

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Halbro Control Industries, Inc.		06/01/1999	CORPORATION: NEW YORK
RECEIVING PARTY DATA			
Name:	TDS Distributors, Inc.		
Street Address:	2090 Route 110		
City:	Farmingdale		
State/Country:	NEW YORK		
Postal Code:	11735		
Entity Type:	CORPORATION: NEW YORK		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	1032726	WHITE CLOUD	
CORRESPONDENCE DATA			
Fax Number:	(202)739-3001		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	202-739-5652		
Email:	chowell@morganlewis.com		
Correspondent Name:	Catherine R. Howell, Paralegal		
Address Line 1:	1111 Pennsylvania Ave., N.W.		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20004		
ATTORNEY DOCKET NUMBER:	053032-0002-0060		
NAME OF SUBMITTER:	Catherine R. Howell, Paralegal		
Signature:	/Catherine R. Howell/		
Date:	04/11/2007		

CH \$40.00 1032726

Total Attachments: 5

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ASSET PURCHASE AGREEMENT

This **AGREEMENT** (the "Agreement") is made as of the 1st day of June, 1999 ("Effective Date") by and between HALBRO CONTROL INDUSTRIES, INC. ("Halbro"), a New York corporation with an office located at 2090 Route 110, Farmingdale, New York 11735, and TDS DISTRIBUTORS, INC., ("TDS") a New York corporation with an office located at 2090 Route 110, Farmingdale, NY 11735.

WHEREAS, Halbro desires to sell to TDS, and TDS desires to purchase from Halbro, on the terms set forth below, inventory, including, but not limited to, cleaning supplies, janitorial supplies, paper goods, ice melt and snow shovels, together with assets, including, but not limited to, all equipment machines, the trade name "Halbro," all customer lists, all phone numbers, all accounts of Halbro and the goodwill of Halbro (collectively referred to herein as the "Assets").

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

1. **Sale of Assets**. Halbro hereby conveys, sells, and transfers to TDS all of its right, title, and interest in and to the Assets, subject to the security interest in favor of Lauri Halpern against Halbro (the "Lauri Security Interest") with respect to an obligation owed by Halbro to Lauri Halpern (the "Obligation to Lauri"). TDS acknowledges that Halbro has paid no part of the Obligation to Lauri, and that the Lauri Security Interest encumbers all of the Assets. Simultaneously with the execution of this Agreement, the parties shall execute and deliver to each other the Bill of Sale in form attached hereto as Exhibit A.

2. **Assumption of Liabilities**.

(a) TDS hereby assumes, and agrees to pay, perform, and discharge Halbro's outstanding payables owed to the creditors of Halbro identified on Schedule 1 (the "Debts") annexed hereto. TDS shall have no obligation to pay any other creditor or debt of Halbro. In the event Halbro becomes the subject of litigation brought by a creditor on Schedule 1 only, or is threatened with litigation by a creditor, TDS shall pay the creditor. All other remaining payables of Halbro (the "Remaining Debts") owed to creditors of Halbro not identified in Schedule 1 shall remain the sole obligation of Halbro. On April 1, 2000, July 1, 2000, October 1, 2000 and December 1, 2000, TDS shall provide Stan Halpern and Charles Halpern a written accounting of the debts which TDS has paid pursuant to this Agreement, together with copies of the checks and invoices relative to said paid debts. Failure of TDS to furnish Stan Halpern and Charles Halpern with such an accounting shall be deemed a material breach of this Agreement.

(b) TDS agrees to indemnify and hold harmless Halbro and its officers, Charles Halpern and Stanton Halpern, for all costs, liabilities, damages, amounts paid in settlement, judgments, losses, and claims (includes attorneys' fees) arising out of the failure of TDS to pay any of the Debts on Schedule 1 only.

(c) Halbro agrees to indemnify and hold harmless TDS and its principal, Don Scoca, for all costs, liabilities, damages, amounts paid in settlement, judgments, losses, and claims (including attorneys' fees) arising out of the failure of Halbro to pay any of the other Remaining Debts not on Schedule 1.

(d) Simultaneously with the execution of this Agreement, the parties shall execute and deliver to each other the Assumption Agreement in form attached hereto as Exhibit B.

(e) Under no circumstances shall the former principals of Halbro make any representations to any creditor that a debt is assumed or being assumed by TDS unless that debt is specifically on the annexed Schedule 1; in addition, as to any debt being assumed by TDS, Stan Halpern and Charles Halpern expressly agree to refer such creditor to TDS and not to discuss in any manner the liquidation or settlement of the debt with the creditor, unless expressly authorized in writing only by Don Scoca, President of TDS. Violation of this covenant by Stan Halpern or Charles Halpern shall result in a warning. In the event Halbro becomes the subject of litigation or is threatened with litigation as a result of this paragraph 2(a), TDS shall be responsible for all legal costs incurred by Halbro in its defense, but only as to the creditors on Schedule 1.

(f) Stan Halpern and Charles Halpern expressly represent that Halbro shall remain an active corporation for the earlier to occur of the first anniversary hereof or until the other remaining payables are discharged or liquidated or waived by the creditor.

3. Payment to Chase. In connection with the execution of this Agreement, TDS has tendered a cash payment to Chase in the amount of \$10,441.34 in full satisfaction of an obligation due to Chase by Halbro.

4. UCC Termination. Within ten (10) days following the execution of this Agreement, Halbro shall deliver to Besen & Trop ("Escrow Agent") executed UCC-3 Financing Statements terminating the Obligations to Lauri. Such UCC-3 shall be held in escrow by Escrow Agent in accordance with the following conditions:

If Halbro notifies Escrow Agent prior to January 1, 2001 that any of the Debts on Schedule 3 have not been paid by TDS ("Notice of Non-Payment"), Escrow Agent shall notify TDS. If an objection is received regarding the release of the UCC-3 by TDS, Escrow Agent shall hold same until decision under arbitration brought pursuant to this agreement, or until a final order/appeal from a

court, should said arbitration award/decision be challenged. Halbro agrees that Escrow Agent shall not be made a party to any arbitration or court proceeding.

5. Non-Compete.

(a) So long as TDS performs its obligations hereunder, Halbro, Charles Halpern, and Stanton Halpern shall not, for a period of eighteen (18) months from the Effective Date (the "Non-competition Period");

(i) with solicit, divert, or make any contact the accounts of the TDS through any person, firm, or entity which was a licensee, agent, customer, vendor, former customer or prospective customer of TDS during the Non-Competition Period, induce any such licensee or customer of TDS to reduce its business with TDS, solicit any employees of TDS to leave the employ of TDS, or offer or cause to be offered employment to any person who was employed by TDS at any time during the Non-Competition Period; or

(ii) engage in or be connected with as a partner, owner, co-venturer, shareholder, or as a member of a limited liability entity, or otherwise, any business or activity competing with the business of TDS within a 50 mile radius where TDS conducts business.

(iii) This non-compete clause shall include all accounts/customers obtained by TDS in this asset purchase from Halbro, and those that presently, previously, or at any time before the date of this agreement conduct business with TDS, or through the trade name DEL Supply and/or Long Island Maintenance.

(b) The provisions and covenants by Halbro, Charles Halpern, and Stanton Halpern set forth in Section 5(a) of this Agreement shall be unenforceable, null, void, without legal effect, and not binding in the event that either:

(i) TDS shall fail to pay Debts on Schedule 1.

(ii) TDS shall materially breach any provision of this Agreement.

(iii) TDS shall materially breach any provision of the Employment Agreement dated June 23, 1999, between TDS and Charles Halpern.

(iv) TDS shall materially breach any provision of the Employment Agreement dated April, 1999, between TDS and Stanton Halpern.

6. Collective Bargaining Agreement.

(a) Halbro does not assign and TDS does not assume the collective bargaining agreement (CBA) between Production Merchandising & Distribution Employees Union Local 210, affiliated with the International Brotherhood of Teamsters, AFL-CIO ("Union") and Halbro, dated April 1, 1995.

(b) Halbro warrants and represents that it has satisfied all obligations created and/or existing under the CBA and that there are no outstanding grievances, arbitrations or awards by the Union or its members against Halbro. Halbro further warrants and represents that there are no outstanding charges, complaints, lawsuits or causes of action of any kind by any employee, employee representative, benefit fund or government agency based on Halbro's employment practices, policies, actions or decisions, including, without limitation, unremedied unfair labor practices, state or federal unfair labor practice charges, NYS Division of Human Rights or EEOC charges, or New York State or F.L.S.A. wage complaints.

(c) Halbro agrees to indemnify and hold harmless TDS from any costs, expenses, legal charges or damages due to any grievance, arbitration, charge, complaint, lawsuit or cause of any kind by any employee, employee representative, benefit fund or government agency based on Halbro's employment practices, policies, actions or decisions, including, without limitation, any action based on an alleged violation of the CBA.

(d) By December 31, 2000, Halbro shall deliver a written letter from the Union that all obligations of Halbro with the Union are satisfied in full to TDS.

7. Arbitration of Disputes. Any dispute arising hereunder shall be settled by arbitration in Nassau County, New York, in accordance with the then effective rules of the American Arbitration Association ("AAA"). The costs and filing fees of the arbitration (including reasonable attorneys' fees) shall be borne by the losing party in the arbitration.

8. General Provisions. All notices, requests, demands or other communication required or permitted to be given hereunder shall be in writing, and shall be deemed duly given if personally delivered or mailed by registered or certified mail, return receipt requested, to the addresses herein set forth. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their permitted heirs, executors, administrators, successors and assigns.

9. In the event on of the provisions on any part of this agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect any

other provision of this agreement, and the agreement shall be construed as if such invalid clause had never been contained herein.

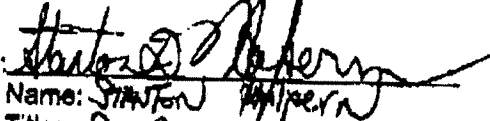
10. There presently is owed to TDS the sum of \$9,872.02. This sum of money shall be returned by February 15, 2000. Halbro, Stan Halpern and Charles Halpern agree to immediately turn over all further checks to TDS stemming from sales by TDS.

11. Modifying the employment agreements with Stan Halpern and Charles Halpern, it is agreed that TDS shall be entitled to offset against any severance pay the salary draws owing as of the termination date.

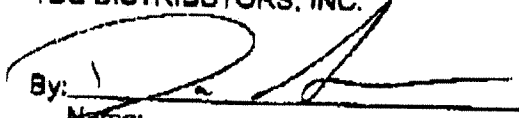
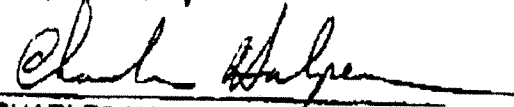

12. Subject to the payment of the monies required hereunder and under the Assumption Agreement, Halbro, Stan Halpern and Charles Halpern agree that all monies owed to them by TDS have been paid in full.

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

HALBRO CONTROL INDUSTRIES, INC.

By: 
Name: STANTON HALPERN
Title: CEO

TDS DISTRIBUTORS, INC.

By: 
Name:
Title: president

CHARLES HALPERN, individually
as to Sections 4, 5, 10, 11, 12 and 2(f)

STANTON HALPERN, individually
as to Sections 4, 5, 10, 11, 12 and 2(f)