apply thereto and Assignors shall give to Assignee prompt written notice thereof. Assignors hereby authorize Assignee to modify this Security Agreement by amending **Exhibit "A", "B", "C" and/or "D"**, as applicable, to include any future patents, patent applications, trademarks, trademark registrations, trademark applications, tradenames, copyrights and licenses which are Patents, Trademarks, Copyrights or Licenses, as applicable, under **Article 2** above or under this **Section**

4. Assignors hereby agree to provide to Assignee such assignment or other documentation as Assignee may request to record Assignee's lien on such future Patents, Trademarks, Copyrights or Licenses.

5. **Royalties; Term.** Assignors hereby agree that the use by Assignee of all Patents, Trademarks, Copyrights and Licenses as described herein shall be worldwide, to the extent applicable, and without any liability for royalties or other related charges from Assignee to Assignors. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses assigned hereunder, or (ii) the date on which all Second Lien Indebtedness (other than contingent reimbursement and indemnification obligations in respect of which no claim has been made) has been paid in full and the Loan Agreement is terminated.

6. **Assignee's Right to Inspect.** Assignee shall have the rights provided in Section 9.8 of the Loan Agreement, from time to time, to inspect Assignors' premises and to examine Assignors' books, records and operations, including, without limitation, Assignors' quality control processes. Assignors agree that Assignee, or a conservator appointed by Assignee, shall have the right during the continuation of an Event of Default to establish such additional reasonable product quality controls as Assignee, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Assignors under the Trademarks. Assignors agree (i) except as otherwise permitted under the Loan Agreement, not to sell or assign their interest in, or grant any license under, the Patents, Trademarks, Copyrights or Licenses, without the prior written consent of Assignee; (ii) to maintain the quality of any and all products in connection with which the Trademarks and/or Copyrights are used, consistent with quality of said products as of the date hereof; (iii) not to adversely change the quality of said products without Assignee's express written consent; and (iv) to provide Assignee, upon request, with a certificate of an officer of Assignors certifying Assignors' compliance with the foregoing.

7. **Termination.** This Security Agreement is made for collateral purposes only. Upon payment in full of all Second Lien Indebtedness and termination of the Loan Agreement, Assignee shall execute and deliver to Assignors a termination of Assignee's security interest granted herein and all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignors full title to the Patents, Trademarks, Copyrights and Licenses, subject to any disposition thereof which may have been made by Assignee pursuant hereto.

8. **Duties of Assignors.** Assignors shall have the duty (i) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Second Lien Indebtedness (other than contingent reimbursement and indemnification obligations in respect of which no claim has been made) shall have been paid in full and the Loan Agreement is terminated, (ii) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (iii) to preserve and maintain all rights in patent applications and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights. Any expenses incurred in connection with such applications shall be borne by Assignors, except as otherwise permitted under the Loan Agreement. Except as otherwise permitted under the Loan Agreement, Assignors shall not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application or any Patent, Trademark,

License or Copyright without the consent of the Assignee, which consent shall not be unreasonably withheld.

9. **Event of Default.** Upon the occurrence and during the continuation of an Event of Default, as defined in the Loan Agreement, Assignee may, without further notice to or consent of Assignors, immediately record all assignments previously executed and delivered to Assignee by Assignors and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Assignee by Assignors of all rights, title and interest of Assignors in and to the Patents, Trademarks, Copyrights, Licenses and other Collateral. Assignors hereby authorize and agree that Assignee may, through the power of attorney granted in **Section 14** hereof, upon the occurrence and during the continuation of an Event of Default, irrevocably execute and deliver in Assignors' name any and all such assignments and agreements and to take any and all other actions in Assignors' name as Assignee shall deem reasonable or appropriate to transfer and convey all right, title and interest of Assignors in and to the Collateral to Assignee or any other person or entity selected by Assignee.

10. **Assignee's Right to Sue.** Upon the occurrence and during the continuation of an Event of Default, Assignee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks, Copyrights and/or Licenses, and any licenses thereunder, and, if Assignee shall commence any such suit, Assignors shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement and Assignors shall promptly, upon demand, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this **Section 10**; **provided**, however, that Assignors shall not be obligated to so indemnify Assignee to the extent that such costs and expenses result from Assignee's gross negligence, willful misconduct or bad faith.

11. **Waivers.** No course of dealing between Assignors and Assignee, nor any failure to exercise, nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Loan Agreement 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.

12. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be 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 Security Agreement in any jurisdiction.

13. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

14. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Assignee's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or

by law shall be cumulative and may be exercised singularly or concurrently. Assignors hereby authorize Assignee to make, constitute and appoint any officer or agent of Assignee as Assignee may select, in its sole discretion, as Assignors' true and lawful attorney-in-fact, with power upon the occurrence and during the continuation of an Event of Default to (i) endorse Assignors' name on all applications, documents, papers and instruments necessary or reasonably desirable for the Assignee to protect, evidence, perfect or enforce its security interest in the Patents, Trademarks, Copyrights and Licenses, (ii) take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Assignee reasonably deems in the best interest of the Assignee, (iii) grant or issue any exclusive or non-exclusive license under the Patent or Trademark to anyone, including Assignee, and/or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Assignee. Assignee may act under such power of attorney to take the actions referenced in **Section 4**. Assignee hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Second Lien Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Assignors acknowledge and agree that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Assignee under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks, Copyrights or Licenses may be located.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Assignors and their successors and assigns, and shall inure to the benefit of Assignee, its nominees, successors and assigns.

16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. **Counterparts.** This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Security Agreement by signing any such counterpart.

18. **Multiple Assignors.** Where the context requires, the particular Assignor that owns or otherwise possesses rights in particular Collateral shall be the assignor and grantor of the rights and security interests herein assigned and granted. Notwithstanding the foregoing, nothing herein shall modify the obligations of the Assignors under this Agreement, and such obligations being joint and several.

[signature page to follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

ASSIGNORS:

AUDIO AND VIDEO LABS, INC.

By: Michael Allen
Name: Michael Allen
Title: Vice President

AUDIO AND VIDEO LABS HOLDINGS, INC.

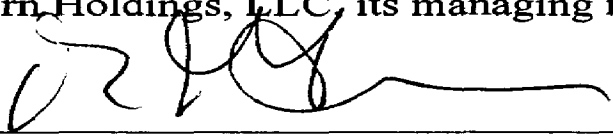
By: Michael Allen
Name: Michael Allen
Title: Vice President

ASSIGNEE:

**D.B. ZWIRN SPECIAL OPPORTUNITIES
FUND, L.P., as agent**

By: D.B. Zwirn Partners, LLC, its general partner

By: Zwirn Holdings, LLC, its managing member

By:  _____

Name: Perry Gruss _____

Title: Chief Financial Officer _____

EXHIBIT A
TO
PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT

Patents

Patents

– None

Patent Applications

– None

EXHIBIT B
TO
PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT

Trademarks

Trademarks

- None

Pending Trademarks

- Disc Makers, logo – Application # SN78/768,154

Trademark Applications Filed; Received Office Actions; Responses Required

1. ReflexMax – Application #: 78/578,111
2. DiscWrapper – Application #: 78/578,511
3. MacElite – Application #: 78/578,499
4. ReflexUltra – Application #: 78/578, 142
5. Elite – Application #: 78/578,518
6. EliteMicro – Application #: 78/578,279
7. EliteSeries – Application #: 78/578,422
8. ElitePro – Application #: 78/578,408

Applications to be Filed Shortly for the Following Additional Categories of Trademarks

1. Distribution of computer hardware and software, blank CDs and DVDs, and optical disc packaging supplies (“Discwrapper”)
2. Promoting independent bands and musicians through the distribution of printed and recorded materials and promotional contests
3. Web hosting, online CD distribution, music download access
4. Manual and automated CD/DVD duplicators, computer hardware, blank CDs and DVD, and optical disc packaging supplies.

EXHIBIT C

TO

PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES SECURITY AGREEMENT

Copyrights

Computer Software

1. DiscMarket - Back end programming that runs the Company's ecommerce site located at www.discmakers.com/shop.
2. Customer Access - Back end programming that runs the area of the Company's web site located at www.discmakers.com/myAccount where customers can log in, view their jobs, pay their invoices, change delivery addresses, etc.
3. Quote-o-matic - Back end programming that runs the area of the Company's web site located at www.discmakers.com/liveQuote where prospects/customers can get a custom quote on line.
4. liveProof - Back end programming that runs the soon to be launched area of the Company's web site located at www.discmakers.com/myAccount/liveProof where customers can proof their artwork on line.
5. DiscMaker's Intranet - Back end programming for our internal intranet.

[In furtherance of the foregoing the Company filed applications under International Classes 040 and 042 for the Disc Makers logo. The company may file, but has not yet filed, applications for the following additional categories (year of first use in parenthesis):

- a. Distribution of computer hardware (1999) and software (2005), blank CDs (1996) and DVDs (2002), and optical disc packaging supplies (1996);
- b. Promoting independent bands and musicians through the distribution of printed and recorded materials (1996) and promotional contests (1998);
- c. DVD authoring, including editing video, digital formatting, menu building, and compatibility (2003);
- d. Web hosting (2005), online CD distribution (2001), music download access (2004);
and
- e. Manual and automated CD/DVD duplicators (1998), computer hardware (1998), blank CDs (1996) and DVD (2002), and optical disc packaging supplies (1996).]

EXHIBIT D

TO

PATENTS, TRADEMARKS, COPYRIGHTS

AND LICENSES SECURITY AGREEMENT

Licenses

Royalty and Other Fees for Licensed Rights

1. Digipak License Agreement, with AGI Incorporated, dated September 22, 1998, renewal addendum dated January 16, 2002.
2. DVD Video Disc and DVD Rom Disc patent License Agreement between Koninklijke Philips Electronics N.V. ("Philips"), dated October 1, 2004 and Audio and Visual Labs, Inc..
3. Patent License Agreement for the use of AC-3 Technology in the manufacture of DVD-Video Discs with Philips, dated October 1, 2004.
4. MPEG Audio Patent License Agreement with Philips, dated October 1, 2004.
5. CD Disc Patent License Agreement with Philips, dated July 1, 2002, as amended by Side Letter, dated October 31, 2002.