

11-23-07

D\$

11-29-2007

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30/2008)

F COMMERCE
ademark Office



103464949

RECORDATION FORM
TRADEMARK

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):
1-800-Patches, Inc.

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies) Yes No

Additional names, addresses, or citizenship attached?

Name: Dinesh Patel

Internal Address: _____

Street Address: 2795 East Cottonwood Pkwy

City: Salt Lake City

State: Utah

Country: USA Zip: 84121

Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship _____
 Other Individual Citizenship United States

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 30, 2007

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) 78935262

B. Trademark Registration No.(s) _____

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: Lester K. Essig

Internal Address: Suite 1400

Street Address: 36 South State Street

City: Salt Lake City

State: Utah Zip: 84111

Phone Number: 801-323-3320

Fax Number: 801-532-7543

Email Address: lessig@rqn.com

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

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:

Lester K. Essig Signature 11/26/2007 Date

Name of Person Signing Total number of pages including cover sheet, attachments, and document: 6

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

ASSET PURCHASE AGREEMENT

BETWEEN

1-800 PATCHES, INC., A DELAWARE CORPORATION

AND

THE PURCHASER IDENTIFIED AND SIGNING BELOW

This Asset Purchase Agreement ("*Agreement*") is entered into as of the date provided below by and among 1-800 Patches, Inc., a Delaware corporation ("*Seller*"), and the person(s) signing below as "*Purchaser*".

In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which the parties hereby acknowledge, the parties hereto agree as follows:

1. *Purchase and Sale of Assets.* Seller hereby conveys, assigns, transfers and delivers to Buyer, and Buyer does hereby purchase and acquire from Seller all of Seller's right title and interest, tangible and intangible, in and to the assets described and defined in Appendix A, which is hereby incorporated into this Agreement by this reference. Title to the described assets is passed from Seller to Buyer free and clear of all liens, claims and encumbrances of any kind.

2. *Purchase Price.* Subject to the terms and conditions of this Agreement, Buyer shall pay to Seller for the purchase of the listed assets the cash purchase price set forth in Appendix A.

3. *Closing.* Buyer shall deliver a signed original of this Agreement together with a cashier's check in the full amount of the Purchase Price, made payable to "1-800 Patches, Inc." to an authorized officer of the Seller at the offices of the Seller located at 4505 Wasatch Boulevard, Suite 130, Salt Lake City, Utah 84124

Upon receipt of Buyer's signed Agreement and cashier's check, Seller will sign and deliver to Buyer a copy of this Agreement, and will otherwise perform as called for in this Agreement.


4. Title to the Assets. Seller hereby represents and warrants to Buyer as of the date hereof and as of the Closing Date, that Seller has good and marketable title to the listed assets, free and clear of all debts, liens, security interests, mortgages, trusts, claims, lien and encumbrances and liabilities whatsoever. No other person or entity has any right, title or interest whatsoever, personally, in or to the Product.

5. Buyer Takes Assets Without Warranty. Except as provided in section 4, above, Buyer takes and accepts the assets 'as is' with no warranty or assurance by Seller of merchantability or fitness for any particular or general use.

6. Enforcement. In the event of a dispute between the parties arising under this Agreement, the party prevailing in such dispute shall be entitled to collect such party's costs from the other parties, including without limitation court costs and reasonable attorneys' fees.

7. Entire Agreement. This memorandum of Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter contained herein, and there are no covenants, terms or conditions, express or implied, other than as set forth or referred to herein. This Agreement supersedes all prior agreements between the parties hereto relating to all or part of the subject matter herein. No representations, oral or written, modifying or contradicting the terms of this Agreement have been made by any party except as contained herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or, in the case of entities, have caused this Agreement to be executed on their behalf by their respective officers thereunto duly authorized, in multiple originals, all as of the day and year first above written.

<p>1-800 PATCHES, INC.</p> <p>By:  AUTHORIZED OFFICER</p> <p>Kevin Passey, President PRINT NAME OF SIGNER</p>	<p>PURCHASER</p> <p>Dinesh Patel</p> <p><u>Dinesh Patel</u></p> <p>Effective Date: March 30, 2007</p>
--	--

Purchased Assets and Purchase Price

The Parties acknowledge that in addition to \$37,750 of new cash paid to 1-800 Patches under this Agreement, Purchaser has surrendered a promissory note for \$50,000 plus accrued interest of \$1000. Moreover, Purchaser has surrendered and indemnified any obligation of 1-800 Patches under its borrowings from Bank of America, in the total amount of \$400,000. Therefore total consideration paid is \$488,750, allocated as follows:

<u>DESCRIPTION OF ASSET</u>	<u>PURCHASE PRICE</u>
An undivided 50% interest in all OHT Peptide inventory, websites, artwork, customer lists and contracts, including all rights to the tradename, trademark and servicemark "OHT Peptide 3", and the pending United States Patent and Trademark registration application #78935262, with the goodwill of the business relating thereto and that portion of the business to which the trademark, tradename and servicemark pertain, which business is ongoing and existing; provided that the currently pending letter of credit for the sale of OHT Peptide 3 products to the Turks will be paid and belong to 1-800 Patches, while deliveries and payments otherwise existing after April 15, 2007 will belong to Purchaser. To the extent such post April 15 payments from OHT customer letters of credit are received by 1-800 Patches, such will be promptly remitted to Purchaser.	\$244,375
An undivided 50% interest in all placebo inventory, artwork, customer lists and contracts, provided that all receivables now on the books prior to April 15, 2007 belong to 1-800 Patches.	\$162,916.67

An undivided 50% interest in all furniture and equipment of 1-800 Patches not otherwise secured by vendor credit arrangements.	\$ 81,458
--	-----------

SELLER INITIALS: KP

BUYER INITIALS: AB