

02-11-1999



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TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type		Conveyance Type	
<input checked="" type="checkbox"/> New	<input type="checkbox"/> Resubmission (Non-Recordation) Document ID # _____	<input type="checkbox"/> Assignment	<input type="checkbox"/> License
<input type="checkbox"/> Correction of PTO Error Reel # _____ Frame # _____	<input type="checkbox"/> Corrective Document Reel # _____ Frame # _____	<input checked="" type="checkbox"/> Security Agreement	<input type="checkbox"/> Nunc Pro Tunc Assignment Effective Date Month Day Year _____
		<input type="checkbox"/> Merger	
		<input type="checkbox"/> Change of Name	
		<input type="checkbox"/> Other _____	

Conveying Party Mark if additional names of conveying parties attached

Name Kirker Enterprises, Inc. Execution Date 01/15/1999
Month Day Year

Formerly _____

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Delaware

Receiving Party Mark if additional names of receiving parties attached

Name The Chase Manhattan Bank

DBA/AKA/TA _____

Composed of _____

Address (line 1) 4 Campus Drive

Address (line 2) _____

Address (line 3) Parsippany NJ 07054
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other Banking Institution

Citizenship/State of Incorporation/Organization New York

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 1853 FRAME: 0301

02-11-1999 10:00:00 AM

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

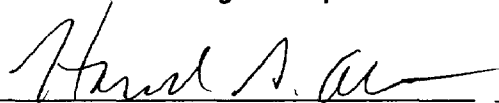
Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Harold S. Atlas



1/19/1999

Name of Person Signing

Signature

Date Signed

PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT is made as of this 15th day of January, 1999, by KIRKER ENTERPRISES, INC., a Delaware corporation, having its principal place of business at 55 East 6th Street, Paterson, New Jersey 07524 ("Kirker") and KEL PROPERTIES, L.L.C., A New Jersey limited liability company with its principal place of business at 55 East 6th Street, Paterson, New Jersey 07524 ("KEL," and collectively with Kirker, the "Borrower"), in favor of THE CHASE MANHATTAN BANK, a New York banking corporation. as (i) Collateral Agent under that certain Intercreditor Agreement, dated as of January 15, 1999 (the "Intercreditor Agreement"), for the ratable benefit of the Holders of Notes issued pursuant to that certain Note Purchase Agreement dated as of January 15, 1999 by and among Kirker and KEL and the purchasers listed in Schedule A attached thereto (the "Note Purchase Agreement"), (ii) agent for itself as a lender and any other lenders party to that certain Amended and Restated Loan and Security Agreement, dated as of February 27, 1997, as amended, and (iii) issuer of the Letters of Credit pursuant to the Letter of Credit Agreements (as defined below), with a place of business at 4 Campus Drive, Parsippany, New Jersey 07054 (in any such capacity, the "Bank").

RECITALS:

WHEREAS, the Borrower owns the entire right, title, and interest in and to the Patents (as hereinafter defined) and the Trademarks (as hereinafter defined); and

WHEREAS, pursuant to the Intercreditor Agreement, the Bank serves as collateral agent for the benefit of the Holders of the Notes (the "Notes") issued pursuant to the Note Purchase Agreement; and

WHEREAS, the Borrower is now and may in the future be indebted to Bank for loans and advances and other financial accommodations made or to be made by Bank to or on behalf of Borrower including but not limited to Advances under an Amended and Restated Loan and Security Agreement, dated February 27, 1997 between Borrower and Bank, as amended (said agreement as amended or modified from time to time, the "Loan Agreement," capitalized terms used herein and not defined shall have the meanings ascribed to them in the Loan Agreement); and

WHEREAS, the Bank has issued (i) a certain letter of credit for the account of Kirker pursuant to the Letter of Credit and Reimbursement Agreement among Chase, Kirker and KEL, dated as of January 1, 1996, as amended (as so amended and as the same may be further amended from time to time as therein permitted, the "Kirker Letter of Credit Agreement") and (ii) a certain letter of credit for the account of KEL pursuant to the Letter of Credit and Reimbursement Agreement among Chase, KEL and Kirker, dated as of January 1, 1996, as amended (as so amended and as the same may be further amended from time to time as therein permitted, the "KEL Letter of Credit Agreement", and together with the Kirker Letter of Credit Agreement, the "Letter of Credit Agreements"); and

WHEREAS, pursuant to the Note Documents (as defined in the Note Purchase Agreement; the "Note Documents"), the Loan Agreement and the Letter of Credit Agreements, the Borrower has granted to the Bank a security interest in the patents set forth on Schedule I hereto and any and all other patents or other rights in any

patents now owned or hereafter acquired by the Borrower (the "Patents") and the trademarks set forth on Schedule II hereto and any and all other trademarks or other rights in any trademarks, trade names or servicemarks now owned or hereafter acquired by the Borrower (the "Trademarks") together with the formulations, applications and registrations thereof, any and all goodwill of the businesses symbolized by any of the foregoing, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (collectively, the "Collateral") to secure the obligations of the Borrower to the Holders of the Notes and the Bank set forth in the Note Agreement, the Notes and the other Note Documents, the Loan Agreement, the Notes, the Letter of Credit Agreements, or any other Loan Document (collectively, the "Obligations").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Borrower does hereby agree:

1. Security. In order to secure the prompt payment, performance, and observance of the Obligations, the Borrower does hereby grant to the Bank a security interest in and lien upon any and all of its rights in the Collateral. It is expressly understood and agreed that the security hereunder is in addition to and not in replacement of the security interests in the Patents and Trademarks granted under the Loan Agreement and the Security Agreements (as defined in the Note Purchase Agreement; the "Security Agreements"); the Borrower hereby confirms such grant of security interest in favor of the Bank.

2. Borrower's Covenants. The Borrower hereby agrees and covenants:

(a) as to all Patents and Trademarks, that to the extent reasonable in the exercise of its valid business judgment, to take all steps necessary to properly maintain and renew all Patents and registrations of Trademarks, which are or may become a part of the Collateral or may become subject to the Loan Agreement or the Security Agreements, for the full term or terms permitted by law, including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew the Patents and registrations of Trademarks (including the filing of a declaration of incontestability under § 15 of the United States Trademark Act, where possible) which may be necessary or appropriate under applicable law.

(b) as to all Patents and Trademarks, that to the extent reasonable in the exercise of its valid business judgment, to file new applications to register and protect under applicable law all patentable inventions or Trademarks acquired by the Borrower but for which applications have not been previously filed and to take all other actions necessary to cause Patents and registrations for Trademarks to be issued as a result of said applications.

(c) as to all Patents and Trademarks, that to the extent reasonable in the exercise of its valid business judgment, to protect the Patents and Trademarks from infringement, unfair competition, dilution or damage by all appropriate actions, including but not limited to commencement of legal action to prevent and recover damages for infringement and to defend the Patents and Trademarks from claims of infringement,

unfair competition or damage, including the defense of any legal actions making such claims.

(d) to deliver to the Bank on a semi-annual basis (i) a report as to the status of each of the Patents and Trademarks, detailing (A) for any newly acquired Patents and Trademarks, the nature thereof and the status of any applications for registration thereof and (B) for existing Patents and Trademarks, the status of any applications for renewal or extension of the registration thereof; and (ii) a certificate in substantially the form of Exhibit 2, executed by an officer of the Borrower, as to the quality of products associated with the Trademarks.

3. Acknowledgment of Rights and Remedies. The Borrower does hereby further acknowledge, affirm and consent and agree to the rights and remedies of the Bank and grants security interests in the Collateral made and granted hereunder and more fully set forth in the Loan Agreement, the terms and provisions of which are fully incorporated herein by reference as if set forth herein.

4. Termination of Security Interest. Upon the full, final and indefeasible payment in full of all of the Obligations (including but not limited to indemnity obligations of the Borrower under the Loan Agreement and the other Loan Documents and the Note Purchase Agreement or the other Note Documents) and termination of any commitment to lend or provide other financial accommodations on behalf of the Borrower, this Patent and Trademark Security Agreement shall terminate and be void and of no further force or effect. At such time the Bank will provide to the Borrower at the Borrower's expense all release documents and agreements reasonably requested by the Borrower.

5. No Waiver; No Obligation of Bank. (a) The failure of the Bank to exercise any right granted to it under this Patent and Trademark Security Agreement shall not be, nor shall it be construed to be, a waiver thereof and shall not bar the Bank from continuing to exercise such rights in the future.

(b) The Bank shall have no obligations as to the Patents and Trademarks, including but not limited to taking any steps toward renewing any registrations of the Patents or Trademarks or taking any action to defend any of the Patents or Trademarks from any claims from infringement, unfair competition, dilution or damage.

6. Governing Law. Except to the extent that federal law preempts the construction hereof, this Patent and Trademark Security Agreement shall be construed under the laws of the State of New York, without reference to conflicts of law principles thereof.

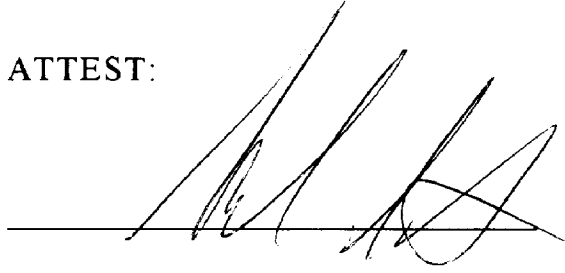
7. Severability. The terms of this Patent and Trademark Security Agreement are severable. If any term hereof shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms.

8. Further Assurances. The Borrower agrees to execute any and all such documents and certificates, take such actions and make such filings and registrations as

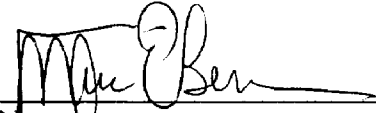
may be necessary (in the sole and exclusive discretion of the Bank) to effect the terms hereof.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Patent and Trademark Security Agreement as of the date first above written.

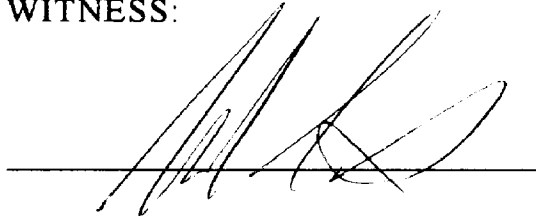
ATTEST:




KIRKER ENTERPRISES, INC.

By: 
Name: _____
Title: *Chairman*

WITNESS:



KEL PROPERTIES, L.L.C.

By: 
Name: _____
Title: *Managing Director*

Schedule I
(List of Patents)

**ALL KIRKER PATENTS
AS OF JANUARY 4, 1999**

TITLE

APPLICATION: 762,928 10DE1996 NAIL ENAMEL
COMPOSITION

PATENT: 5,863,523

APPLICATION: 09/192,701 16NO1998 NAIL ENAMEL
COMPOSITION

PATENT:

APPLICATION: 749,469 15NO1996 NAIL ENAMEL
COMPOSITION

PATENT: 5,792,447 11AU1998

APPLICATION: 09/056,111 07AP1998 QUICK DRYING
NAIL ENAMEL
COMPOSITION

PATENT:

APPLICATION: 60/088,520 08JE1998 NAIL ENAMEL
COMPOSITIONS
HAVING
DECORATIVE
APPEARANCE

PATENT:

Schedule II
(List of the Trademarks)

Trademark

Serial No.

**ALL KIRKER TRADEMARKS
AS OF JANUARY 6, 1999**

			MARK
APPLICATION:	73/821,087	23AU1989	KIRKER
REGISTRATION:	1,610,968	28AU1990	

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
) SS.:
COUNTY OF ~~MORRIS~~ ^{Essex})

BE IT REMEMBERED, that on this 14th day of January, 1999, before me, a NOTARY PUBLIC of the State of NEW JERSEY, personally appeared Marc E. Person the Chairman of KIRKER ENTERPRISES, INC., who, I am satisfied is the person who signed the within Instrument, and I having first made known to him/her the contents thereof, he/she thereupon acknowledged that the said Instrument made by the corporation, sealed, signed, and delivered by him/her as such Chairman and is the voluntary act and deed of the corporation, made by virtue of authority from its Board of Directors.

Maria Binetti

**MARIA BINETTI
A NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 1, 2002**

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
) SS.:
COUNTY OF ~~MORRIS~~ ^{LESEX})

BE IT REMEMBERED, that on this 14th day of January, 1999, before me, a NOTARY PUBLIC of the State of NEW JERSEY, personally appeared Marc E. Berson the Managing Director of KEL PROPERTIES, L.L.C., who, I am satisfied is the person who signed the within Instrument, and I having first made known to him/her the contents thereof, he/she thereupon acknowledged that the said Instrument made by the limited liability company, sealed, signed, and delivered by him/her as such Managing Director and is the voluntary act and deed of the limited liability company, made by virtue of authority from its members.

Maria Binetti

**MARIA BINETTI
A NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 1, 2002**