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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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U.S. Patent & TMO/TM Mail Rep. Dt. #54



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Original documents or copy thereof.

1. Name of cor

Telebrauns Corp.

- Individual(s)
- General Partnership
- Corporation-State VA
- 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: July 1, 1998

2. Name and address of receiving party(ies)

Name: Republic Business Credit Corporation

Internal Address:

Street Address: 452 Fifth Avenue

City: New York State: NY ZIP: 10018

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State NY
- 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):

A. Trademark Application No.(s)

75/457,474
75/457,472
75/452,689

B. Trademark Registration No.(s)

2,058,221
2,062,116
1,951,809

Additional numbers attached? Yes No

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

Name: Joyce I. Francis

Internal Address: Schulte Roth & Zabel LLP

Street Address: 900 Third Avenue

City: New York State: NY ZIP: 10022

6. Total number of applications and registrations involved: 27

7. Total fee (37 CFR 3.41) \$ 90.25

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: 20-0852

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

DO NOT USE THIS SPACE

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.

Joyce I. Francis

Name of Person Signing

Joyce I. Francis

Signature

Date

Christine Wilson

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

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U.S. DEPARTMENT OF COMMERCE
PATENT & TRADEMARK OFFICE

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01 FC-401
02 FC-402

TRADEMARK SECURITY AGREEMENT

SCHEDULE A

Telebrands Corp.

Applications:

<u>Mark</u>	<u>Serial No.</u>	<u>Filing Date</u>
TRIPLEEDGE	75/457,474	March 26, 1998 (ITU)
TRIPLE PLAY	75/457,472	March 26, 1998 (ITU)
FEATHERED FRIENDS	75/452,689	March 19, 1998 (ITU)
KEEP IT HOT	75/405,328	December 15, 1997 (ITU)
LAVA PLATE	75/378,087	October 23, 1997 (ITU)
VOLCANO PLATE	75/378,086	October 23, 1997 (ITU)
SUPER SUCTION MOP	75/375,917	October 20, 1997 (ITU)
MILLENNIUM COUNTDOWN	75/326,441	July 16, 1997 (ITU)
STATICDUSTER	75/309,649	June 16, 1997 (ITU)
SKY GLIDER	75/250,309	March 3, 1997 (ITU)
TV BRANDS	75/173,545	September 30, 1996 (ITU)

Registrations:

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
SILVER LIGHTNING	2,058,221	April 29, 1997
BACON MAGIC	2,062,116	May 13, 1997
TELEBRANDS	1,951,809	January 23, 1996

PUZZLE PLEX THE 3-D PUZZLE & Design	2,006,540	October 8, 1996
PUZZLE PLEX	1,988,870	July 23, 1996
GLAMOUR CURL	1,935,916	November 14, 1995
MAGNA SOUND 2000	1,924,478	October 3, 1995
MICROBEAT	1,884,251	March 14, 1995
PONY FLIPS	1,926,484	October 10, 1995
BLUE MAX	1,843,538	July 5, 1994
DAZZLE	1,707,689	August 18, 1992
TELEBRANDS	1,811,677	December 14, 1993
SWEDA	1,750,686	February 2, 1993
NO MORE RUNS	1,707,606	August 11, 1992
WHISPER 2000	1,626,817	December 11, 1990
AMBERVISION	1,916,005	September 5, 1995

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of July 1, 1998 is made by TELEBRANDS CORP., a Virginia corporation (the "Debtor"), in favor of REPUBLIC BUSINESS CREDIT CORPORATION (the "Secured Party").

RECITALS

A. The Debtor and Secured Party have entered into that certain Factoring Agreement, dated as of the date hereof, a Supplemental Agreement dated as of the date hereof and certain Financing Agreements (as defined in such Supplemental Agreement) (each as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time, the "Loan Agreements"), pursuant to which Secured Party has agreed to make certain loans and other extensions of credit to or for the benefit of the Debtor.

B. The Debtor has granted to the Secured Party a security interest in (among other things) all general intangibles of the Debtor in order to secure the Debtor's obligations under each of the Loan Agreements to which the Debtor is party.

C. Pursuant to the Loan Agreements and as one of the conditions to the obligations of Secured Party under the Loan Agreements, the Debtor has agreed to execute and deliver this Agreement to Secured Party for filing with the United States Patent and Trademark Office and with any other relevant recording systems in any domestic or foreign jurisdiction, and as further evidence of and to effectuate Secured Party's existing security interests in the trademarks and other general intangibles described herein.

TERMS

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Debtor hereby agrees in favor of Secured Party as follows:

1. Definitions: Interpretation.

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Proceeds" means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Trademark Collateral, including "proceeds" as defined at New York UCC Section 9-306, all insurance proceeds and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of the Debtor, from time to time in respect of any of the Trademark Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of the Debtor from time to time with respect to any of the Trademark Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to any Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all

or any part of the Trademark Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Trademark Collateral or for or on account of any damage or injury to or conversion of any Trademark Collateral by any Person.

"PTO" means the United States Patent and Trademark Office and any successor thereto.

"Secured Obligations" means all liabilities, obligations, or undertakings owing by the Debtor to Secured Party of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreements or this Agreement, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the United States Bankruptcy Code) and any and all costs, fees (including attorney's fees), and expenses which the Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

"Trademark Collateral" has the meaning set forth in Section 2.

"Trademarks" has the meaning set forth in Section 2.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"United States" and "U.S." each mean the United States of America.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings ascribed to them in the UCC.

(c) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a subsection or a clause of the Section or subsection in which the reference appears.

(ii) The words "hereof," "herein," "hereto," "hereunder" and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation".

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) Capitalized words not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreements.

(ix) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreements, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreements shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of the Debtor and supplemental rights and remedies in favor of Secured Party (whether under New York law or applicable federal law), in each case in respect of the Trademark Collateral, shall not be deemed a conflict with the Loan Agreements.

2. Security Interest.

(a) Assignment and Grant of Security Interest. To secure the payment and performance of the Secured Obligations, the Debtor hereby grants and assigns a security interest to Secured Party in all of the Debtor's right, title and interest in, to, and under the following property, whether now existing or hereafter acquired or arising, and whether registered or unregistered (collectively, the "Trademark Collateral"):

(i) all state (including common law), federal and foreign trademarks, service marks and trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted, acquired or used by the Debtor in its business or operations, together with and including all licenses therefor held by the Debtor, and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the PTO, any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the

obligation) to register claims under any state or federal trademark law or regulation or any trademark law or regulation of any foreign country and to apply for, renew and extend any of the same, to sue or bring opposition or cancellation proceedings in the name of the Debtor or in the name of Secured Party for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks.");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of the Debtor's business symbolized by the Trademarks or associated therewith; and

(iv) all products and Proceeds of any and all of the foregoing.

(b) Certain Exclusions from Grant of Security Interest. Anything in this Agreement and the other Loan Documents to the contrary notwithstanding, the foregoing grant and assignment of a security interest shall not extend to, and the term "Trademark Collateral" shall not include, any item of Trademark Collateral described in Section 2(a) above that is now or hereafter owned by a third party and held or used by the Debtor as licensee or otherwise, solely in the event and to the extent that: (i) as the proximate result of the foregoing grant and assignment of a security interest, the Debtor's rights in or with respect to such item of Trademark Collateral would be forfeited or would become void, voidable, terminable, or revocable pursuant to the restrictions in the underlying license or other agreement that governs such item of Trademark Collateral; and (ii) any such restriction shall be effective and enforceable under applicable law, including Section 9-318(4) of the Code; provided, however, that the foregoing grant and assignment of security interest shall extend to, and the term "Trademark Collateral" shall include, (y) any and all proceeds of such item of Trademark Collateral to the extent that the assignment or encumbering of such proceeds is not so restricted, and (z) upon any such licensor or other applicable party's consent with respect to any such otherwise excluded item of Trademark Collateral being obtained, thereafter such item of Trademark Collateral as well as any proceeds thereof that might theretofore have been excluded from such grant and assignment of a security interest and the term Trademark Collateral.

(c) Continuing Security Interest. The Debtor agrees that this Agreement shall create a continuing security interest in the Trademark Collateral which shall remain in effect until terminated in accordance with Section 17.

(d) Incorporation into Loan Agreement. This Agreement shall be fully incorporated into the Loan Agreements and all understandings, agreements and provisions contained in the Loan Agreements shall be fully incorporated into this Agreement. Without limiting the foregoing, the Trademark Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreements.

3. Further Assurances: Appointment of Secured Party as Attorney-in-Fact.

The Debtor at its own expense shall execute and deliver, or cause to be executed and delivered, to Secured Party any and all documents and instruments, in form and substance reasonably satisfactory to Secured Party, and take any and all action, which Secured Party may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Secured Party's security interest in the Trademark Collateral and to accomplish the purposes of this Agreement. Secured Party shall have the right, in the name of the Debtor, or in the name of Secured Party or otherwise, without notice to or assent by the Debtor, and the Debtor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) as the Debtor's true and lawful attorney-in-fact with full power and authority, if the Debtor refuses or fails to do so timely after an Event of Default has occurred and is continuing, (i) to sign the name of the Debtor on all or any of such documents or instruments and perform all other acts that Secured Party reasonably deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Secured Party's security interest in, the Trademark Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Secured Party may deem necessary or commercially reasonable to maintain, preserve and protect the Trademark Collateral and to accomplish the purposes of this Agreement, including, after the occurrence and during the continuance of any Event of Default, (A) to defend, settle, adjust or institute any action, suit or proceeding with respect to the Trademark Collateral, (B) to assert or retain any rights under any license agreement for any of the Trademark Collateral, and (C) to execute any and all applications, documents, papers and instruments for Secured Party to use the Trademark Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Trademark Collateral (it being understood that so long as no Event of Default has occurred and is continuing, the Debtor may grant or issue licenses in the ordinary course of business with respect to the Trademark Collateral), and to assign, convey or otherwise transfer title in or dispose of the Trademark Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 17.

4. Representations and Warranties. The Debtor represents and warrants to Secured Party as follows:

(a) No Other Trademarks. Schedule A sets forth a true and correct list of all of the existing Trademarks that currently are registered, or for which any currently pending application for registration has been filed with the PTO or any corresponding or similar trademark office of any other U.S. or foreign jurisdiction, and that are owned and held or used (whether pursuant to a license or otherwise) by the Debtor.

(b) Trademarks Subsisting. Each of the Trademarks listed in Schedule A is valid, subsisting and enforceable as of the date hereof and, except as disclosed in the Loan Agreements, no claim has been made that the use of any such Trademark does or may infringe or otherwise violate the rights of any third Person.

(c) Ownership of Trademark Collateral: No Violation. (i) The Debtor has rights in and, to Debtor's knowledge, good and defensible title to the existing Trademark Collateral, (ii) with respect to the Trademark Collateral shown on Schedule A hereto as owned by it, the Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than Liens in favor of Secured Party and other than the rights of the licensor of a license made by such licensor to the Debtor as licensee), including licenses, registered user agreements and covenants by the Debtor not to sue third persons, and (iii) with respect to any Trademarks for which the Debtor is either a licensor or a licensee pursuant to a license agreement regarding such Trademark, each such license agreement, to the Debtors' knowledge, is in full force and effect, the Debtor is not in default of any of its obligations thereunder and, other than the parties to such licenses or licensing agreements, to Debtor's knowledge no other Person has any rights in or to any of the Trademark Collateral. To the best of the Debtor's knowledge, the past, present and contemplated future use of the Trademark Collateral by the Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person.

(d) No Infringement. To the best of the Debtor's knowledge, no material infringement or unauthorized use presently is being made of any of the Trademark Collateral by any Person.

(e) Powers. The Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party a security interest in all of the Debtor's right, title, and interest in and to the Trademark Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. So long as any of the Secured Obligations remain unsatisfied, the Debtor agrees that it will comply with all of the covenants, terms and provisions of this Agreement and the Loan Agreements, and the Debtor will promptly give Secured Party written notice of the occurrence of any event that the Debtor reasonably believes could have a material adverse effect on any of the Trademarks or the Trademark Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Trademarks as to which the Debtor is a licensee.

6. Future Rights. For so long as any of the Secured Obligations shall remain outstanding, or, if earlier, until Secured Party shall have released or terminated, in whole but not in part, its interest in the Trademark Collateral, if and when the Debtor shall obtain rights to any new Trademarks of material value to Debtor or the operation of Debtor's business, or any reissue, renewal or extension of any Trademarks of material value to Debtor or the operation of Debtor's business, the provisions of Section 2 shall automatically apply thereto and the Debtor shall give to Secured Party prompt notice thereof, and in any event shall give such notice at least annually with respect to any other rights, reissues, renewals or extensions. At the request of the Secured Party, the Debtor shall do all things reasonably deemed necessary or advisable by Secured Party to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party in such future acquired Trademark Collateral. The Debtor hereby authorizes Secured Party

to supplement the Schedules hereto and to re-execute this Agreement from time to time on that Debtor's behalf and as its attorney-in-fact to include any future Trademarks which are or become Trademark Collateral and to cause such re-executed Agreement or such supplemented Schedules to be filed with the PTO.

7. Secured Party's Duties. Notwithstanding any provision contained in this Agreement, Secured Party shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to the Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Secured Party hereunder or in connection herewith, Secured Party shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Trademark Collateral.

8. Remedies. From and after the occurrence and during the continuation of an Event of Default, Secured Party shall have all rights and remedies available to it under the Loan Agreements and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Trademark Collateral or any other Collateral. The Debtor agrees that such rights and remedies include the right of Secured Party as a secured party to sell or otherwise dispose of its Collateral after default, pursuant to UCC Section 9-504. The Debtor agrees that Secured Party shall at all times have such royalty-free licenses, to the extent permitted by law, for any Trademark Collateral that is reasonably necessary to permit the exercise of any of Secured Party's rights or remedies upon or after the occurrence of (and during the continuance of) an Event of Default with respect to (among other things) any asset of the Debtor in which Secured Party has a security interest, including Secured Party's rights to sell, lease, or license General Intangibles, inventory, tooling or packaging which is acquired by the Debtor (or its successors, permitted assignees, or trustees in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party deems necessary or advisable, in the name of the Debtor or Secured Party, to enforce or protect any of the Trademark Collateral, in which event each Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents reasonably required by Secured Party in aid of such enforcement. To the extent that Secured Party shall elect not to bring suit to enforce such Trademark Collateral, the Debtor agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the material infringement, misappropriation or violation thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such material infringement, misappropriation or violation.

9. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Debtor and Secured Party and their respective successors and permitted assigns.

10. Notices. All notices and other communications hereunder to or from Secured Party or the Debtor shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreements.

11. **GOVERNING LAW AND VENUE: JURY TRIAL WAIVER.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE ASSIGNMENT AND SECURITY INTERESTS HEREUNDER IN RESPECT OF ANY PROPERTY ARE GOVERNED BY FEDERAL LAW, IN WHICH CASE SUCH CHOICE OF NEW YORK LAW SHALL NOT BE DEEMED TO DEPRIVE SECURED PARTY OF SUCH RIGHTS AND REMEDIES AS MAY BE AVAILABLE UNDER FEDERAL LAW. THE VALIDITY OF THIS AGREEMENT, CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK OR, AT THE SOLE OPTION OF SECURED PARTY, IN ANY OTHER COURT IN WHICH SECURED PARTY SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. EACH DEBTOR AND SECURED PARTY WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 11.

THE DEBTOR AND SECURED PARTY HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. THE DEBTOR AND SECURED PARTY REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12. **Entire Agreement: Amendment.** This Agreement, together with the Schedules hereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties as provided in the Loan Agreements. Notwithstanding the foregoing, Secured Party may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

13. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

15. Loan Agreements. The Debtor acknowledges that the rights and remedies of Secured Party with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Loan Agreements and all such rights and remedies are cumulative.

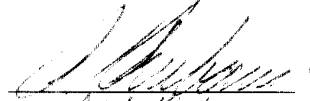
16. No Inconsistent Requirements. The Debtor acknowledges that this Agreement and the other Loan Agreements may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and the Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms

17. Termination. Upon the indefeasible payment in full of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreements, this Agreement shall terminate and Secured Party shall execute and deliver such documents and instruments and take such further action reasonably requested by the Debtor, all without representation or warranty, at the Debtor's expense, as shall be necessary to evidence termination of the security interest granted by the Debtor to Secured Party hereunder.

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

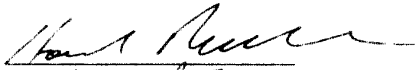
TELEBRANDS CORP.



By: *A. F. Khabani*

Title: *President*

REPUBLIC BUSINESS CREDIT
CORPORATION



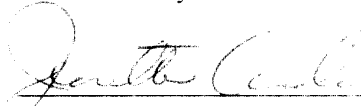
By: *Harold Botwick*

Title: *S/P*

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK)

On July 1, 1998, before me, JEANETTE ARIOLA Notary Public, personally appeared Art Knaflitz, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

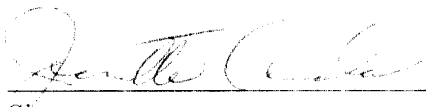
WITNESS my hand and official seal.


Signature
JEANETTE ARIOLA
Notary Public, State of New York
No. 01AR4798015
Qualified in Queens County
Commission Expires Dec. 31, 1999

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK)

On July 1, 1998, before me, JEANETTE ARIOLA Notary Public, personally appeared Howard Borland personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.


Signature
JEANETTE ARIOLA
Notary Public, State of New York
No. 01AR4798015
Qualified in Queens County
Commission Expires Dec. 31, 1999