FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)
MRO 9-23-98
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RECO 09-28-1998 EET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of Patents: 100839920 ...ed original documents or copy thereof.

1. Name of conveying party(ies):
California Fashion Industries, Inc.

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

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

2. Name and address of receiving party(ies)

Name: Wells Fargo Bank

Internal Address: Attn: Star Jeppsen

Street Address: 333 South Grand Avenue, Suite 940

City: Los Angeles State: CA ZIP: 90071

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

If assignee is not domiciled in the United States, a domestic represetative designation is attached: ☐ Yes ☐ No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

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

Execution Date: August 31, 1998

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

A. Trademark Application No.(s)

SEE ATTACHED

B. Trademark Registration No.(s)

SCHEDULE A

Additional numbers attached? ☒ Yes ☐ No

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

Name: Chester Rothstein, Esq.

Internal Address:

AMSTER, ROTHSTEIN & EBENSTEIN

Street Address: 90 Park Avenue

City: New York State: NY ZIP: 10016

6. Total number of applications and registrations involved: 25

7. Total fee (37 CFR 3.41).....$ 640.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

01-1785

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

09/28/1998 DCOATES 00000017 1099607
01 FC:481 40.00 OP
02 FC:482 600.00 OP

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.

Chester Rothstein
Name of Person Signing

Signature

Sept. 23, 1998
Date

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

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments

SCHEDULE A
to
AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT
Dated as of August 31, 1998

1. Federal Registrations

Registration Number	Mark	Registration Date
1,099,607	SAINT-TROPEZ WEST	August 15, 1978
1,180,284	CAROLE LITTLE	December 1, 1981
1,206,245	FOR THE WOMAN ON HER WAY UP	August 24, 1982
1,234,576	SAINT-TROPEZ WEST	April 12, 1983
1,245,256	CAROLE LITTLE	July 12, 1983
1,313,520	CAROLE LITTLE WORKS FOR YOU	January 8, 1985
1,494,314	ST. TROPEZ WEAR	June 28, 1988
1,503,112	LAUREN EDWARDS	September 6, 1988
1,515,467	LITTLE OR NOTHING	December 6, 1988
1,535,379	OR I WON'T GET DRESSED	April 18, 1989
1,596,562	CLLA	May 15, 1990
1,601,527	CAROLE LITTLE	June 12, 1990
1,637,257	CL	March 5, 1991
1,643,666	CFI	May 7, 1991
1,764,622	SAINT-TROPEZ WEST	April 13, 1993
1,774,458	BEVERLY HILLS JET	June 1, 1993
1,790,729	Logo Design (circle & rectangle)	August 31, 1993
1,841,532	CFOS	June 21, 1994
1,863,763	STREET WEAR CAROLE LITTLE CL	November 22, 1994
1,891,851	BEVERLY GROVE FABRICS	April 25, 1995

1,947,064	CAROLE LITTLE II	January 9, 1996
1,965,552	CL II	April 2, 1996
2,096,012	CLLA	September 9, 1997

1-A. Pending Federal Registrations

Application/Serial Number	Mark	Filing Date
75/304,049	Logo Design (motion picture projector)	June 5, 1997
75/304,181	St. Tropez Films	June 5, 1997

2. State Registrations

Registration Number	Mark	Registration Date
CA 55950	ST. TROPEZ	April 5, 1977 Renewed through April 5, 2007
CA 59241	SAINT-TROPEZ WEST	March 13, 1979
CA 59922	CAROLE LITTLE	July 24, 1979

3. International Registrations

Registration Number	Mark	Jurisdiction/ Issue Date
315,661	CAROLE LITTLE	Canada / June 27, 1986
320,536	CAROLE LITTLE	Canada / November 14, 1986
459,163	CL II	Canada / June 7, 1996
469,549	CAROLE LITTLE II	Canada / January 23, 1997
519,263	CL II	Mexico / March 25, 1996
519,264	CAROLE LITTLE II	Mexico / March 25, 1996
524,200	CAROLE LITTLE	Mexico / June 20, 1996

AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT

This AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT (this "Agreement") is entered into as of August 31, 1998, by and between CALIFORNIA FASHION INDUSTRIES, INC., a California corporation ("Obligor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

WHEREAS, The Rabinowitz Revocable Trust of 1988 under Declaration of Trust dated September 23, 1988 ("Trust"), Obligor, and Bank have heretofore entered into that certain Second Amended and Restated Credit Agreement dated as of April 25, 1997 (as amended to the date hereof, the "Existing Credit Agreement"), pursuant to which Bank has extended certain credit facilities to the Trust and Obligor; and

WHEREAS, the Trust, the Obligor and the Bank have agreed to amend and restate the Existing Credit Agreement pursuant to that certain Third Amended and Restated Credit Agreement dated as of August 31, 1998, by and among the Trust, the Obligor and the Bank (said agreement, as it may hereafter be amended, restated or otherwise modified from time to time, being the "Credit Agreement"; capitalized terms used herein without definition have the meanings assigned thereto in the Credit Agreement); and

WHEREAS, to secure its obligations to Bank under the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement), Obligor has executed various agreements, including without limitation, and that certain Trademark Collateral Assignment Agreement dated as of April 25, 1997, pursuant to which the Obligor granted to the Bank a security interest in certain property of the Obligor including, without limitation, various proprietary rights, trademarks, trade names and general intangibles of the Obligor (such agreement, as amended to the date hereof, being the "Existing Company Trademark Security Agreement"); and

WHEREAS, to secure its obligations to Bank under the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement), the Trust has executed various agreements, including without limitation, that certain Trademark Collateral Assignment Agreement dated as of April 25, 1997, pursuant to which the Trust granted to the Bank a security interest in certain property of the Trust including, without limitation, various proprietary rights, trademarks, trade names and general intangibles of the Obligor (such agreement, as amended to the date hereof, being the "Existing Trust Trademark Security Agreement"); and

WHEREAS, in connection with the amendment and restatement of the Existing Credit Agreement pursuant to the Credit Agreement, the Trust will transfer to the Obligor certain proprietary rights, trademarks, and trade names that are subject to the Existing Trust Trademark Security Agreement, and Bank is willing to consent to such transfer, provided that such assets at all times remain subject to the Bank's security interest;

WHEREAS, Obligor and Bank desire to amend and restate the Existing Company Trademark Security Agreement in order to (i) confirm that the Existing Company Trademark Security Agreement granted to the Bank a security interest (and not a greater property interest) in the collateral described therein, (ii) amend the description of collateral described therein to include certain trademarks, tradenames and other property that will, on or before the date hereof, be transferred to the Obligor by the Trust, and (iii) provide that the Obligor shall grant hereunder to Bank a security interest in the collateral described herein;

WHEREAS, Pursuant to the Continuing Security Agreement: Equipment and Fixtures, and the Continuing Security Agreement: Rights to Payment and Inventory, each executed by Obligor dated as of April 25, 1997 (collectively, the "Security Agreements"), Obligor has assigned and granted to Bank a lien on and security interest in, among other assets, all of Obligor's equipment, inventory, accounts and general intangibles relating to the products and services sold or delivered under or in connection with the Trademarks such that, upon the occurrence and during the continuation of an Event of Default, Bank would be able to exercise its remedies consistent with the Security Agreements, this Agreement and applicable law to foreclose upon Obligor's business and use the Trademarks, the trademark registrations and the Trademark Rights in conjunction with the continued operation of such business, maintaining substantially the same product and service specifications and quality as maintained by Obligor, and benefit from the Associated Goodwill; and

WHEREAS, it is a condition precedent to the effectiveness of the Credit Agreement that Obligor and Bank enter into this Agreement;

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, Obligor and Bank hereby agree to amend and restate the Existing Company Trademark Security Agreement in its entirety as follows:

1. Defined Terms. Capitalized terms which are not otherwise defined herein shall have the meanings given to them in the Credit Agreement and the following terms shall have the following meanings, unless the context otherwise requires:

"Agreement" shall mean this Agreement, as the same may from time to time be amended, modified, restated or supplemented.

"Associated Goodwill" shall mean all goodwill of the Obligor's business symbolized by the Trademarks and associated therewith, including without limitation the documents and things described in Sections 2(iii) through 2(vii).

"Code" shall mean the Uniform Commercial Code as the same may from time to time be in effect in the State of California.

"Collateral" shall have the meaning assigned to it in Section 2 of this Agreement.

"Event of Default" shall mean any default hereunder and/or any Event of Default as defined in the Credit Agreement.

"Licenses" shall mean the trademark license agreements of Obligor designated on Schedule I hereto, as any of the same may from time to time be amended or supplemented.

"Obligations" shall have the meaning assigned to it in the Credit Agreement.

"Proceeds" shall have the meaning assigned to it under Section 9-306 of the Code, and in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to Obligor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Obligor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color or governmental authority), and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Trademarks" shall mean the registered trademarks and pending applications shown in the attached Schedule A, and those trademarks which are hereafter adopted or acquired by Obligor, and all right, title and interest therein and thereto, and all (other than by License or by permission from a third party) registrations, applications, and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, and any foreign country all whether now owned or hereafter acquired by Obligor.

"Trademark Rights" means all common law and other rights in and to the Trademarks in the United States and any state thereof and in foreign countries.

2. Grant of Security Interest. As collateral security for the prompt payment of all of the Obligations, Obligor hereby grants and conveys to Bank a continuing security interest in and to (a) the entire right, title and interest of Obligor in and to the Trademarks, including the registrations and applications appurtenant thereto, listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), and in and to any and all trademarks, and registrations and applications appurtenant thereto, hereafter acquired or filed by Obligor, including without limitation all renewals thereof, all proceeds of infringement suits, the rights (but not the obligation) to sue for past, present and future infringements and all rights corresponding thereto in the United States and any foreign country and the Associated Goodwill, and (b) all of Obligor's conveyable right, title and interest in, to and under the following:

(i) all Licenses;

(ii) all receivables, contract rights and general intangibles arising under or relating to each and every License (including, without limitation, (A) all moneys due and to become due under any License, (B) any damages arising out of or for breach or default in respect of any such License, (C) all other amounts from time to time paid or payable under or in connection with any such License, and (D) the right of Obligor to terminate any such License or to perform and to exercise all remedies thereunder);

(iii) all lists and ancillary documents that identify and describe any of Obligor's customers, or those of its Affiliates, licensees or subcontractors, for products sold and services delivered under or in connection with the Trademarks or Trademark Rights, including without limitation any lists and ancillary documents that contain a customer's name and address, the name and address of any of its warehouses, branches or other places of business, the identity of the Person or Persons having the principal responsibility on a customer's behalf for ordering products or services of the kind supplied by Obligor, or the credit, payment, discount, delivery or other sale terms applicable to such customer, together with information setting forth the total purchases, by brand, product, service, style, size or other criteria, and the patterns of such purchases;

(iv) all product and service specification documents and production and quality control manuals used in the manufacture or delivery of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights;

(v) all documents which reveal the name and address of any source of supply, and any terms of purchase and delivery, for any and all materials, components and services used in the production of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights; and

(vi) all documents constituting or concerning the then current or proposed advertising and promotion by Obligor or its Affiliates, licensees or subcontractors of products and services sold or delivered under or in connection with the Trademarks or Trademark Rights including, without limitation, all documents which reveal the media used or to be used and the cost for all such advertising conducted within the described period or planned for such products and services;

(vii) all books, records, ledger cards, files, correspondence, computer programs, tapes, disks and related data processing software that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon;

(viii) to the extent not included in the foregoing clauses (i) - (vii), all general intangibles relating to the Collateral; and

(ix) to the extent not otherwise included, all Proceeds and products of any or all of the foregoing.

All of the property referred to in this paragraph 2 is hereafter collectively called the "Collateral."

3. Representations and Warranties. Obligor covenants and warrants that as of the date of this Agreement:

(a) The Trademarks (other than those Trademarks listed on Schedule B attached hereto) are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Obligor's knowledge, each of the Trademarks (other than those Trademarks listed on Schedule B attached hereto) is valid and enforceable;

(c) There is no outstanding claim that the use of any of the Trademarks (other than those Trademarks listed on Schedule B attached hereto) violates the rights of any third person;

(d) Obligor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks (other than those Trademarks listed on Schedule B attached hereto), free and clear of any liens, charges and encumbrances, (including without limitation pledges, assignments, licenses, registered user agreements and covenants by Obligor not to sue third persons);

(e) Obligor has the right to enter into this Agreement and perform its terms;

(f) Obligor has used, and will continue to use for the duration of this Agreement, proper statutory notice, where and if appropriate, in connection with its use of the Trademarks; and

(g) Obligor has used, and will continue to use for the duration of this Agreement, reasonably consistent standards of quality in its manufacture of products sold under the Trademarks.

4. Right of Inspection. Obligor hereby grants to Bank and its employees and agents the right at reasonable times and upon reasonable prior notice to visit Obligor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control relating thereto at reasonable times during regular business hours. Obligor shall use its best efforts to do any and all acts required by Bank to ensure Obligor's compliance with paragraph 3(g) above.

5. New Trademarks.

(a) If, before the Obligations shall have been paid in full, Obligor shall obtain rights to any new trademarks, the provisions of paragraph 2 shall automatically apply thereto and Obligor shall give Bank prompt written notice thereof.

(b) Obligor grants Bank a power-of-attorney, irrevocable so long as the Credit Agreement is in existence, to modify this Agreement by amending Schedule A to include any future trademarks, including trademark registrations or applications appurtenant thereto covered

by this Agreement, provided Bank shall promptly deliver a copy of such revised schedule to Obligor.

6. Covenants. Obligor covenants and agrees with Bank that from and after the date of this Agreement and until the Obligations are fully satisfied:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of Bank, Obligor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Bank may reasonably deem desirable in obtaining the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Code with respect to the liens and security interests granted hereby. Obligor also hereby authorizes Bank to file any such financing or continuation statement without the signature of Obligor to the extent permitted by applicable law (Bank shall promptly deliver copies thereof to Obligor). If any amount payable under or in connection with any of the Collateral shall be or become evidenced by an promissory note or other instrument, such note or instrument shall be immediately pledged to Bank hereunder, duly endorsed in a manner satisfactory to Bank.

(b) Maintenance of Trademarks. Obligor will not do any act, or omit to do any act, whereby the Trademarks (other than those Trademarks listed on Schedule B attached hereto) or any registration or application appurtenant thereto, may become abandoned, invalidated, unenforceable, avoided, avoidable, or will otherwise diminish in value, and shall notify Bank immediately if Obligor knows of any ground under which this result has occurred. However, Obligor may perform any act under this subparagraph 6(b) if Obligor determines it is in good business judgment to take such act, and Obligor gives notice to Bank of its intention to take such act at least thirty (30) days prior to the act and Bank does not communicate its intention to forbid, or its instruction forbidding, such action within 15 days of receipt of notice. Obligor shall take appropriate action at its expense to halt any unauthorized use of those Trademarks having any material value (other than those Trademarks listed on Schedule B attached hereto).

(c) Indemnification. Obligor assumes all responsibility and liability arising from Obligor's or its assignees use of the Trademarks, and Obligor hereby indemnifies and holds Bank harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of Obligor's operations of its business from the use of the Trademarks.

(d) Limitation of Liens on Collateral. Obligor will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as its necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Collateral and will defend the right, title and interest of Bank in and to any of Obligor's rights under any License and to the Proceeds thereof against the claims and demands of all persons whomever.

(e) Limitation on Modifications of Licenses. Obligor will not (i) fail to exercise promptly and diligently each and every material right which it may have under each License (other than any right of termination), without the prior written consent of Bank, or (ii) fail to

deliver to Bank a copy of each material demand, notice or document sent or received by it relating in any way to any License or Trademark.

(f) Notices. Obligor will advise Bank promptly, in reasonable detail, (i) of any lien or claim made or asserted against any of the Collateral, (ii) of any material change in the composition of the Collateral, and (iii) of the occurrence of any other event which would have a material adverse effect on the value of any of the Collateral or on the security interests created hereunder.

(g) Limitation on Further Uses of Trademarks. Obligor will not, other than as set forth in Schedule B, assign, sell, mortgage, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, or otherwise dispose of any of a material portion of the Collateral, without prior written consent of Bank.

7. Bank's Appointment as Attorney-in-Fact.

(a) Upon the occurrence of an Event of Default Obligor hereby irrevocably constitutes and appoints Bank and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Obligor and in the name of Obligor or in its own name, from time to time in Bank's discretion, for the purposes of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives Bank the power and right, on behalf of Obligor, to do the following:

(i) Upon the occurrence and continuance of an Event of Default, to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any License and, in the name of Obligor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Bank for the purpose of collecting any and all such moneys due under any License whenever payable;

(ii) If Obligor fails to do so, to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral; and

(iii) Upon the occurrence and continuance of an Event of Default, (A) to direct any party liable for any payment under any License to make payment of any and all moneys due and to become due thereunder directly to Bank or as Bank shall direct; (b) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding

brought against Obligor with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Bank may deem appropriate; and (F) to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Bank were the absolute owner thereof for any purposes, and to do, at Bank's option all acts and things which Bank deems necessary to protect, preserve or realize upon the Collateral and Bank's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as Obligor might do.

This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Obligor further agrees to execute any additional documents which Bank may require in order to confirm this power of attorney, or which Bank may deem necessary to enforce any of its rights contained in this Agreement.

(b) The powers conferred on Bank hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Bank shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be liable to Obligor for any act or failure to act, except for its own willful misconduct or gross negligence.

(c) Obligor also authorizes Bank to execute, in connection with the sale provided for in paragraph 10(b) of this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

8. Execution of Power of Attorney. Concurrently with the execution and delivery hereof, Obligor is executing and delivering to Bank, in the form of Schedule II hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks pursuant to paragraph 7 hereof.

9. Performance by Bank of Obligor's Obligations. If Obligor fails to perform or comply with any of its agreements contained herein and Bank, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expense of Bank incurred in connection with such performance or compliance shall be payable by Obligor to Bank on demand and shall constitute Obligations secured hereby.

10. Remedies, Rights Upon Event of Default.

(a) If an Event of Default shall occur and be continuing:

(i) All payments received by Obligor under or in connection with any of the Collateral shall be held by Obligor in trust for Bank, shall be segregated from other funds of Obligor and shall forthwith upon receipt by Obligor, be turned over to Bank, in the same form as received by Obligor (duly indorsed by Obligor to Bank, if required); and

(ii) Any and all such payments so received by Bank (whether from Obligor or otherwise) may, in the sole discretion of Bank, be held by Bank as collateral security for, and/or then or at any time thereafter applied in whole or in part by Bank against all or any part of the Obligations in such order as Bank shall elect. Any balance of such payments held by Bank and remaining after payment in full of all the Obligations shall be paid over to Obligor or to whomsoever may be lawfully entitled to receive the same.

(b) If any Event of Default shall occur and be continuing, Bank may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Uniform Commercial Code. Obligor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Bank is entitled. Obligor shall also be liable for the reasonable fees of any attorneys employed by Bank to collect any such deficiency and also as to any reasonable attorney's fees incurred by Bank with respect to the collection of any of the Obligations and the enforcement of any of Bank's respective rights hereunder.

11. Termination. At such time as Obligor shall completely pay in full all of the Obligations and the Credit Agreement is terminated, this Agreement shall terminate and Bank shall execute and deliver to Obligor all such releases, deeds, assignments and other instruments as may be necessary or proper to re-vest in Obligor's full title to the Trademarks, subject to any disposition thereof which may have been made by Bank pursuant hereto.

12. Notices. Any notice to Bank or to Obligor hereunder shall be deemed to have been duly given, if given in accordance with Section 7.3 of the Credit Agreement.

13. No Waiver. No course of dealing between Obligor and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, any right, power or privilege hereunder or under the Credit Agreement 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.

14. Cumulative Remedies. All of Bank's rights and remedies with respect to the Collateral, whether established hereby, by the Credit Agreement, or by the Security Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

15. Severability. The provisions of this 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 Agreement in any jurisdiction.

16. No Modification Except in Writing. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraphs 5 and 7.

17. Successors and Assigns. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California.

19. Amendment and Restatement. This Agreement amends and restates the Existing Company Trademark Security Agreement in its entirety, which is of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

WITNESS:

CALIFORNIA FASHION INDUSTRIES, INC.,
a California corporation

By: _____
Leonard Marc Rabinowitz
Chief Executive Officer and Treasurer

By: _____
Robert L. Laret
Executive Vice President of Operations and Finance and Secretary

WITNESS:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Stanley R. Jeppsen
Senior Vice President

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

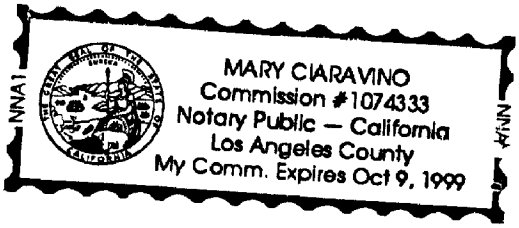
Before me, the undersigned, on this 2nd day of September, 1998, personally appeared Leonard Marc Rabinowitz, to me known personally, and who being by me duly sworn, deposes and says that he is the Chief Executive Officer and Treasurer of CALIFORNIA FASHION INDUSTRIES, INC., a California corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

Mary Ciaravino
Notary Public
My Commission Expires:

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

Before me, the undersigned, on this 2nd day of September, 1998, personally appeared Robert L. Laret, to me known personally, and who being by me duly sworn, deposes and says that he is the Executive Vice President of Operations and Finance and Secretary of CALIFORNIA FASHION INDUSTRIES, INC., a California corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

Mary Ciaravino
Notary Public
My Commission Expires:



STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

Before me, the undersigned, on this ~~2nd~~ 3rd day of September, 1998, personally appeared Stanley R. Jeppsen, to me known personally, and who being by me duly sworn, deposes and says that he is the Senior Vice President of WELLS FARGO BANK, NATIONAL ASSOCIATION, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

LISA JUKELEVICS
Commission # 1184420
Notary Public - California
Los Angeles County
My Comm. Expires May 22, 2002

Notary Public
My Commission Expires:

SCHEDULE A
to
AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT
Dated as of August 31, 1998

1. Federal Registrations

Registration Number	Mark	Registration Date
1,099,607	SAINT-TROPEZ WEST	August 15, 1978
1,180,284	CAROLE LITTLE	December 1, 1981
1,206,245	FOR THE WOMAN ON HER WAY UP	August 24, 1982
1,234,576	SAINT-TROPEZ WEST	April 12, 1983
1,245,256	CAROLE LITTLE	July 12, 1983
1,313,520	CAROLE LITTLE WORKS FOR YOU	January 8, 1985
1,494,314	ST. TROPEZ WEAR	June 28, 1988
1,503,112	LAUREN EDWARDS	September 6, 1988
1,515,467	LITTLE OR NOTHING	December 6, 1988
1,535,379	OR I WON'T GET DRESSED	April 18, 1989
1,596,562	CLLA	May 15, 1990
1,601,527	CAROLE LITTLE	June 12, 1990
1,637,257	CL	March 5, 1991
1,643,666	CFI	May 7, 1991
1,764,622	SAINT-TROPEZ WEST	April 13, 1993
1,774,458	BEVERLY HILLS JET	June 1, 1993
1,790,729	Logo Design (circle & rectangle)	August 31, 1993
1,841,532	CFOS	June 21, 1994
1,863,763	STREET WEAR CAROLE LITTLE CL	November 22, 1994
1,891,851	BEVERLY GROVE FABRICS	April 25, 1995

1,947,064	CAROLE LITTLE II	January 9, 1996
1,965,552	CL II	April 2, 1996
2,096,012	CLLA	September 9, 1997

1-A. Pending Federal Registrations

Application/Serial Number	Mark	Filing Date
75/304,049	Logo Design (motion picture projector)	June 5, 1997
75/304,181	St. Tropez Films	June 5, 1997

2. State Registrations

Registration Number	Mark	Registration Date
CA 55950	ST. TROPEZ	April 5, 1977 Renewed through April 5, 2007
CA 59241	SAINT-TROPEZ WEST	March 13, 1979
CA 59922	CAROLE LITTLE	July 24, 1979

3. International Registrations

Registration Number	Mark	Jurisdiction/ Issue Date
315,661	CAROLE LITTLE	Canada / June 27, 1986
320,536	CAROLE LITTLE	Canada / November 14, 1986
459,163	CL II	Canada / June 7, 1996
469,549	CAROLE LITTLE II	Canada / January 23, 1997
519,263	CL II	Mexico / March 25, 1996
519,264	CAROLE LITTLE II	Mexico / March 25, 1996
524,200	CAROLE LITTLE	Mexico / June 20, 1996

SCHEDULE B

to

AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT

Dated as of August 31, 1998

None.

SCHEDULE I
to
AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT
Dated as of August 31, 1998

1. Licenses

None.

SCHEDULE II
to
AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT
Dated as of August 31, 1998

SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

KNOW ALL MEN BY THESE PRESENTS, that CALIFORNIA FASHION INDUSTRIES, INC., a California corporation ("Obligor"), pursuant to a Trademark Security Agreement dated August 31, 1998 (as amended, modified, restated or supplemented from time to time, the "Security Agreement"), hereby appoints and constitutes WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Obligor:

1. Assigning, selling or otherwise disposing of all right, title and interest of Obligor in and to the Trademarks listed on Schedule A of the Security Agreement, and including those trademarks which are added to the same subsequent hereto, and all registrations and recordings thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, and to execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose;

2. To execute any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as Bank may in its sole discretion determine.

This power of attorney is made pursuant to the Security Agreement and may not be revoked until the payment in full of all Obligations as defined in the Security Agreement.

CALIFORNIA FASHION INDUSTRIES, INC.

By: _____
Leonard Marc Rabinowitz
Chief Executive Officer and Treasurer

By: _____
Robert L. Laret
Executive Vice President of Operations and Finance and Secretary

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

Before me, the undersigned, on this 2nd day of September, 1998, personally appeared Leonard Marc Rabinowitz, to me known personally, and who being by me duly sworn, deposes and says that he is the Chief Executive Officer and Treasurer of CALIFORNIA FASHION INDUSTRIES, INC., a California corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

Mary Ciaravino
Notary Public
My Commission Expires:

MARY CIARAVINO
Commission #1074333
Notary Public — California
Los Angeles County
My Comm. Expires Oct 9, 1999

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

Before me, the undersigned, on this 2nd day of September, 1998, personally appeared Robert L. Laret, to me known personally, and who being by me duly sworn, deposes and says that he is the Executive Vice President of Operations and Finance and Secretary of CALIFORNIA FASHION INDUSTRIES, INC., a California corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said corporation.

Mary Ciaravino
Notary Public
My Commission Expires:

MARY CIARAVINO
Commission #1074333
Notary Public — California
Los Angeles County
My Comm. Expires Oct 9, 1999