

Form PTO-1594 (Rev. 03-11)  
OMB Collection 0651-0027 (exp. 03/31/2012)

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

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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):**

QUALTEQ, INC.

- Individual(s)
- General Partnership
- Corporation- State: DELAWARE
- Other \_\_\_\_\_
- Association
- Limited Partnership

Citizenship (see guidelines) \_\_\_\_\_

Additional names of conveying parties attached?  Yes  No

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

Execution Date(s) July 29, 2011

- Assignment
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

**2. Name and address of receiving party(ies)**

Additional names, addresses, or citizenship attached?  Yes  No

Name: STERLING NATIONAL BANK

Internal

Address: \_\_\_\_\_

Street Address: 500 SEVENTH AVENUE, 3rd Floor

City: NEW YORK

State: NY

Country: USA Zip: 10018

- Association Citizenship NY
- General Partnership Citizenship \_\_\_\_\_
- Limited Partnership Citizenship \_\_\_\_\_
- 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)

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

SEE ATTACHED

Additional sheet(s) attached?  Yes  No

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

SEE ATTACHED

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

Name: PAUL H. SHUR, ESQ.

Internal Address: SILLS CUMMIS & GROSS P.C.

Street Address: 30 ROCKEFELLER PLAZA  
29th Floor

City: NEW YORK

State: NY Zip: 10112

Phone Number: 212-500-1565

Fax Number: 212-643-6500

Email Address: pshur@sillscummis.com

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

7

**7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$190.00**

- Authorized to be charged to deposit account
- Enclosed

**8. Payment Information:**

Deposit Account Number 03-1250

Authorized User Name Paul H. Shur, Esq.

**9. Signature:**

Signature

8-3-11

Date

PAUL H. SHUR

Name of Person Signing

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

11

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 1460, Alexandria, VA 22313-1460

CH \$190.00 031250 2430820

**Schedule A  
to  
Trademark and Tradename  
Security Agreement and Mortgage**

**TRADEMARKS**

<u>Mark</u>	<u>Trademark No.</u>
BRAILLE CARD	2,430,820
COLOR GUARD	2,329,614
EIQ	2,068,900
EXCELLENCE IN QUALITY	2,068,901
FOIL CARD	2,418,771
GREEN EARTH CARD	2,418,770
LIFE GUARD CARD	2,472,766

**TRADEMARK AND TRADENAME  
SECURITY AGREEMENT AND MORTGAGE**

THIS TRADEMARK AND TRADENAME SECURITY AGREEMENT AND MORTGAGE (the "Trademark Mortgage") is made as of this 29<sup>th</sup> day of July, 2011 by **QUALTEQ, INC.**, a Delaware corporation with its principal place of business located at 800 Montrose Avenue, So.Plainfield NJ 07080 (the "Grantor") in favor of **STERLING NATIONAL BANK**, with an office located at 500 Seventh Avenue, 3<sup>rd</sup> Floor, New York NY 10018 (the "Lender").

WHEREAS, the Grantor is the owner and holder of the Trademarks listed on Schedule A annexed hereto and made a part hereof, together with all of the goodwill of the business symbolized by each of the Trademarks; and

WHEREAS, the Grantor and the Lender are about to enter into a certain Loan and Security Agreement of even date herewith (said Agreement, as it may hereafter be amended, supplemented, restated or otherwise modified from time to time being the "Loan Agreement") (any capitalized terms used, but not specifically defined herein, have the meaning provided for such terms in the Loan Agreement); and

WHEREAS, to induce the Lender to enter into the Loan Agreement and to grant the loans, advances and extensions of credit to the Grantor in accordance with the Loan Agreement, the Grantor has offered to execute and deliver this Trademark Mortgage to the Lender, granting and conveying to the Lender a security interest, first in priority, upon the Collateral (as such term is hereinafter defined);

NOW, THEREFORE, in consideration of the foregoing, in consideration of the premises set forth in the Loan Agreement and in order to induce the Lender to grant the loans, advances and extensions of credit to the Grantor in accordance with the Loan Agreement, the Grantor hereby agrees with the Lender for its benefit as follows:

1. Certain Defined Terms. As used in this Trademark Mortgage, unless the context otherwise requires:

(a) "Collateral": means, collectively and individually--

(i) each of the Trademarks listed on Schedule A annexed hereto and made a part hereof and the goodwill of the business symbolized by each of those Trademarks;

(ii) each of the Licenses;

(iii) all accounts, contract rights and general intangibles of the Grantor arising under or relating to the Licenses, whether now existing or hereafter arising, including, without limitation, (1) all moncys due and to become due under any License, (2) any damages arising out of or for breach or default in respect of any such License, (3) all other amounts from time to

time paid or payable under or in connection with any such License, and (4) the right of the Grantor to terminate any such License or to perform and to exercise all remedies thereunder;

(iv) any claims by the Grantor against third parties, and all proceeds of suits, for infringement of the Trademarks, and the rights to sue for past, present and future infringements and all rights corresponding thereto in the United States; and

(v) as to all of the foregoing (i) through (iv) inclusive, and any and all cash proceeds, non-cash proceeds and products thereof, additions and accessions thereto, replacements and substitutions therefor, and all related books, records, journals, computer print-outs and data, of the Grantor.

(b) "Licenses": Collectively and individually, any and all Trademark license agreements granted by the Grantor to third parties, whether now existing or hereafter arising, as any of same may from time to time be amended or supplemented, including, but not limited to, the license agreements listed on Schedule B annexed hereto and made a part hereof.

(c) "Obligations": All loans, advances, indebtedness, notes, liabilities, overdrafts, outstanding letters of credit not drawn upon, letters of credit drawn upon and not yet reimbursed, outstanding acceptances, and other amounts, liquidated or unliquidated, of every kind, nature and description, whether arising under this Agreement or otherwise, and as defined in the Loan Agreement.

(d) "Trademarks": Collectively and individually,  
all--

(i) trademarks, trade names, trade dress, service marks, prints and labels on which said trademarks, trade names, trade dress and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, all applications thereof filed under Section 1(a) of the Lanham Act (15 U.S.C.A. 1051(a)), and all registrations and recordings of any of the foregoing, including, without limitation, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now or hereafter owned or licensable by any Grantor, including, but not limited to, those listed on Schedule A annexed hereto and made a part hereof; and

(ii) trademarks, trade names, trade dress and service marks, whether now or hereafter owned by the Grantor which has not or is not required to be registered or recorded in any jurisdiction; and

(iii) reissues, extensions or renewals thereof and all licenses thereof (including, without limitation, all license agreements).

2. Grant of Security. To secure payment and performance of all of the Obligations of the Grantor to the Lender, the Grantor hereby mortgages to and pledges to the Lender and grants and conveys to the Lender a security interest in all of the Grantor's right, title and interest in and to the Collateral, which security interest is to remain in full force and effect until all of the Obligations to the Lender are fully paid and satisfied.

3. Representations, Warranties and Covenants of the Grantor. The Grantor incorporates by reference its representations, warranties, covenants and agreements relating to the Collateral as more fully set forth in the Loan Agreement and the following:

(a) No Additional Trademarks. As of the date hereof, the Grantor does not own any Trademarks, or have any Trademarks registered in or the subject of pending applications in the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, other than those grants, registrations or applications for registrations listed on Schedules A annexed hereto and made a part hereof.

(b) Responsibility and Liability. The Grantor assumes all responsibility and liability arising from the use of the Trademarks and Licenses, and hereby indemnifies and holds the Lender and each director, officer, employee, affiliate and agent thereof, harmless from and against any claim, suit, loss, damage or expense (including attorneys' fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by the Grantor in connection with any of the Trademarks or otherwise arising out of the Grantor's operation of its business from the use of the Trademarks. In any suit, proceeding or action brought by the Lender under any License for any sum owing thereunder, or to enforce any provisions of such License, the Grantor will indemnify and keep the Lender harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach of the Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Grantor, and all such obligations of the Grantor will be and remain enforceable against and only against the Grantor and will not be enforceable against the Lender.

(c) Protection of the Trademarks. The Grantor agrees that if it learns of any use by any person of any term or design likely to cause confusion with any Trademark, or of any claim of any lien, security interest, claim, right or other encumbrance of any nature whatsoever in or to the Collateral, the Grantor will promptly notify the Lender of such use, lien, security interest, claim, right or other encumbrance and, if requested by the Lender, will join with the Lender, at the Grantor's expense, in such action as the Lender, in its reasonable discretion, may deem advisable for the protection of the Lender's interest in and to the Trademarks, it being understood that the foregoing does not preclude the Grantor from bringing an action against a person for the protection of the Grantor's interest in and to such Trademarks.

4. Lender's Appointment as Attorney-in-Fact. The Grantor hereby irrevocably constitutes and appoints the Lender, and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, from time to time in the Lender's discretion, for the purposes of carrying out the terms of this Trademark Mortgage, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Trademark Mortgage.

5. Event of Default. The occurrence of any one or more of the following constitutes an Event of Default under this Agreement:

- (a) The occurrence of any Default or Event of Default defined under the Loan Agreement;
- (b) A breach by the Grantor of any covenant contained in this Trademark Mortgage;
- (c) If any warranty or representation contained in this Trademark Mortgage, including, without limitation, the warranties and representations contained in Section 3 of this Trademark Mortgage, is incorrect in any material respect.

6. Remedies. Upon the occurrence of an Event of Default, in addition to all other rights and remedies of the Lender, whether under law, in equity or otherwise (all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently):

(i) the Lender has all of the rights and remedies set forth in the Loan Agreement;

(ii) the Lender may appear before the United States Patent and Trademark Office as owner of the Collateral, without recording or filing any documents to evidence the Lender's ownership in the Collateral;

(iii) in addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Collateral, the Lender may, at any time, pursuant to the authority granted in the Special Power of Attorney (such authority becoming effective on the occurrence of an Event of Default), execute and deliver on behalf of the Grantor, one or more instruments of assignment of the Trademarks (or any application or registration thereof), in form suitable for filing, recording or registration in any country. The Grantor agrees to pay when due all reasonable costs and expenses incurred in any such transfer of the Trademarks, including any taxes, fees and reasonable attorneys' fees, and all such costs shall be added to the Obligations to the Lender. The Lender may apply the proceeds actually received from any such license, assignment, sale or other disposition to the payment of the Obligations to the Lender as provided for in the Loan Agreement. The Grantor remains liable for any deficiency with respect to the Obligations to the Lender, which bear interest and are payable at the Default Rate of interest under the Loan Agreement. The rights of the Grantor to receive any surplus are subject to any duty of the Lender imposed by law to the holder of any subordinate security interest in the Collateral known to the Lender. Nothing contained herein is to be construed as requiring the Lender to take any such action at any time.

7. Execution of Special Power of Attorney. Concurrently with the execution and delivery of this Trademark Mortgage, the Grantor is executing and delivering to the Lender a certain Special Power of Attorney for the implementation of the sale, assignment, licensing or other disposition of the Collateral pursuant to this Trademark Mortgage.

8. Amendments and Modification. No provision hereof may be modified, altered, waived or limited except by a written instrument expressly referring to this Trademark Mortgage and executed by the party to be charged.

9. Binding Nature. This Trademark Mortgage is binding upon and inures to the benefit of the successors, assigns or other legal representatives of the Grantor, and is, together with the rights and remedies of the Lender hereunder, binding upon and inures to the benefit of the Lender, its successors, assigns or other legal representatives.

10. GOVERNING LAW. THIS TRADEMARK MORTGAGE IS TO BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

11. Notices. All notices, requests, demands and other communications provided for hereunder are to be in writing (unless otherwise expressly provided herein) and sent and deemed to have been received as set forth in the Loan Agreement.

12. Counterparts. This Trademark Mortgage may be executed in counterparts, each of which, when taken together, are to be deemed one and the same instrument.

13. Headings. Section headings herein are included for convenience of reference only and do not constitute a part of this Trademark Mortgage for any other purpose.

14. Acknowledgment of Receipt. The Grantor acknowledges receipt of a copy of this Trademark Mortgage.

15. No Waiver. No course of dealing between the Grantor and the Lender, and no delay or omission of the Lender in exercising or enforcing any of the Lender's rights and remedies hereunder constitutes a waiver thereof; and no waiver by the Lender of any Event of Default operates as a waiver of any other Event of Default.

16. Severability. If any of the provisions of this Trademark Mortgage contravene or are held invalid under the laws of any jurisdiction, this Trademark Mortgage is to be construed as if not containing such provisions and the rights, remedies, warranties, representations, covenants, and provisions hereof are to be construed and enforced accordingly in such jurisdiction and do not in any manner affect such provision in any other jurisdiction, or any other provisions of this Trademark Mortgage in any jurisdiction. In the event of any inconsistency between the provisions of this Trademark Mortgage and the Loan Agreement, the terms of the Loan Agreement prevail.

17. Interest Granted to Lender. Notwithstanding any provision of this Trademark Mortgage to the contrary, the interest granted to the Lender under this Trademark Mortgage is intended to be a pledge and a security interest only, and the execution of this Trademark Mortgage is not intended to create an assignment or a transfer of title or any other property rights to the Trademarks.

**18. WAIVER OF JURY TRIAL. THE GRANTOR WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS TRADEMARK MORTGAGE.**

IN WITNESS WHEREOF, the Grantor has caused this Trademark Mortgage to be duly executed as of the day and year first above written.

Attest/Witness:

Donna Brezwyh  
Print Name: DONNA BREZWYH  
Title: Notary Public

QUALTEQ, INC.

By: A. Veluchamy  
Print Name: Anu R. Veluchamy  
Title: President



**Schedule B  
to  
Trademark and Tradename Security Agreement and Mortgage**

**LICENSE AGREEMENTS**

*NONE*

**SPECIAL POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS**, that as of this \_\_\_\_\_ day of \_\_\_\_\_, 2011, **QUALTEQ, INC.**, a Delaware Corporation with its principal place of business located at 800 Montrose Avenue, So. Plainfield NJ 07080 (the "Grantor"), pursuant to a certain Trademark and Tradename Security Agreement and Mortgage of even date herewith (the "Trademark Mortgage") by the Grantor in favor of **STERLING NATIONAL BANK**, having an office located at 500 Seventh Avenue, 3<sup>rd</sup> Floor, New York NY 10018 (the "Lender"), hereby appoints and constitutes the Lender as its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of the Grantor, in accordance with the terms and provisions of the Trademark Mortgage:

1. Assigning, selling or otherwise disposing of all right, title and interest of the Grantor in and to the Trademarks, as such term is defined in the Trademark Mortgage, including, without limitation, those Trademarks listed on Schedule A annexed to the Trademark Mortgage, any Trademarks that the Grantor may now or hereafter acquire, and any Trademarks which may be added to Schedule A annexed to the Trademark Mortgage subsequent to the date of this Special Power of Attorney, all applications filed under Section 1(a) of the Lanham Act (15 U.S.C.A. 1051(a)), and all registrations and recordings of any of the foregoing, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, and to execute and deliver any and all other agreements, documents, instruments or assignment or other papers necessary or advisable to effect such purpose, in each case, in accordance with the terms and provisions of the Trademark Mortgage; and

2. To execute any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as the Lender may in its sole discretion determine.

This Special Power of Attorney is made pursuant to the Trademark Mortgage and may not be revoked until the Obligations, as such term is defined in the Trademark Mortgage, to the Lender is fully paid and satisfied.

**IN WITNESS WHEREOF**, the Grantor has caused this Special Power of Attorney to be duly executed as of the day and year first above written.

Attest/Witness:

*Donna Brezwyh*

Print Name: **DONNA BREZWYH**  
Title: **Notary Public**

**QUALTEQ, INC.**

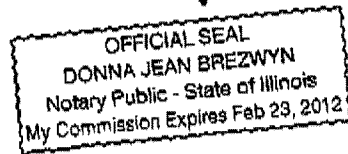
By: *A. Veluchamy*

Print Name: **Anu R. Veluchamy**  
Title: **President**

STATE OF ILLINOIS )  
 ) ss.:  
COUNTY OF DuPage )

On the 8th day of July in the year 201 before me, the undersigned, a Notary Public in and for said State, personally appeared ADU R Veluchamy personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Donna Jean Brezwyn  
Notary Public



**SILLS CUMMIS & GROSS**

A Professional Corporation

650 College Road East  
Princeton, New Jersey 08540  
(609) 227-4600  
FAX (609) 227-4646

**Date:** 8-9-11**Time****RECIPIENT****COMPANY****FAX NO.****PHONE NO.**

USPTO

571-273-0140

**FROM: PAUL H. SHUR****ATTORNEY NO.:****TELEPHONE DIRECT DIAL: (609) 227-4665**

RE: Qualtec, Inc.

Attached for recording please find Recordation Form Cover Sheet (Trademarks) with Trademark and Tradename Security Agreement and Mortgage attached. Please charge our deposit account #03-1250 in the amount of \$190.00 in payment of the fee. Please provide us with the recorded documents and certificates of record. Thank you.

Call me upon receipt: Yes  No

**TOTAL # OF PAGES 12**

**CLIENT NAME: SOVEREIGN BANK**  
**CLIENT/MATTER #: 09860012.10**

**OFFICE SERVICES USE ONLY:**

THE ATTACHED TELECOPY HAS BEEN SUCCESSFULLY TRANSMITTED BY:

**OPERATOR:** \_\_\_\_\_ **DATE/TIME:** \_\_\_/\_\_\_/\_\_\_ : \_\_\_AM/PM

**\*\*\*\*CONFIDENTIALITY NOTE\*\*\*\***

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**TRADEMARK**

RECORDED: 08/09/2011

REEL: 004602 FRAME: 0284