

# TRADEMARK ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Flag Sportswear, Inc.		07/21/2009	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	N.P.B., LLC		
Street Address:	17822-B Gillette		
City:	Irvine		
State/Country:	CALIFORNIA		
Postal Code:	92614		
Entity Type:	LIMITED LIABILITY COMPANY: CALIFORNIA		
PROPERTY NUMBERS Total: 13			
Property Type	Number	Word Mark	
Registration Number:	3588969	MAD MARLIN	
Registration Number:	3158154	SAIL NEWPORT BLUE	
Registration Number:	2858043	NEWPORT BLUE	
Registration Number:	3573653	OCEAN READY	
Registration Number:	2752603	NPB	
Registration Number:	2875471	NOY-Z	
Registration Number:	1642819	OPNB	
Registration Number:	1422971	NEWPORT BLUE	
Registration Number:	1489456	J. BROADBILL & COMPANY	
Registration Number:	1424021		
Registration Number:	1394875	NEWPORT B.L.U.E	
Registration Number:	0639730	NEWPORT	
Serial Number:	77806481	BAJA BAY	
CORRESPONDENCE DATA			

OP \$340.00 3588969

900141717

TRADEMARK  
 REEL: 004052 FRAME: 0199

Fax Number: (949)265-1199

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 949.265.1100

Email: jharlow@fsglawyers.com

Correspondent Name: Christa Perez

Address Line 1: 19800 MacArthur Blvd., Suite 1100

Address Line 4: Irvine, CALIFORNIA 92612

ATTORNEY DOCKET NUMBER:

N.P.B. LLC

NAME OF SUBMITTER:

Christa Perez

Signature:

/christa perez/

Date:

08/25/2009

Total Attachments: 5

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## ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS

THIS ASSIGNMENT OF INTELLECTUAL PROPERTY (this "Assignment") is entered into effective as of the 1<sup>st</sup> day of August, 2009, with reference to the following:

WHEREAS, Flag Sportswear, Inc., a California corporation ("Assignor"), having a principal place of business at 7220 Trade Street, Suite 330, San Diego 92121-2327, is the owner of all right, title and interest in and to certain intellectual property, including but not limited to NEWPORT BLUE, MARINE TECH, N.P.B., and all other trademarks and third party licenses associated with the Newport Blue business (excluding the license agreement with Nitches, Inc.) including any design elements commonly associated with such trademarks (collectively, the "Intellectual Property"); and

WHEREAS, N.P.B., LLC, a California limited liability company ("Assignee"), having a principal place of business at 17822-B Gillette, Irvine, California 92614, the successor to that portion of the ongoing and existing business of Assignor to which the Intellectual Property pertains, is desirous of acquiring the entire right, title and interest in and to the Intellectual Property;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Assignment. Assignor hereby assigns to the Assignee the entire right, title and interest in and to the Intellectual Property, including the right to take action for any infringements that occurred prior to or after the date of this Assignment, together with the goodwill of the business symbolized by the trademarks and all proceeds of same.

2. Purchase Price. In consideration of the rights in and to the Intellectual Property granted to Assignee hereunder, Assignee hereby agrees to pay Assignor a purchase price as follows:

(a) One-half percent (.5%) of Net Sales (as hereinafter defined) ("Full Consideration"), payable as follows:

(i) During the first and second year of this Agreement: (i) fifty percent (50%) on a monthly basis, on or before the 20<sup>th</sup> day of the month for goods shipped in the preceding month; and (ii) the remaining fifty percent (50%) paid on or before the 20<sup>th</sup> day August, 2011; for goods shipped through July 31, 2011.

(ii) During the third, fourth and fifth year of this Agreement, the Full Consideration will be paid on a quarterly basis on or before the 20<sup>th</sup> day of the month following the quarter ending on October 31, January 31, March 31 and September 30 of each year for goods shipped in the preceding quarter.

plus

(b) Fifty percent (50%) of the royalties earned from third party licenses up and until July 31, 2014, payable on a monthly basis, on or before the 20<sup>th</sup> day of the month following receipt of such royalties by Assignee from the third party licensee.

(c) For the purposes of this Agreement, "Net Sales" means the gross dollar value of all sales of merchandise by Assignee less *bona fide* and reasonable trade discounts, returns and allowances actually given

3. Representations of Assignor. Assignor hereby represents and warrants that: (a) Assignor lawfully possesses and owns the Intellectual Property free from all liens, security interests, claims and encumbrances; and (b) other than the prior transaction between Assignor and Siel Beck Ltd., which has been terminated, Assignor

has made no prior assignments or transfers and has granted no other security interests in the Intellectual Property.

4. Indemnification by Assignor. Assignor hereby agrees to indemnify and defend Assignee, and hold Assignee harmless from and against, any and all claims arising out of or in connection with the Intellectual Property prior to the Effective Date (including any claims by Nitches, Inc.), or any breach or default hereunder by Assignor.

5. Title Documents. The Assignor hereby authorizes and requests any relevant authority, including the United States Patent and Trademark Office and such officials in foreign countries as are duly authorized by their laws, to issue any and all certificates of registration in relation to any of the Intellectual Property to the Assignee as the owner of the entire interest, for the sole use of the said Assignee, its permitted successors, assigns and legal representatives, or to issue other documents as appropriate to record the Assignee as owner of the Intellectual Property.

6. Sale of Business.

6.1 Notwithstanding any other provision in this Agreement to the contrary, in the event Assignee sells the Intellectual Property and the business associated therewith within five (5) years of the date of this Assignment, the profits (defined below) generated from such sale(s) will be split fifty percent (50%) to Assignee and fifty percent (50%) to Assignor less the amount previously paid to Assignor by Assignee pursuant to this Agreement. For purposes of this section "profit" shall mean the gross proceeds of any sale referenced above, less the liabilities of Assignee as at the effective date of any such transaction. In the event of a sale of the business as referenced in this section, except for compensation due on account of Net Sales occurring prior to the sale of the business, no further payments under this Assignment and the Design Agreement, executed concurrently herewith, shall be payable to Assignor.

6.2 During the term of this Agreement, Assignee shall not sell the Intellectual Property and the business associated therewith without first giving Assignor the option to purchase the Intellectual Property and the business associated therewith on the same basis as the proposed sale to a third party. Assignor shall have 30 days to exercise this option commencing from written notification to Assignor setting forth in detail the purchase price, terms, conditions and other particulars offered by the prospective third party purchaser, as well as the identity of the third party purchaser.

7. Further Assurances. The Assignor hereby warrants and undertakes that it will forthwith sign, upon request made by the Assignee, any further documentation that may be required to record the Assignee as the owner of the Intellectual Property.

8. General Provisions. This Assignment, together with the Design Services Agreement and the written employment agreements as to James Jenks and Diane Ochotsky executed concurrently herewith, constitute the entire agreement between the parties hereto regarding the subject matter hereof, and no waiver, amendment, or modification of any provision hereof shall be effective unless contained in a written instrument, signed and dated by both parties, specifically referencing this Assignment and the specific waiver, amendment or modification to be so made.

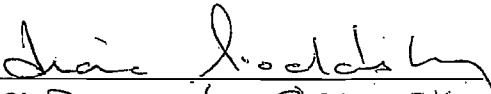
9. Governing Law. This Assignment shall be governed by and interpreted in accordance with the laws of the State of California, without regard to conflicts of laws principles.

10. Counterparts. This Assignment may be executed in counterparts, each of which, when taken together, will constitute one agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

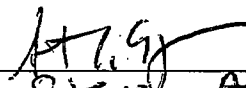
ASSIGNOR:

FLAG SPORTSWEAR, INC.,  
a California corporation

By:  7/21/09  
Name: Dina C. OCHOTZKY  
Title: Co-owner

ASSIGNEE:

N.P.B., LLC,  
a California limited liability company

By:   
Name: Steven A Kortman  
Title: CEO