

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
The Hygenic Corporation		05/12/2006	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Antares Capital Corporation		
Street Address:	311 South Wacker Drive		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2972007	FIRST STEP TO ACTIVE HEALTH	
Registration Number:	2928215	FIRST STEP TO ACTIVE HEALTH	
Registration Number:	2818889	HYPERFORM	
Registration Number:	3024914	THERA-BAND	
CORRESPONDENCE DATA			
Fax Number:	(312)577-4782		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:	312.577.8525		
Email:	terese.scholl@kattenlaw.com		
Correspondent Name:	Terese M. Scholl		
Address Line 1:	525 WEST MONROE STREET		
Address Line 4:	Chicago, ILLINOIS 60661		
NAME OF SUBMITTER:	Terese Scholl		
Signature:	/Terese Scholl/		

CH \$115.00 2972007

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TRADEMARK
REEL: 003309 FRAME: 0325

Date:

05/16/2006

Total Attachments: 8

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TRADEMARK SECURITY AGREEMENT

WHEREAS, THE HYGENIC CORPORATION, a Delaware corporation (“**Grantor**”), owns the Trademarks, Trademark registrations, and Trademark applications listed on Schedule 1 annexed hereto, and is a party to the Trademark licenses listed on Schedule 1 annexed hereto; and

WHEREAS, Grantor, as Borrower, has entered into an Amended and Restated Credit Agreement dated as of May 12, 2006 (as the same may be amended, restated, supplemented or otherwise modified and in effect, from time to time, the “**Credit Agreement**”), with **ANTARES CAPITAL CORPORATION**, as agent (“**Agent**”) for the benefit of all financial institutions that from time to time become lenders under the Credit Agreement (collectively, the “**Lenders**”), and as a Lender, providing for extensions of credit and other financial accommodations to be made to Borrower by Lenders; and

WHEREAS, pursuant to the terms of an Amended and Restated Borrower Security Agreement dated as of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”), between Borrower and Agent (in such capacity, “**Grantee**”), Grantor has granted to Grantee for the benefit of Agent and Lenders a security interest in substantially all the assets of Grantor, including, without limitation, all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), Trademark registrations, Trademark applications and Trademark licenses, together with the goodwill of the business symbolized by Grantor’s Trademarks, and all proceeds thereof, to secure the payment of the “**Liabilities**” (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor’s right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the “**Trademark Collateral**”), whether presently existing or hereafter created or acquired:

- (1) each Trademark, Trademark registration and Trademark application, including, without limitation, the Trademarks, Trademark registrations (together with any renewals, modifications or extensions thereof) and Trademark applications referred to in Schedule 1 annexed hereto, and all of the goodwill of the business associated with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application;
- (2) each Trademark license and all of the goodwill of the business connected with the use of, and symbolized by, each licensed Trademark, pursuant to the terms of each such Trademark license; and
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademarks and Trademark registrations referred to in Schedule 1 annexed hereto, the Trademark registrations issued with respect to the Trademark applications referred in Schedule 1 and

the Trademarks licensed under any Trademark license, or (b) injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark license, pursuant to the terms of each such Trademark license.

This security interest is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement and is not intended to increase the rights of Grantee or the obligations of Grantor beyond the rights and obligations contained in the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee 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.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer as of the day and year first above written.

THE HYGENIC CORPORATION,
a Delaware corporation

By: Niels E. Licht
Name: NIELS LICHT
Title: _____

Acknowledged:

ANTARES CAPITAL CORPORATION,
a Delaware corporation, as Agent

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Pledge Agreement to be duly executed and delivered as of the day and year first above written.

PLEDGOR:

THE HYGENIC CORPORATION,
a Delaware corporation

By: _____
Name: _____

PLEDGE:

ANTARES CAPITAL CORPORATION

By:  _____
Title: _____ Director

Schedule 1
to Trademark Security Agreement

THE HYGENIC CORPORATION

U.S. TRADEMARK REGISTRATIONS AND APPLICATIONS

U.S. Trademark Applications and Registrations

COUNTRY	TRADEMARK	STATUS	CLASS ES	REG. NO.	REG. DT.	ACTION DUE	DUE DATE
UNITED STATES OF AMERICA	FIRST STEP TO ACTIVE HEALTH	REGISTERED	16	2972007	7/19/2005	AFF OF USE - 6 YEAR	7/19/2011
UNITED STATES OF AMERICA	FIRST STEP TO ACTIVE HEALTH	REGISTERED	41	2928215	2/22/2005	AFF OF USE - 6 YEAR	2/22/2011
UNITED STATES OF AMERICA	HYPERFORM	REGISTERED	17; 23	2818889	3/2/2004	AFF OF USE - 6 YEAR	3/2/2010
UNITED STATES OF AMERICA	THERA-BAND AND DESIGN (COLOR)	REGISTERED	10; 28	3024914	12/13/2005	AFF OF USE - 6 YEAR	12/13/2011

Foreign Trademark Applications and Registrations

COUNTRY	TRADEMARK	STATUS	CLASS ES	REG. NO.	REG. DT.	ACTION DUE	DUE DATE
ISRAEL	THERA-BAND	REGISTERED	28	156957	7/4/2004	RENEWAL	5/7/2012
PUERTO RICO	THERA-BAND AND DESIGN (B&W)	DEPOSIT	28	57803	6/10/2004	RENEWAL	6/18/2012
PUERTO RICO	THERA-BAND AND DESIGN (B&W)	REGISTERED	10	57809	6/10/2004	RENEWAL	6/18/2012

TRADEMARK LICENSES

Trademark licenses from third parties:

1. The Hygenic Corporation licenses the trademark ABCO Latex Tubing pursuant to that certain ABCO Trademark License, dated as of March 3, 1993, by and between ABCO Dealers, Inc. and The Hygenic Corporation.
2. Trademark License, dated as of January 2, 1997, by and between The Hygenic Corporation and Coltene/Whaledent, Inc.

Trademark licenses to third parties:

1. License Agreement, dated as of September 5, 1996, by and among The Hygenic Corporation, Elliott Goldberg, Fabrication Enterprises Incorporated and Can-do Products, Inc.
2. Trademark License, dated as of January 2, 1997, by and between The Hygenic Corporation and Coltene/Whaledent, Inc.
3. Trademark License Agreement, dated as of June 23, 1999, by and between The Hygenic Corporation and Matrix Rehabilitation, Inc. (d/b/a Eagle Physical Therapy).
4. Trademark License Agreement, dated as of July 22, 1999, by and between The Hygenic Corporation and Advantage Marketing Associates, Inc.
5. Endorsement Agreement, dated as of December 22, 2003, by and between The Hygenic Corporation and American Physical Therapy Association.

Other Matters Relating to Trademarks

1. Georgiadis Karastergioe filed an application in Greece to register the trademark Thera-Band to identify elastic bandages. The Hygenic Corporation filed an opposition and a hearing was set for March 20, 2000. At the hearing, Mr. Karastergioe claimed that The Hygenic Corporation's trademark Thera-Band was not being used in the Greek market. In April 2002, the opposition was rejected and an appeal is pending.
2. Tisca Tools (which was later acquired by California Rubber) has a standing injunction regarding Class 25. The Hygenic Corporation is not pursuing Class 25 because it relates to clothing accessories, a class it is not active in..
3. The Therapy Connection registered the domain name www.theraband.com. The Hygenic Corporation became aware of this registration in May 1999 and sent several cease and desist letters to The Therapy Connection, all of which went unanswered. The Hygenic Corporation also sought compliance through the Network Information and Support Center asking for registration of the domain name in The Hygenic Corporation's name.
4. Dittman GmbH sells the Body Band with the color scheme yellow, red, green, blue in Europe. This product may infringe on the Thera-Band colors. However, due to the fact that Dittman's sales are sparse and that it generally sells only one color band at a time rather than the entire scheme, The Hygenic Corporation has decided not to take any action against Dittman.
5. Duomed, Inc., a dealer for Stretchwell, sells bands and tubing that indicate the Thera-Band color scheme (with the exception of tan, silver and gold). The Hygenic Corporation sent a cease and desist letter to Duomed. However, The Hygenic Corporation has not

seen Duomed's products in the U.S. market and has decided not to take any action against Duomed.

6. JPM Products, a European dealer for Stretchwell, sells the JPM band and BEKA band that indicate the Thera-Band color scheme (with the exception of tan, silver and gold). The Hygenic Corporation sent a cease and desist letter to JPM. However, The Hygenic Corporation has not seen JPM products in the U.S. market and has decided not to take any action against JPM.
7. Ciber Exercise Set sells bands and tubing using the color scheme yellow, green, red, blue outside of the U.S. The Hygenic Corporation has not seen Ciber's products in the U.S. market and has decided not to take any action against Ciber.
8. BEKA sells the Gymnastikband, which indicates the Thera-Band color scheme. This product is supplied by JPM through Stretchwell. The Hygenic Corporation has only seen this product in Germany and has decided not to take any action against BEKA.
9. EPSON sells the Fitband, which indicates the Thera-Band color scheme. The Hygenic Corporation has not seen this product in the U.S. market and has decided not to take any action against EPSON.
10. Numed GmbH sells Tridex with the Thera-Band color scheme outside of the U.S. The Hygenic Corporation has seen this product only sporadically in the German market and has decided not to take any action against Numed.
11. In 1992, The Hygenic Corporation filed an application to register the trademark Thera-Band in Venezuela. Richard Tihanyl, David Feldman Katz and Alfred Gazzani filed oppositions. The Hygenic Corporation responded to the opposition. Delays ensued. Due to the modest level of sales in Venezuela, The Hygenic Corporation has decided to continue to use the trademark and wait for the Venezuelan trademark office to make a decision. A request for acceleration of the opposition was made on October 28, 2003 in a meeting with the Registrar at the Venezuelan Intellectual Property Registry.
12. Coltene/Whaledent Inc. may in certain circumstances defend the Marks that are the subject of that certain Trademark License, dated as of January 2, 1997, by and between The Hygenic Corporation and Coltene/Whaledent, Inc.
13. Coltene/Whaledent Inc. may in certain circumstances obtain title to the Intellectual Property that is the subject of that certain Manufacturing and Supply Agreement, dated as of December 16, 1996, by and between The Hygenic Corporation and Coltene/Whaledent, Inc.
14. The Hygenic Corporation delivered certain Intellectual Property to Fort Knox Escrow Services, Inc. pursuant to that certain Escrow Agreement, dated as of December 20, 1996, by and among The Hygenic Corporation, Fort Knox Escrow Services, Inc. and Coltene/Whaledent Inc.

Potential Revocation of Proprietary Right

Hygenic has eight trademark applications pending with the U.S. Patent and Trademark Office ("USPTO"), each to register Hygenic's trademark rights in a different color of exercise band. The USPTO has issued or is likely to soon issue final refusals with respect to the applications. The applications will remain pending for six months after such notice. Hygenic intends to file requests for reconsideration at a later date. Regardless, Hygenic believes, based upon the number of years it has used the marks and the high degree of recognition of the marks amongst the relevant consuming public, that it has strong claims to such colors at common law.