

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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102926188

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

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

1. Name of conveying party(ies):
Processed Plastic Company

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: 10/28/2004

2. Name and address of receiving party(ies)

Name: LaSalle Business Credit, LLC

Internal
Address: Suite 425

Street Address: 135 South LaSalle Street

City: Chicago State: IL Zip: 60603

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☐ Corporation-State _____
☒ Other Limited Liability Company

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

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

A. Trademark Application No.(s) _____
SEE ATTACHED SCHEUDLE A

B. Trademark Registration No.(s) _____
SEE ATTACHED SCHEDULE A

Additional number(s) attached ☒ Yes ☐ No

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

Name: Tammy S. Settle

Internal Address: Vedder Price Kaufman
& Kammholz, P.C.

Street Address: 222 North LaSalle Street

City: Chciago State: IL Zip: 60601

6. Total number of applications and
registrations involved: 66

7. Total fee (37 CFR 3.41).....\$ 1,665.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number:

22-0259

DO NOT USE THIS SPACE

9. Signature.

Tammy S. Settle
Name of Person Signing

Tammy S. Settle
Signature

January 18, 2005
Date

Total number of pages including cover sheet, attachments, and document: 14

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

01/25/2005 6T0N11 00000145 220259 76588293
01 FC:8521 40.00 DA
02 FC:8522 1625.00 DA

TRADEMARK
REEL: 003105 FRAME: 0012

Trademark Security Agreement

Between Processed Plastic Company and LaSalle Business, Credit, LLC

SCHEDULE A

TRADEMARK APPLICATIONS

MARK	APPLICATION NO.
HIDE AWAY	76/588,293
LOTS A FUN	74/419,999
TINY BUBBLES	76/208,324

TRADEMARK REGISTRATIONS

MARK	REGISTRATION NO.
AFTERNOON TEA	2,216,535
AMERICAN PIONEER	2,610,527
AMERICAN WEST	2,575,029
BLOW-LOONS	1,873,345
BUBBLE BLIZZARD	2,866,173
BUBBLE BUGS	2,579,820
BUBBLE MAGIC	1,263,108
BUBBLE TORNADO	2,859,633
C-LEAK	833,494
COLORQUEST	1,993,862
DOUBLE ACTION ENDLESS BUBBLES	2,859,632
ENDLESS BUBBLES	2,488,861

MARK	REGISTRATION NO.
ENGLISH BREAKFAST	2,224,356
FASHION GIRL	1,663,518
FAT KATS	1,143,528
FIFTH AVENUE GIRL	1,497,868
FUN...PURE AND SIMPLE	2,465,033
FUN...PURE AND SIMPLE	2,250,572
FUN...PURE AND SIMPLE (with Tootsie Logo)	2,464,923
GROW & RIDE	2,404,878
HARD BODY	1,472,504
HARD BODY DESIGN	1,785,684
HEARTS 'N HOME	2,296,372
HEAVY HAULER	2,118,615
HITCH-UPS	920,598
JAM-PAC	933,860
KEEP ON TRUCKING	1,084,133
KID LEAGUE	1,731,284
LIL' GARDENER	1,958,662
LITTLE GOURMET	2,301,514
LOTSA FUN BUBBLE SET	1,911,538
LOTSA WAYS	1,190,805
LOVE MY DOLLY	1,740,629
MAGIC WAND	1,279,091
MARSHAL	1,902,863

MARK	REGISTRATION NO.
MERRY RIDER	820,666
MIGHTY WHEELS	2,409,373
MILLION BUBBLES	2,682,206
MR. BUBBLES	1,044,796
NOGGINS	1,499,517
PLAY-N-PRO	2,772,187
POWER RIGS	2,450,937
PROCESSED PLASTIC	2,617,456
PULL BACK AND GO	2,413,018
PUSH, PEDAL & RIDE TRIKE	2,236,857
RUBY'S	1,175,688
SAFE START	2,414,446
SCOOT & GO	2,409,372
SPINE RACERS	2,846,210
STROMBECKER	652,689
SUPER SLICKS	947,852
SUZY HOMEMAKER	2,385,873
TEENY TINY BUBBLES	2,864,463
TILT N TURN	2,501,412
TIM MEE TOY	1,895,191
TIM MEE TOY	1,911,542
TOOTSIE TOY	505,201
TOOTSIE TOY	365,092

MARK	REGISTRATION NO.
TOOTSIETOY FUN...PURE AND SIMPLE	2,613,075
WONDER	554,476
WONDER BOUNCERS	1,874,764
WONDER GRIP	2,589,055
WOOD BUILDERS	2,395,553

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Security Agreement") made as of this 28th day of October, 2004, by Processed Plastic Company, a Delaware corporation ("Grantor"), in favor of LaSalle Business Credit, LLC, as lender ("Lender") with an office at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603.

W I T N E S S E T H:

WHEREAS, Grantor and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "Loan Agreement") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "Financing Agreements"), which Financing Agreements provide (i) for Lender to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Lender of a security interest in certain of its assets, including, without limitation, Grantor's trademarks and trademark applications;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Grantor hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in Grantor's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Grantor's business connected with the use of and symbolized by the Trademarks; and license agreements with any other party in connection with any Trademarks or such other party's trademarks, registered trademarks and trademark applications, trade names, service marks, registered service marks and service mark

applications, whether Grantor is licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B attached hereto, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of Lender's rights under the Loan Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include (A) any license agreement which by its terms prohibits the grant of the security interest contemplated by this Security Agreement or (B) any intent-to-use trademark applications to the extent the granting of a security interest hereunder shall in any way adversely affect such application.

3. Warranties and Representations. Grantor warrants and represents to Lender that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Grantor not to sue third persons;

(iii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Grantor has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until the Liabilities shall have been satisfied in full and the Financing Agreements shall have been terminated, Grantor shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Trademarks. Grantor represents and warrants that, based on a diligent investigation by Grantor, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Grantor. If, before the Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, Grantor shall (i) become aware of any existing Trademarks of which Grantor has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Grantor shall give to Lender prompt written notice thereof. Grantor hereby authorizes Lender to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of the Liabilities and the termination of the Financing Agreements. Grantor agrees that upon the

occurrence of an Event of Default, the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to Grantor.

7. Product Quality. Grantor agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, Grantor agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of the Liabilities and termination of the Financing Agreements, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Grantor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Grantor and until paid shall constitute Liabilities.

10. Duties of Grantor. Grantor shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until the Liabilities shall have been paid in full and the Financing Agreements have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with the Liabilities under this Section 10 shall be borne by Grantor.

11. Lender's Right to Sue. After an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, Grantor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Grantor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction,

then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Lender upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Liabilities shall have been paid in full and the Financing Agreements have been terminated. Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Grantor and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Grantor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

IN WITNESS WHEREOF, Grantor has duly executed this Security Agreement as of the date first written above.

PROCESSED PLASTIC COMPANY

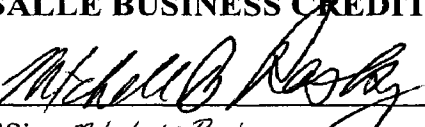
By: 

Name: David Bergman

Title: Chief Executive Officer

Agreed and Accepted as of the date first
written above

LASALLE BUSINESS CREDIT, LLC

By: 
Name: Mitchell Rasky
Title: First Vice President

SCHEDULE A

TRADEMARK REGISTRATIONS

<u>Trademark</u>	<u>Status</u>	<u>Registration Number</u>
Afternoon Tea	Registered	2216535
American Pioneer	Registered	2610527
American West	Registered	2575029
Blow-Loons	Registered	1873345
Bubble Blizzard	Registered	2866173
Bubble Bugs	Registered	2579820
Bubble Magic	Registered	1263108
Bubble Tornado	Registered	2859633
C-Leak	Registered	833494
ColorQuest	Registered	1993862
Double Action Endless Bubbles	Registered	2859632
Endless Bubbles	Registered	2488861
English Breakfast	Registered	2224356
Fashion Girl	Registered	1663518
Fashion Girl	Registered	TMA415924
Fat Kats	Registered	1143528
Fifth Avenue Girl	Registered	1497868
Fun...Pure and Simple	Registered	2465033
Fun...Pure and Simple	Registered	2250572
Fun...Pure and Simple (with Tootsie Logo)	Registered	2464923
Grow & Ride	Registered	2404878

<u>Trademark</u>	<u>Status</u>	<u>Registration Number</u>
Hard Body	Registered	1472504
Hard Body Design	Registered	1785684
Hearts 'N Home	Registered	2296372
Heavy Hauler	Registered	2118615
Heavy Hauler	Registered	TMA459661
Hide Away	Pending	
Hitch-Ups	Registered	920598
Jam-Pac	Registered	933860
Keep on Trucking	Registered	1084133
Kid League	Registered	1731284
Lil' Gardener	Registered	1958662
Little Gourmet	Registered	2301514
Lotsa Fun	Pending	74/419999
Lotsa Fun Bubble Set	Registered	1911538
Lotsa Ways	Registered	1190805
Love My Dolly	Registered	1740629
Love My Dolly	Registered	TMA419173
Mademoiselle	Registered	TMA262939
Magic Wand	Registered	1279091
Marshal	Registered	1902863
Merry Rider	Registered	0820666
Mighty Wheels	Registered	2409373
Million Bubbles	Registered	2682206

<u>Trademark</u>	<u>Status</u>	<u>Registration Number</u>
Mr. Bubbles	Registered	1044796
Noggins	Registered	1499517
Play-N-Pro	Registered	2772187
Play-N-Pro	Registered	TMA618653
Pop Shocks	Registered	TMA429845
Power Rigs	Registered	2450937
Processed Plastic	Registered	2617456
Processed Plastic	Registered	TMA238974
Pull Back and Go	Registered	2413018
Push, Pedal & Ride Trike	Registered	2236857
Ruby's	Registered	1175688
Safe Start	Registered	2414446
Scoot & Go	Registered	2409372
Spine Racers	Allowed	2846210
Strombecker	Registered	652689
Super Slicks	Registered	947852
Suzy Homemaker	Registered	2385873
Teeny Tiny Bubbles	Pending <i>Registered</i>	2864463
Tilt N Turn	Registered	2501412
Tim Mee Toy	Registered	1895191
Tim Mee Toy	Registered	TMA461469
Tim Mee Toy	Registered	1911542
Tim Mee Toy	Registered	TMA218851

<u>Trademark</u>	<u>Status</u>	<u>Registration Number</u>
Tiny Bubbles	Pending	76/208324
TootsieToy	Registered	505201
TootsieToy	Registered	365092
Tootsietoy Fun...Pure and Simple	Registered	2613075
Wonder	Registered	554476
Wonder Bouncers	Registered	1874764
Wonder Grip	Registered	2589055
Wood Builders	Registered	2395553

SCHEDULE B

LICENSES

NONE