

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Grant of Security Interest in US Trademarks - First Lien

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
North Atlantic Operating Company		07/28/2011	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Jefferies Finance LLC, as collateral agent
Street Address:	520 Madison Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10022
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 15

Property Type	Number	Word Mark
Registration Number:	2610473	NORTH ATLANTIC OPERATING COMPANY
Registration Number:	2635446	NORTH ATLANTIC OPERATING COMPANY
Registration Number:	2664695	NORTH ATLANTIC OPERATING COMPANY, INC.
Registration Number:	2664694	NORTH ATLANTIC OPERATING COMPANY, INC.
Registration Number:	2850959	MARKET-MASTER
Registration Number:	1133291	ZIG ZAG
Registration Number:	2780643	ZIG ZAG CLASSIC AMERICAN BLEND
Registration Number:	1472580	ZIG ZAG
Registration Number:	2582490	ZIG-ZAG
Registration Number:	3867900	ZIG-ZAG
Registration Number:	1775416	ZIG-ZAG
Serial Number:	76357922	CLASSIC AMERICAN BLEND
Serial Number:	78781115	CLASSIC AMERICAN BLEND
Serial Number:	76357543	CLASSIC AMERICAN BLEND

OP \$390.00 2610473

Serial Number:

85289914

ZIGARI

CORRESPONDENCE DATA

Fax Number: (212)354-8113

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

Phone: 2128198200

Email: fcutajar@whitecase.com

Correspondent Name: White & Case LLP

Address Line 1: 1155 Avenue of the Americas

Address Line 2: Patents & Trademarks

Address Line 4: New York, NEW YORK 10036

ATTORNEY DOCKET NUMBER:

1155735-0012

NAME OF SUBMITTER:

Frances B. Cutajar

Signature:

/Frances B. Cutajar/

Date:

08/22/2011

Total Attachments: 5

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GRANT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, NORTH ATLANTIC OPERATING COMPANY, a Delaware corporation (the "Grantor") with principal offices at 5201 Interchange Way, Louisville, KY 40229, hereby grants to Jefferies Finance LLC, as Collateral Agent, with principal offices at 520 Madison Avenue, New York, NY 10022, (the "Grantee"), a continuing security interest in (i) all of the Grantor's right, title and interest in, to and under to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, (ii) all Proceeds (as such term is defined in the Security Agreement referred to below) and products of the Marks, (iii) the goodwill of the businesses with which the Marks are associated and (iv) all causes of action arising prior to or after the date hereof for infringement of any of the Marks or unfair competition regarding the same.

THIS GRANT is made to secure the satisfactory performance and payment of all the Obligations of the Grantor, as such term is defined in the Security Agreement among the Grantor, the other assignors from time to time party thereto and the Grantee, dated as of July 28, 2011 (as amended, modified, restated and/or supplemented from time to time, the "Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantee shall execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Marks acquired under this Grant.

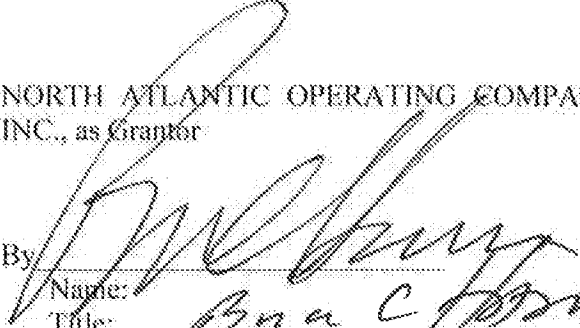
This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this

Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

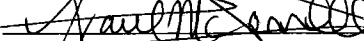
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IN WITNESS WHEREOF, the undersigned have executed this Grant as of the
28th day of July, 2011.

NORTH ATLANTIC OPERATING COMPANY,
INC., as Grantor

By: 
Name: _____
Title: *Branch Manager*
SVP & CFO

~~JEFFERIES FINANCE LLC,
as Collateral Agent and Grantee~~

By: ~~~~

Name: J. Paul McDonnell

Title: Managing Director

SCHEDULE A

<u>Marks</u>	<u>Country</u>	<u>Registration/Application No.</u>
North Atlantic Operating Company	United States	2,610,473
North Atlantic Operating Company	United States	2,635,446
North Atlantic Operating Company Inc. & Design [gear]	United States	2,664,695
North Atlantic Operating Company Inc. & Design [gear]	United States	2,664,694
Classic American Blend	United States	76/357922
Classic American Blend	United States	78/781115
Classic American Blend and design	United States	76/357543
Market-Master	United States	2850959
Zig-Zag	United States	1133291
Zig-Zag Classic American Blend	United States	2780643
Zigarettes	United States	1472580
Zig-Zag	United States	2582490
Zig-Zag	United States	3867900
Zig-Zag & Design	United States	1775416
Zigari	United States	85/289,914