

REC
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SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)

Tab settings

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

1. Name of conveying party(ies):

McAuley's, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: June 3, 1998

2. Name and address of receiving party(ies)

Name: Heller Financial, Inc.

Internal Address: Legal Department

Street Address: 500 West Monroe St.

City: Chicago State: IL ZIP: 60661

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

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 patent number(s):

SEE SCHEDULE C ATTACHED

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Additional numbers attached? Yes No

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

Name: Elizabeth Motts

Internal Address: Legal Department
Heller Financial, Inc.

Street Address: 500 West Monroe St.

City: Chicago State: IL ZIP: 60661

6. Total number of applications and registrations involved:

19

7. Total fee (37 CFR 3.41).....\$ 440.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

07/24/1998 DNGUYEN 00000095 1960257

DO NOT USE THIS SPACE

01 FC:481 40.00 OP
02 FC:482 400.00 OP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Elizabeth Motts
Name of Person Signing

Elizabeth Motts
Signature

7/6/98
Date

Total number of pages including cover sheet, attachments, and documents: 10

SCHEDULE C

MCAULEY'S, INC. TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Registration No.</u>	<u>Date</u>
HOLIDAY (stylized)	1,960,257	March 5, 1996
CITRUS BLOSSOM	1,956,377	February 13, 1996
B & D POTPOURRI (stylized)	1,956,392	February 13, 1996
LEMON DROP	1,955,032	February 6, 1996
CARPET VET (stylized)	1,956,393	February 13, 1996
McAULEY'S POTPOURRI & design	1,963,314	March 19, 1996
CHRISTMAS SPICE	1,994,871	August 20, 1996
SACHET OF CHRISTMAS SPICE SCENTS	1,998,001	September 3, 1996
SACHET OF SPRINGTIME SCENTS	1,992,788	August 13, 1996
LUXURY BOUQUET MIST	1,990,953	August 6, 1996
FILTER SCENTS	2,096,429	September 16, 1997
McAULEY'S NATURALS & design	2,052,725	April 15, 1997

MCAULEY'S, INC. TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Trademark Application No.</u>	<u>Date Applied</u>
FRESH FLUSH	75/148,269	8/12/96
CLEAR ELEGANCE	75/191,664	10/28/96
AROMAGEL	75/188,637	10/28/96
AROMAWAX	75/287,296	5/5/97
EDEN ESSENTIALS	75/412,213	12/30/97

**ASSIGNMENT FOR SECURITY OF PATENTS,
TRADEMARKS AND COPYRIGHTS**

THIS ASSIGNMENT FOR SECURITY OF PATENTS, TRADEMARKS AND COPYRIGHTS (this "Assignment") is made as of June 1, 1998 by and between McAuley's, Inc., a Tennessee corporation ("Assignor"), and Heller Financial, Inc., a Delaware corporation ("Lender").

W I T N E S S E T H

WHEREAS, pursuant to a certain Loan and Security Agreement of even date herewith between Assignor and Lender (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), Lender has agreed to make certain loans and extend certain other financial accommodations to Assignor; and

WHEREAS, the Loan Agreement grants to Lender a continuing security interest in certain of Assignor's assets, including, without limitation, its patents, patent rights and applications therefor, trademarks and applications therefor, copyrights and all applications and registrations therefor, license rights and goodwill;

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

1. Incorporation of Loan Agreement Definitions. The Loan Agreement and the provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Loan Agreement.

2. Assignment for Security. To secure the complete and timely payment and satisfaction of the Obligations, Assignor hereby grants to Lender a continuing security interest in Assignor's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising:

patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Schedule A attached hereto and made a part hereof and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing 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 "Patents");

copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Schedule B attached hereto and made a part hereof and all renewals of any of the foregoing, all income, royalties, damages and payments now and 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 "Copyrights");

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 in connection therewith, including, without limitation, the trademarks and applications listed on Schedule C attached hereto and made a part hereof 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 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 Assignor's business connected with the use of and symbolized by the Trademarks.

In addition to, and not by way of limitation of, all other rights granted to Lender under this Assignment. Assignor hereby assigns, transfers and conveys to Lender all of the Patents, Copyrights and Trademarks, together with the rights and goodwill described in clause (d) above to the extent necessary to enable Lender, effective upon the occurrence of any Event of Default, to realize on such property and any successor or assign to enjoy the benefits thereof. This right and assignment shall inure to the benefit of Lender and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. Such right and assignment is granted free of charge, without requirement that any monetary payment whatsoever (including, without limitation, any royalty or license fee) be made to Assignor or any other Person by Lender (except that if Lender shall receive proceeds from the disposition of any such property, such proceeds shall be applied to the Obligations).

3. Reports of Applications. The Patents, Copyrights and Trademarks constitute all of the federally registered patents, copyrights and trademarks, and applications therefor now owned by Assignor. Assignor shall provide Lender on a quarterly basis with a list of all new federally registered patents, copyrights and trademarks and federal applications for letters patent, copyright registrations and trademark registrations, if any, which new patents, copyrights trademarks and applications shall be subject to the terms and conditions of the Loan Agreement and this Assignment.

4. Effect on Loan Agreement; Cumulative Remedies. Assignor acknowledges and agrees that this Assignment is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement but rather is intended to supplement and facilitate the exercise of such rights and remedies. All of the rights and remedies of Lender with respect to the Patents, Copyrights and Trademarks, whether established hereby, by the Loan Agreement, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently. NOTWITHSTANDING ANY PROVISION HEREIN CONTAINED TO THE CONTRARY, LENDER SHALL NOT HAVE THE RIGHT TO USE AND ENFORCE THE PATENTS, COPYRIGHTS AND TRADEMARKS UNLESS AND UNTIL THE OCCURRENCE OF AN EVENT OF DEFAULT, AND UNTIL THE OCCURRENCE OF AN EVENT OF DEFAULT ASSIGNOR SHALL HAVE ALL OF SUCH RIGHTS.

5. Binding Effect; Benefits. This Assignment shall be binding upon Assignor and its respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

6. APPLICABLE LAW; SEVERABILITY. THIS ASSIGNMENT SHALL BE GOVERNED BY AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH ALL OF THE PROVISIONS OF THE ILLINOIS UNIFORM COMMERCIAL CODE AND BY THE OTHER INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES, EXCEPT FOR THE PERFECTION AND ENDORSEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS OR, AS APPLICABLE, BY THE LAWS OF THE UNITED STATES OF AMERICA. WHENEVER POSSIBLE, EACH PROVISION OF THIS ASSIGNMENT SHALL BE INTERPRETED IN SUCH A MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS ASSIGNMENT SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH

PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISIONS OR THE REMAINING PROVISIONS OF THIS ASSIGNMENT.

7. CONSENT TO JURISDICTION. ASSIGNOR HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF COOK, STATE OF ILLINOIS AND IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE LOAN AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. ASSIGNOR EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, ASSIGNOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON ASSIGNOR BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO ASSIGNOR AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETED WITHIN TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

8. JURY TRIAL WAIVER. ASSIGNOR AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE LOAN AGREEMENT. ASSIGNOR AND LENDER EACH ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THIS WAIVER IN ENTERING INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT AND THE LOAN AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. ASSIGNOR AND LENDER HEREBY WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

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

MCAULEY'S, INC.

2300 Sitler Street
Memphis, Tennessee 38114

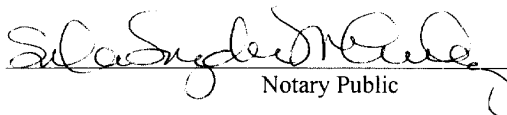
By: Gene W. McAuley
Name: Gene W. McAuley
Its: CEO

Accepted and Agreed to:
HELLER FINANCIAL, INC.
500 West Monroe Street
Chicago, Illinois 60661

By: Michael A. DuBois
Name: MICHAEL A. DuBois
Its: VICE PRESIDENT

STATE OF Tennessee)
) SS
COUNTY OF Shelby)

The foregoing Assignment for Security of Patents, Trademarks and Copyrights was executed and acknowledged before me this 3 of June, 1998 by Michael H. DuBois, personally known to me to be the Vice President of Heller Financial, Inc., a Delaware corporation, on behalf of such corporation.

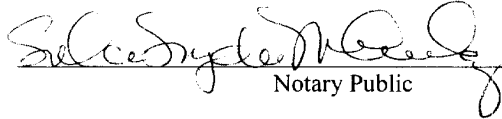

Notary Public

My commission expires:

1-17-2001

STATE OF Tennessee)
) SS
COUNTY OF Shelby)

The foregoing Assignment for Security of Patents, Trademarks and Copyrights was executed and acknowledged before me this 3 of June, 1998 by Gene W. McAuley, personally known to me to be the CEO of McAuley's, Inc., a Tennessee corporation, on behalf of such corporation.



Notary Public

My commission expires:

1-17-01

SCHEDULE A

MCAULEY'S, INC. PATENTS

<u>U.S. Patent No.</u>	<u>Date Issued</u>	<u>Related Foreign Patents</u>
N/A		

MCAULEY'S, INC. PATENT APPLICATIONS

<u>U.S. Patent Application No.</u>		<u>Date Applied</u>
08/922,890	Clear Gel Candle and Method of Making	9/3/97

SCHEDULE B

MCAULEY'S, INC. COPYRIGHT REGISTRATIONS

<u>Registration No.</u>	<u>Date</u>
N/A	

MCAULEY'S, INC. COPYRIGHT APPLICATIONS

<u>Copyright Description</u>	<u>Copyright Application No.</u>	<u>Date Applied</u>
N/A		

SCHEDULE C

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AROMAWAX	75/287,296	5/5/97
EDEN ESSENTIALS	75/412,213	12/30/97

ATL 540465.2
MCAULEY'S, INC.
Assignment of Patents, Trademarks & Copyrights

RECORDED: 07/06/1998