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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

RE



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

103192605

Tab settings

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

1. Name of conveying party(ies): **Handi Quilter Company, Inc., Laurel W. Barrus**

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: **Handi Quilter, LLC**
Internal Address:
Street Address: **25 North 200 West**
City: **Bountiful** Country/State: **Utah** Zip: **84010**

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 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: December 14, 2005

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)
76/378,985

B. Trademark Registration No.(s)
2,710,981

Additional numbers attached? Yes No

FINANCE SECTION

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

Name: **Craig J. Madson, MADSON & AUSTIN**

Internal Address:

Street Address: **Gateway Tower West**
15 West South Temple, Suite 900

City: **Salt Lake City** State: **Utah** Zip: **84101**

6. Total number of applications and registrations involved: **4**

7. Total fee (37 CFR 3.41) \$ **115.00**

Enclosed
 Authorized to charge (*any deficiencies*) to deposit account

8. Deposit account number:
13-0763

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

03/06/2006 LMUELLER 00000090 76370905
01 FC:8521
02 FC:8522

(48.00 CP
75.00 CP)

Craig J. Madson *Craig J. Madson* February 28, 2006
Name of Person Signing Signature Date

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

Mail documents to be recorded with required cover sheet information to: Mail Stop Assignment Recordation Services, Director of the U.S. Patent and Trademark Office P.O. Box 1450, Alexandria, VA 22313-1450 Fax: 703-306-5995

TRADEMARK REEL: 003310 FRAME: 0687

**RECORDATION FORM SUPPLEMENT SHEET
TRADEMARKS ONLY**

A. Patent Application No.(s)	B. Patent No.(s)
78/352,545	2,920,821
78/793,195	
78/816,389	

ASSIGNMENT OF TRADEMARKS AND COPYRIGHTS

IN CONSIDERATION OF ONE DOLLAR (\$1.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, **Handi Quilter Company, Inc.**, a Utah corporation ("Assignor"), hereby sells, assigns and transfers to **Handi Quilter, LLC**, a Delaware limited liability company, and its successors, assigns, and legal representatives ("Assignee"), effective as of December 15, 2005, pursuant to the terms of that Securities Purchase Agreement dated December 15, 2005, between Assignor, Assignee, Roger Barrus, Laurel Barrus, and The Barrus Family Trust Dated February 2002, all of its right, title and interest, together with the goodwill of Assignor's business associated therewith, for the United States and all foreign countries, in and to:

Trademarks

All indications of origin associated with Assignor's business, including marks used on goods, service marks, trade names, trade dress, and domain names, including any applications, registrations, and any common-law rights associated therewith anywhere in the world, including the applications and registrations listed on Exhibit A attached hereto (the "Trademarks"), together with the goodwill of Assignor's business associated therewith and the right to recover damages and profits and all other remedies for past infringements thereof. To the extent any of the applications listed in Exhibit A are based on Assignor's "Intent to Use" the Trademarks, Assignor is assigning the Trademarks as part of the entire business or portion thereof to which the Trademarks pertain.

Assignor agrees to execute and deliver at the request of Assignee all papers, instruments, and assignments, and to perform other reasonable acts Assignee may request in order to vest all right, title, and interest in and to the Trademarks over to Assignee and/or to provide evidence to support any of the foregoing in the event such evidence is deemed necessary by Assignee, to the extent such evidence is in the possession or control of Assignor.

Copyrights

All fixed, original works of authorship including but not limited to all rights of reproduction, distribution, performance, display, and to license the works listed on Exhibit B, as well as the right to produce or license derivative works, and all rights to sue for past, present, or future infringement thereof, together with all related United States and foreign rights that arise therefrom ("Works").

Assignee also hereby acquires the right, power, and authority to file and prosecute U.S. and foreign copyright applications for the Works in its own name, wherever such right may be legally exercised. Assignee also hereby maintains the right to bring actions for infringement of any right in the copyright registrations noted above in its own name, including past infringement, in any jurisdiction.

Authorization and Request

It is hereby authorized and requested that the United States Copyright Office, under the authority of the Library of Congress, who is duly authorized to issue any and all copyright registrations, and such copyright officials in foreign countries as are duly authorized by their laws to issue copyrights, recognize and record that Assignee is the owner of the entire right, title, and interest to the copyright registrations in connection with the Works, for the sole use and benefit of Assignee, its successors, assigns, and legal representatives, to the full end of the term in which said copyright registrations are, or may be, granted, as fully and entirely as the same could have been held by Assignor had this assignment and sale not been made.

Further Agreement

Assignor hereby agrees, without further consideration and without expense to Assignor, to sign all lawful papers and to perform all other lawful acts which the Assignee may request in order to make this Assignment fully effective, including, by way of example but not of limitation, the following: prompt execution of all original United States and foreign copyright applications related to the Works; furnishing of all lawful documents as requested by Assignee to further the prosecution of any of such copyright applications; cooperation to the best of Assignor's ability in executing all other lawful documents pertaining to the mark listed above; and producing evidence in any actions or proceedings concerning the Works, including, but not limited to infringement proceedings involving the Works.

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MENT OF TRADEMARKS AND COPYRIGHTS - Page 4

TRADEMARK
REEL: 003310 FRAME: 0692

EXHIBIT A
TRADEMARKS

U.S. Registered Trademarks

TRADEMARK	REG. NO.
HANDI QUILTER and Design	2,710,981
HQ SIXTEEN	2,920,821

U.S. Trademark Applications

None pending

Foreign Registered Trademarks

None

Foreign Trademark Applications

None pending

Common Law Trademarks

TRADEMARK/SERVICE MARK	GOODS/SERVICES
HANDI QUILTER	Retail Store and Educational Services
HANDI QUILTER and Needle & Thread Design	Retail Store and Educational Services
QUILT WORKS	Retail Store and Educational Services
HQ SIXTEEN	Sewing machines
HQ SIXTEEN and Needle Design	Sewing machines
HANDI QUILTER	Instructional videos and DVDs; Retractable scissor holder
HQ SIXTEEN and Needle Design	Instructional videos and DVDs
THE UNDISPUTED LEADER IN HOME MACHINE QUILTING SYSTEMS	Retail Store and Educational Services
THE QUILTER TIP (Stylized)	Educational Services
HANDI QUILTER and Needle & Thread Design	Quilting needles
HANDI QUILTER and Needle & Thread Design	Instructional videos and DVDs
Needle & Thread Design	Instructional videos and DVDs
Needle & Thread Design	Retail Store and Educational Services

Domain Names

HandiQuilter.com

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EXHIBIT B
COPYRIGHTS

Registered U.S. Copyrights

None

Registered U.S. Copyrights

Handi Quilter Website (2000-2004)
 "How To" Workbook (2004)
 "How-To Workbook for Beginning Quilters"
 "HQ Sixteen User Manual" (2003-2005)
 Handi Quilter™ Assembly Instructions
 HQ Assembly Instructions
 HQ Set Up Instructions / Videos
 HQ Sixteen Service and Troubleshooting Manual (2004)
 HQ DVD jacket and DVD (2005)
 HQ "Built to Quilt" trifold flyer
 HQ Sixteen trifold flyer (2004)
 Black and White Promotional Flyer
 Marketing Representative Training packet
 Monthly Handi Quilter Newsletter via Email
 Free Promotional DVD in Trade Magazine
 Stickers that say "Authorized HQ Sixteen Dealer"
 Backgrounds DVD and DVD jacket
 Borders DVD and DVD jacket
 Blocks and Motifs DVD and DVD jacket
 The following advertisements:

Most Quilter Have an Average of 6 Tops Waiting to be Quilted ... Solution? (full page)
 A Commercial Quilting System at a Domestic Price (half page)
 Quilt it Yourself (half page)
 A Quilting Machine for Every Quilt Room (full page)
 Most Quilter Have an Average of 6 Tops Waiting to be Quilted ... Solution? (half page)
 Finish What You Started (half page)
 Creating Tomorrow's Heirlooms (full page)
 Makes a great gift ... and creates even more! (half page)
 Creating Tomorrow's Heirlooms (half page)
 Use your own home sewing machine to machine quilt (half page)
 A Quilting Machine for Every Quilt Room (half page)

Registered/Unregistered Foreign Copyrights

None

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