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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of

100977622

attached original documents or copy thereof.

1. Name of conveying party(ies):

Anne Klein Company

- Individual(s)
- General Partnership
- Corporation-State
- Other Limited Liability Company

- 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: _____

2. Name and address of receiving party(ies)

Name: The Chase Manhattan Bank, as Agent

Internal Address: _____

Street Address: 200 Jericho Quadrangle

City: Jericho State: NY ZIP: 11753

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other New York Banking Corporation

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)

See Attached Schedule

B. Trademark Registration No.(s)

See Attached Schedule

Additional numbers attached Yes No

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

Name: Morgan, Lewis & Bockius LLP

Internal Address: Attn: Leana B. Nussbaum

Street Address: 101 Park Avenue

City: New York State: NY ZIP: 10178

6. Total number of applications and registrations involved: _____

7. Total fee (37 CFR 3.41).....\$ 990.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number: _____

(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.

Leana B. Nussbaum
Name of Person Signing

Leana B. Nussbaum
Signature

03/03/1999
0000091 7496742
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see de
/18/99
/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
Washington, D.C. 20231

TRADEMARK
REEL: 1864 FRAME: 0001

SCHEDULE

COWAN, LIEBOWITZ & LATMAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	A ANNE KLEIN LOGO	75/499854 10JE1998		FILED
		25: CLOTHING, NAMELY, JACKETS, COATS, PARKAS, RAINCOATS, BLAZERS, BLOUSES, SHIRTS, DRESSES, TROUSERS, JEANS, SHORTS, JUMPSUITS, SWEATERS, CARDIGANS, HATS, BELTS AND LEGGINGS		
U. S. A.	A LINE & DESIGN		1789503 24AU1993	REGISTERED
		25: CLOTHING FOR ADULTS; NAMELY, BOMBER JACKETS, BASEBALL JACKETS, PARKAS, BLAZERS, SHIRTS, T-SHIRTS, STRAIGHT-LEGGED TROUSERS, JEANS, STRAIGHT-LEGGED SHORTS, JUMPSUITS, SWEATERS, HATS, BELTS, SCARVES, LINGERIE, NECKWEAR, KNEE-HIGH AND THIGH-HIGH STOCKINGS, PANTYHOSE, TIGHTS, SOCKS AND KNIT LEGGINGS		
U. S. A.	A LINE ANNE KLEIN & DESIGN	74/096742 13SE1990	1772678 18MY1993	REGISTERED
		25: CLOTHING FOR ADULTS; NAMELY, JACKETS, RAINCOATS, BLOUSES, SKIRTS, DRESSES, COATS, TROUSERS, SHORTS AND CARDIGANS		
U. S. A.	A LINE ANNE KLEIN & DESIGN	74/800747 13SE1990	1782792 20JL1993	REGISTERED
		25: CLOTHING FOR ADULTS, NAMELY, BOMBER JACKETS, BASEBALL JACKETS, PARKAS, BLAZERS, SHIRTS, T-SHIRTS, STRAIGHT-LEGGED TROUSERS, JEANS, STRAIGHT-LEGGED SHORTS, JUMPSUITS, SWEATERS, HATS, BELTS, SCARVES, LINGERIE, NECKWEAR, KNEE-HIGH AND THIGH-HIGH STOCKINGS, PANTYHOSE, TIGHTS, SOCKS AND KNIT LEGGINGS		
U. S. A.	A LOGO	74/096741 13SE1990	1857279 04OC1994	REGISTERED
		25: FOOTWEAR, EXCEPT FOR CHILDREN'S FOOTWEAR		
U. S. A.	AKII	75/257225 14MR1997	2197271 20OC1998	REGISTERED
		14: JEWELRY, WATCHES, CLOCKS AND TABLECLOCKS		
U. S. A.	AKII	75/252754 06MR1997	2199398 27OC1998	REGISTERED
		18: BILLFOLDS, WALLETS, PURSES, CHECKBOOK CLUTCHES, COSMETIC CASES SOLD EMPTY, CREDIT CARD CASES, KEY CASES, COSMETIC POUCHES SOLD EMPTY, COIN PURSES, CARRY-ALL CLUTCHES, COIN/KEY PURSES, SECRETARIES, KEY FOBS, HANDBAGS AND KNAPSACKS		
U. S. A.	ANNE KLEIN		1016644 29JL1975	REGISTERED
		3: COSMETICS AND TOILET PREPARATIONS--NAMELY, PERFUME AND COLOGNE		

COWAN, LIEBOWITZ & LATMAN, P.C.

OWNER: ANNE KLEIN & COMPANY

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COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	ANNE KLEIN		1074926 110C1977	REGISTERED
		9: SUNGLASSES		
U. S. A.	ANNE KLEIN		1016832 29JL1975	REGISTERED
		14: JEWELRY; 26: HAIR ORNAMENTS, NOT IN THE NATURE OF JEWELRY		
U. S. A.	ANNE KLEIN		1046318 17AU1976	REGISTERED
		14: WATCHES		
U. S. A.	ANNE KLEIN		1016890 29JL1975	REGISTERED
		18: POCKETBOOKS		
U. S. A.	ANNE KLEIN		1052858 16NO1976	REGISTERED
		18: LEATHER GOODS--NAMELY, COSMETIC CASES, CLUTCHES, PURSES, WALLETS, BILLFOLDS, CREDIT CARD CASES, CHECKBOOK HOLDERS, KEY CASES, POUCHES, TRAVEL KITS AND PASSPORT CASES		
U. S. A.	ANNE KLEIN		1006943 18MR1975	REGISTERED
		25: COATS; SUITS; JACKETS; PANTS; SHIRTS; DRESSES; BLOUSES; SWEATERS; BELTS		
U. S. A.	ANNE KLEIN		1049090 28SE1976	REGISTERED
		25: SHOES		
U. S. A.	ANNE KLEIN	74/267038 20AP1992	1738435 08DE1992	REGISTERED
		25: HOSIERY, INCLUDING STOCKINGS, PANTY-HOSE, KNEE-HIGH OR THIGH-HIGH STOCKINGS, CUT-AND-SEWN SPECIALTY TIGHTS (OR STOCKINGS) AND SOCKS		
U. S. A.	ANNE KLEIN	73/832180 18OC1989	1613344 11SE1990	REGISTERED
		42: RETAIL CLOTHING STORE SERVICES		
U. S. A.	ANNE KLEIN & LION HEAD DESIGN		1032218 03FE1976	REGISTERED
		14: JEWELRY MADE OF NON-PRECIOUS METAL		

COWAN, LIEBOWITZ & LATMAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	ANNE KLEIN & LION HEAD DESIGN		7022721 140C1975	REGISTERED
				25: CLOTHING--NAMELY, COATS, SUITS, JACKETS, PANTS, SHIRTS, DRESSES, BLOUSES, SWEATERS AND BELTS
U. S. A.	ANNE KLEIN & LION HEAD DESIGN		1369164 05NO1985	REGISTERED
				25: GLOVES; KNITTED HEADWEAR; MUFFLERS
U. S. A.	ANNE KLEIN & LION HEAD DESIGN	73/718990 28MR1988	1511071 01NO1988	REGISTERED
				25: SWIMWEAR, SOCKS, SCARVES AND SHAWLS
U. S. A.	ANNE KLEIN (SIGNATURE) & LION HEAD DESIGN		1147173 17FE1981	REGISTERED
				18: UMBRELLAS
U. S. A.	ANNE KLEIN II	73/800175 15MY1989	1598067 29MY1990	REGISTERED
				3: FRAGRANCES; NAMELY, PERFUMES, COLOGNES AND HAND AND BODY CREAMS AND LOTIONS
U. S. A.	ANNE KLEIN II	73/800176 15MY1989	1611081 28AU1990	REGISTERED
				9: SUNGLASSES, OPHTHALMIC EYEGLASS FRAMES AND OPHTHALMIC SUNGLASS FRAMES
U. S. A.	ANNE KLEIN II	73/800201 15MY1989	1573264 26DE1989	REGISTERED
				14: JEWELRY
U. S. A.	ANNE KLEIN II	74/480111 18JA1994	1876539 31JA1995	REGISTERED
				14: WATCHES, CLOCKS AND TABLECLOCKS
U. S. A.	ANNE KLEIN II	73/803880 01JE1989	1596438 15MY1990	REGISTERED
				18: BILLFOLDS, WALLETS, PURSES, CHECKBOOK CLUTCHES, COSMETIC CASES, CREDIT CARD CASES, KEY CASES, COSMETIC POUCHES, COIN PURSES, CARRY-ALL CLUTCHES, COIN/KEY PURSES, SECRETARIES, KEY FOBBS AND HANDBAGS

COWAN, LIEBOWITZ & LATMAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	ANNE KLEIN II	571125 02DE1985	1425808 20JA1987	REGISTERED
		25: WOMEN'S COATS, SUITS, JACKETS, PANTS, SHIRTS, DRESSES, BLOUSES, SWEATERS AND BELTS		
U. S. A.	ANNE KLEIN II	73/800411 15MY1989	1607519 24JL1990	REGISTERED
		25: CLOTHING; NAMELY, GLOVES AND SCARVES		
U. S. A.	ANNE KLEIN II	74/128259 07JA1991	1671841 14JA1992	REGISTERED
		25: FOOTWEAR		
U. S. A.	ANNE KLEIN RAINWEAR		1410608 23SE1986	REGISTERED
		25: WOMEN'S RAINCOATS; RAINJACKETS		
U. S. A.	LION HEAD DESIGN		1145619 13JA1981	REGISTERED
		3: PERFUME, COLOGNE, DUSTING POWDER, BATH SALTS, HAND AND BODY SOAP, HAND AND BODY LOTION		
U. S. A.	LION HEAD DESIGN		1074925 11OC1977	REGISTERED
		9: SUNGLASSES		
U. S. A.	LION HEAD DESIGN		1032219 03FE1976	REGISTERED
		14: JEWELRY MADE OF NON-PRECIOUS METAL		
U. S. A.	LION HEAD DESIGN		1046317 17AU1976	REGISTERED
		14: WATCHES		
U. S. A.	LION HEAD DESIGN		1016891 29JL1975	REGISTERED
		18: POCKETBOOKS		

COWAN, LIEBOWITZ & LATHAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	LION HEAD DESIGN		1052859 16NO1976	REGISTERED
		18: LEATHER GOODS--NAMELY, COSMETIC CASES, CLUTCHES, PURSES, WALLETS, BILLFOLDS, CREDIT CARD CASES, CHECKBOOK HOLDERS, KEY CASES, POUCHES, TRAVEL KITS AND PASSPORT CASES		
U. S. A.	LION HEAD DESIGN		1016971 29JUL1975	REGISTERED
		25: COATS, SUITS, JACKETS, PANTS, SHIRTS, DRESSES, BLOUSES, SWEATERS AND BELTS		
U. S. A.	LION HEAD DESIGN		1050741 19OC1976	REGISTERED
		25: SHOES		

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT (the "Agreement"), dated as of February 19, 1999, among ANNE KLEIN COMPANY LLC, a New York limited liability company and the successor by merger with Anne Klein & Company, a New York general partnership (the "Grantor"), FIRST UNION NATIONAL BANK ("First Union"), THE CHASE MANHATTAN BANK, ("Chase"), CHASE EQUIPMENT LEASING, INC. ("CEL" and, together with Chase and First Union, the "Lenders"), and Chase as agent (the "Agent") for the benefit of the Lenders.

WHEREAS, the Grantor and its parent company, Takihyo, Inc. (the "Parent") are obligated to (i) Chase in respect of certain direct loans and trade letters of credit arising under a certain expired line of credit and a standby letter of credit in the face amount of \$6,900,000, and (ii) CEL under a certain Master Lease Agreement, dated March 4, 1997 (collectively, the "Existing Chase Obligations");

WHEREAS, the Grantor and the Parent are obligated to First Union in respect of certain direct loans and trade letters of credit arising under a certain expired line of credit (the "Existing First Union Obligations"); and together with the Existing Chase Obligations the "Existing Obligations";

WHEREAS, the Grantor has requested, and the Lenders have agreed, subject to the terms contained herein and in that certain Letter Agreement dated February 9, 1999, to (i) restructure the Existing Obligations, on the terms set forth in the Letter Agreement, (ii) to forbear from exercising rights in respect of the Existing Obligations through March 11, 1999, and (iii) in the case of Chase and First Union, to extend additional credit on the terms set forth in the Letter Agreement;

WHEREAS, in consideration of the agreement and the forbearance by the Lenders as set forth above, the Grantor has agreed to enter into this Trademark Security Agreement as collateral security for all of the Grantor's and the Parent's obligations now existing (i.e., the Existing Obligations) and hereinafter incurred;

WHEREAS, the Lenders desire to appoint Chase to act as agent for the Lenders on the terms set forth herein and pursuant to a separate agreement between the Lenders.

NOW, THEREFORE, in order to induce the Lenders to restructure the Existing Obligations, to forbear for a period of time and to make loans to and to issue letters of credit for the account of the Grantor on certain terms and conditions and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Grant of Security. The Grantor hereby assigns and pledges as security to the Agent for its benefit and for the ratable benefit of the Lenders, and hereby grants to the Agent for its benefit and for the ratable benefit of the Lenders, a lien on and first priority security interest

in the entire right, title and interest of the Grantor in and to the following, whether now owned or hereafter acquired or created (the "Trademark Collateral"):

(a) All owned domestic trademarks, service marks, trade names and trade dress and all trademark and service mark registrations and applications for trademark or service mark registration in the United States (except for "intent to use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed) and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith (exclusive of the Kasper Payment referred to below) and damages and payments for past or future infringements thereof), (iii) the right to sue or otherwise recover for all past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (but only such rights as now exist or may come to exist under applicable local law), together, in each case, with the goodwill of the business connected with the use of, and symbolized by each such trademark, service mark, trade name and trade dress (all of the foregoing and other rights being, collectively, the "Trademarks");

(b) All license agreements with any other person in connection with any of the Trademarks when the Grantor is a licensor under any such license agreement (subject, in each case, to the terms of such license agreements), and the right to prepare for sale, sell and advertise for sale, all inventory (as defined in the Uniform Commercial Code in effect in the State of New York (the "NYUCC")), to the extent now or hereafter owned by the Grantor and now or hereafter covered by such licenses (the "Licenses").

SECTION 2. Security for Obligations; Kasper Payment.

(a) The assignment and pledge of and grant of a security interest in the Trademark Collateral by the Grantor pursuant to this Agreement (collectively, the "Security Interests") secures the payment of all obligations of the Grantor and the Parent to the Lenders and the Agent, including (i) the Existing Obligations, (ii) any additional extensions of credit made by one or both of the Lenders from time to time in their discretion, and (iii) any other obligations of the Grantor or the Parent to the Lenders and the Agent, now or hereafter existing, whether for principal (in respect of direct loans or letters of credit), interest, fees, expenses or otherwise (all such obligations described in this Section 2 being the "Secured Obligations").

(b) The Grantor has advised the Agent and the Lenders that it intends to enter into an agreement with Kasper A.S.L., Ltd. ("Kasper") which provides, in sum, that the Grantor will grant to Kasper a license to use the Grantor's trademarks "ANNE KLEIN", "ANNE KLEIN II" and "A LINE" in exchange for an agreement by Kasper to pay percentage royalties in aggregate amounts not less than \$1,500,000 per annum and to pay advertising

funding in an amount not less than \$1,000,000 per annum for 5 full years (i.e., until December 31, 2004), renewable on defined terms and conditions for a further 5-year period (such transaction, the "Kasper Transaction"). Notwithstanding anything to the contrary contained herein, the Grantor shall be permitted to enter into a licensing agreement with Kasper and shall be permitted to retain extraordinary payments made by Kasper in respect of such licensing agreement in an amount not to exceed \$4,000,000 (the "Kasper Payment").

SECTION 3. Representations and Warranties. The Grantor represents and warrants on the date hereof as follows

(a) The Grantor is the sole, legal and beneficial owner of the entire right, title and interest in and to the federal registrations and applications for registration of the Trademarks listed on Schedule I hereto and the Licenses free and clear of any lien, security interest, option, charge, pledge, registered user agreement, assignment (whether conditional or not), or covenant, or any other encumbrance, except for the Security Interests created or permitted by this Agreement or by the loan documents evidencing the Secured Obligations (any and all such documents, the "Loan Documents"). No effective financing statement or other instrument similar in effect covering all or any part of the federal registrations and applications for registration of the Trademarks listed on Schedule I hereto or the Licenses purported to be granted by the Grantor hereunder is on file in any recording office, including, without limitation, the United States Patent and Trademark Office, except such as may have been filed in favor of the Agent relating to this Agreement.

(b) Set forth on Schedule I is a complete and accurate list of all of the United States federal registrations and applications for federal registration of the Trademarks owned by the Grantor.

(c) Each federal trademark and service mark registration and application for registration of the Grantor identified on Schedule I is subsisting and, to the best of the Grantor's knowledge, has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and is, to the best of the Grantor's knowledge, valid, registrable and enforceable. Each License of the Grantor, to the best of the Grantor's knowledge, is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is, to the best of the Grantor's knowledge, valid and enforceable. The Grantor has notified the Agent in writing of all prior uses of any federal registrations and applications for registration of the Trademarks listed on Schedule I hereto of which the Grantor is aware, which would lead, in the reasonable judgment of the Grantor, to such Trademarks becoming invalid or unenforceable, including prior unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such item.

(d) Except as may be contemplated by the Kasper Transaction, the Grantor has not granted any license, release, covenant not to sue, or non-assertion assurance to any third person with respect to any part of the federal registrations and applications for registration

of the Trademarks listed on Schedule I hereto which would materially interfere with its business as currently carried on under any such registrations or applications for registrations.

(e) The Grantor has used reasonable and proper statutory notice in connection with its use of each registered trademark and service mark listed on Schedule 1, except inadvertent omissions thereof.

(f) Except for (i) the appropriate filings with the United States Patent and Trademark Office, and (ii) the appropriate filings under Article 9 of the Uniform Commercial Code, no consent of any other person (other than licensors of any License to which the Grantor is a licensee), no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental, administrative or judicial authority or regulatory body is required in the United States either (x) for the granting by the Grantor of the Security Interests granted hereby or for the execution, delivery or performance of this Agreement by the Grantor, or (y) for the perfection of or the exercise by the Agent of its rights and remedies hereunder, except where the failure to obtain, take, give or make such authorizations, consents, approvals, actions, notices or filings would not, and would not be reasonably likely to, have a material adverse effect on the financial condition, operations, business, properties or assets of the Grantor.

(g) The consummation of actions contemplated under or in connection with the Loan Documents to be performed by the Grantor will not impair the legal right of the Grantor to use any of the federal registrations and applications for registration of the Trademarks listed on Schedule I hereto.

(h) Except for the Kasper Transaction, the Grantor has no knowledge of the existence of any trademark, service mark, trade name or trade dress, or license agreement held or claimed by any other person that, if upheld, would preclude the Grantor from distributing, marketing, selling or providing any product or service currently distributed, marketed, sold or provided by it, as the case may be, under or in connection with any of the federal registrations and applications for registration of the Trademarks listed on Schedule I hereto, or that would materially interfere with the ability of the Grantor to carry on its business as currently carried on, and, the Grantor has no knowledge of any claim that is likely to be made that if upheld would preclude or materially interfere with its business as currently carried on under any of the federal registrations and applications for registration of the Trademarks listed on Schedule I hereto.

(i) No material claim in any court or in the United States Patent and Trademark Office has been made and, as to any trademark, service mark, trade name, or trade dress with respect to which the Grantor is a licensee, to the best knowledge of the Grantor, no material claim has been made against the third party licensor, and the Grantor has no knowledge of any material claim that has been made or is likely to be made, that the use by the Grantor of any Trademark Collateral does or may violate the rights of any person.

(j) The Grantor, to the best of its knowledge, has used commercially reasonable standards of quality in manufacturing, distributing and marketing of each product sold and provision of each service provided under or in connection with any Trademark Collateral, and has taken whatever steps necessary to ensure that all licensed users of any Trademark Collateral use such commercially reasonable standards of quality.

(k) The chief places of business and chief executive office of the Grantor are located at the places specified on Schedule II hereto.

SECTION 4. Further Assurances.

(a) The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, as the Agent may reasonably request, in order to (i) continue, perfect and protect any Security Interest granted or purported to be granted hereby, or (ii) enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any part of the Trademark Collateral. Without limiting the generality of the foregoing, the Grantor will execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Agent may reasonably request, in order to perfect and preserve the Security Interests granted or purported to be granted hereby.

(b) The Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Trademark Collateral without the signature of the Grantor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Trademark Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Agent from time to time statements and schedules further identifying and describing the Trademark Collateral and such other reports in connection with the Trademark Collateral as the Agent may reasonably request, all in reasonable detail.

(d) The Grantor agrees that if, before the Secured Obligations have been satisfied in full, it (i) obtains an ownership interest in any new trademark, service mark, trade name and trade dress, or trademark or service mark registration or application for trademark or service mark registration which is not now identified on Schedule I, (ii) enters into any new license agreement, subject, in each case, to the terms of the license agreements, or (iii) becomes entitled to the benefit of any trademark, service mark, trade name and trade dress (which is materially important to the business of the Grantor), trademark or service mark registration, application for trademark or service mark registration, license agreement or

license agreement renewal, (x) the provisions of Section 1 of this Agreement shall automatically apply thereto, and (y) any such trademark, mark, registration, application, or license agreement, together with the goodwill of the business connected with the use of the mark or symbolized by it, shall automatically become part of the Trademark Collateral. The Grantor shall, on the fifteenth day of each month, give written notice to the Agent and the Lenders of each new trademark or service mark registration or application for registration which arose or was filed during the preceding month. The Grantor authorizes the Agent to modify this Agreement by amending Schedule I to include any such new trademark or service mark registration, or application for trademark or service mark registration which becomes part of the Trademark Collateral under this Section, or which, in the reasonable business judgment of the Grantor, is a material trademark or service mark registration or application for trademark or service mark registration.

(e) The Grantor agrees (i) to prosecute diligently any trademark or service mark application that is part of Schedule I, (ii) to file applications for registration of any trademark or service mark which is or becomes material to its business, (iii) to take all necessary steps in any proceeding before the United States Patent and Trademark Office or in any court, to maintain and protect each material trademark, service mark, trade name, trade dress and trademark or service mark registration, and each License Agreement, and (iv) to participate in opposition, cancellation and infringement proceedings in each case, such actions under clauses (i) through (iv) above, to be taken as and to the extent that the Grantor, in the exercise of its reasonable commercial judgment, deems necessary or desirable. Any expenses incurred in connection with such activities shall be borne by the Grantor. If the Grantor fails to comply with any of the foregoing duties, the Agent shall have the right, but not the obligation, to effect compliance in the name of the Grantor to the extent permitted by law, at the Grantor's expense.

(f) The Grantor shall not (i) abandon any trademark or service mark registration or application for trademark or service mark registration, or any trademark, service mark or trade name, without the written consent of the Agent, which consent shall not be unreasonably withheld, except where such abandonment would not be reasonably likely to have a material adverse effect on the financial condition, operations, business, properties or assets of the Grantor, or (ii) take any action, or permit any action to be taken by any other persons to the extent such persons are subject to its control, or fail to take any action, which would materially and adversely affect the validity, perfection, priority or enforcement of the rights transferred herein to the Agent under this Agreement, and any such action or agreement if it shall be entered into or taken, shall be null and void and of no effect whatsoever. The Grantor agrees to notify the Agent immediately and in writing if the Grantor learns (i) that any material item of the Trademark Collateral may become abandoned, or (ii) of any adverse determination or any development (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or any court) regarding any material part of the Trademark Collateral.

(g) In the event that any material item of the Trademark Collateral is infringed or misappropriated by a third party, the Grantor shall (i) promptly notify the Agent and (ii) take all reasonable steps and actions to defend against and enjoin the infringement or misappropriation and take such other actions as the Grantor shall reasonably deem appropriate under the circumstances to protect and enforce such Trademark Collateral unless (A) the Grantor shall reasonably determine that such Trademark Collateral is of immaterial economic value to the Grantor or (B) such infringement or misappropriation would not be reasonably likely to have a material adverse effect on the financial condition, operations, business, properties or assets of the Grantor taken as a whole. Any expense incurred in connection with such activities shall be borne by the Grantor.

(h) The Grantor shall continue to use reasonable and proper statutory notice in connection with its use of each registered trademark or service mark.

(i) The Grantor agrees (i) to maintain the quality of any and all products or services of the Grantor used or provided in connection with the Trademark Collateral, consistent with the quality of said products and services as of the date hereof and (ii) to take all reasonable steps to ensure that all licensees of any Trademark Collateral maintain consistent standards of quality, consistent with the standards in effect on the date hereof.

SECTION 5. Transfers and Other Liens. The Grantor shall not, without the prior written consent of the Lenders:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, the Trademark Collateral, except that the Grantor may (i) license the Trademark Collateral (A) in the ordinary course of the Grantor's business, provided that the Grantor determines, in the exercise of reasonable commercial judgment, that such license is necessary or desirable in the conduct of the Grantor's business, or (B) in connection with a sale or transfer of assets with the prior written consent of the Lenders, provided that such license shall be on terms reasonably expected to maximize the gain to the Grantor resulting from the granting of such license, and (ii) consummate the Kasper Transaction; provided, that all net proceeds (after deduction of reasonable costs and expenses and up to \$4,000,000 in reimbursement amounts paid to the Grantor), arising in connection with the Kasper Transaction shall be paid to the Agent for the account of the Lenders in permanent reduction of the Secured Obligations;

(b) create or suffer to exist any lien, charge or encumbrance of any kind upon or with respect to any of the Trademark Collateral except for the Security Interests created by this Agreement; or

(c) take any other action in connection with any of the Trademark Collateral that would impair the value of the interest or rights thereunder of the Grantor or that would impair the interest or rights of the Agent or the Lenders.

SECTION 6. Agent Appointed Attorney-in-Fact. The Grantor hereby irrevocably appoints the Agent the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Agent's discretion upon the occurrence and during the continuance of a default in the payment or performance of the Obligations, to take any action and to execute any instrument that the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Trademark Collateral;

(b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and

(c) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the collection of any payments relating to the Trademark Collateral or otherwise to enforce the rights of the Agent with respect to any of the Trademark Collateral.

SECTION 7. Agent May Perform.

(a) If the Grantor fails to perform any agreement contained herein, the Agent may itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by the Grantor under Section 10(b) of this Agreement.

(b) The Agent or its designated representatives shall have the right, at any reasonable time during normal business hours and from time to time, upon reasonable notice, and without undue interruption to the business of the Grantor, to inspect the premises of the Grantor and to examine the books, records and operations of the Grantor (including, without limitation, the Grantor's quality control processes) relating to the Trademark Collateral.

SECTION 8. The Agent's Duties. The powers conferred on the Agent hereunder are solely to protect its interest in the Trademark Collateral and shall not impose any duty upon it to exercise any such powers.

SECTION 9. Default; Remedies. If any default in the payment or performance of the Secured Obligations (or any event which with the giving of notice of the passage of time or both would constitute such a default) shall have occurred and be continuing:

(a) The Agent shall not take any actions to foreclose its security interest or to sell or convey its interest in an to the Trademark Collateral for a period of sixty days from the

date the Lenders give notice to the Grantor of such default or event of default; provided, that during such sixty day period the Agent and the Lenders may (i) notify all licensees under any licenses granted by the Grantor and direct the licensees to pay all amounts due and owing to the Grantor to the Agent by sending to such licensees letters (the "Licensee Letters") in the form annexed hereto as Exhibit B and delivered to the Agent as of the date hereof and (ii) exercise all other remedies available to them, including accelerating the Grantor's obligations and commencing legal or other proceedings to collect and enforce the Grantor's obligations in respect of the Secured Obligations.

(b) At the conclusion of the sixty day period referred to in clause (a) of this Section, the Agent may (in consultation with the Lenders to the extent reasonably practicable) exercise in respect of the Trademark Collateral, in addition to other rights and remedies provided for herein or otherwise available to the Agent, all the rights and remedies of a lender in default under the NYUCC (whether or not the NYUCC applies to the affected Trademark Collateral) and also may (in consultation with the Lenders to the extent reasonably practicable) (i) exercise any and all rights and remedies of the Grantor under or otherwise in respect of the Trademark Collateral, (ii) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Agent forthwith, assemble all or any part of the documents embodying the Trademark Collateral as directed by the Agent and make such documents available to the Agent at a place to be designated by the Agent which is reasonably convenient to both the Agent and the Grantor, (iii) occupy, for a reasonable period and without obligation to the Grantor in respect of such occupation, any premises owned or leased by the Grantor where documents embodying the Trademark Collateral or any part thereof are assembled in order to effectuate the Agent's rights and remedies hereunder or under law, and (iv) without notice except as specified below, sell the Trademark Collateral or any part thereof in one or more parcels at public or private sale, at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral by the Grantor, the goodwill of the business connected with and symbolized by any Trademark Collateral subject to such disposition shall be included, and the Grantor shall supply to the Agent or its designee the Grantor's know-how and expertise relating to the manufacture and sale of products or the provision of services relating to any Trademark Collateral subject to such disposition, and its customer lists and other records relating to such Trademark Collateral and to the distribution of such products and services. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Agent shall not be obligated to make any sale of Trademark Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) All payments received by the Grantor under or in connection with any of the Trademark Collateral shall be received in trust for the benefit of the Agent, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Agent in the same form as so received (with any necessary endorsement).

(d) All payments made under or in connection with or otherwise in respect of the Trademark Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Trademark Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Agent pursuant to Section 10 of this Agreement) in whole or in part by the Agent for the ratable benefit of the Lenders against all or any part of the Secured Obligations, in such order as the Agent shall elect. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Secured Obligations shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 10. Indemnity and Expenses.

(a) The Grantor agrees to indemnify the Agent and each Lender from and against any and all claims, losses and liabilities arising out of, or in connection with or resulting from this Agreement or the transactions contemplated hereby (including, without limitation, enforcement of this Agreement), except to the extent such claims, losses or liabilities result from the Agent's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction.

(b) The Grantor will upon demand pay to the Agent and the Lenders the amount of any and all reasonable expenses that the Agent and the Lenders may incur, including, without limitation, the reasonable fees and costs of its counsel and of any experts or agents, in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Trademark Collateral, (iii) the exercise or enforcement of any of the rights of the Agent or the Lenders hereunder or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

SECTION 11. Security Interest Absolute. All rights of the Agent, the Security Interests granted hereunder and the Secured Obligations, shall, to the extent permitted by law, be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of any Loan Document, or any agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver

of or any consent to departure from, any Loan Document (other than this Agreement), including, without limitation, any increase in the Secured Obligations resulting from the extension of additional credit to the Grantor or otherwise;

- (iii) any taking and holding of Trademark Collateral or guarantees for all or any of the Secured Obligations; or any amendment, alteration, exchange, substitution, transfer, enforcement, waiver, subordination, termination or release of any Trademark Collateral or such guarantees, or any nonperfection of any Trademark Collateral, or any consent to departure from any such guaranty;
- (iv) any manner of application of Trademark Collateral, or proceeds thereof, to all or any of the Secured Obligations, or the manner of sale or other disposition of any Trademark Collateral;
- (v) any consent by any Lender or the Agent to the change, restructuring or termination of the corporate structure or existence of the Grantor and any corresponding restructure of the Secured Obligations, or any other restructure or refinancing of the Secured Obligations or any portion thereof;
- (vi) any modification, compromise, settlement or release by the Agent or any Lender, by operation of law or otherwise (except any of the foregoing with respect to this Agreement), any collection or other liquidation of the Secured Obligations or the liability of the Grantor, or of the Trademark Collateral, in whole or in part, and any refusal of payment by the Agent or any Lender, in whole or in part, from any obligor or the Grantor in connection with any of the Secured Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, the Grantor; or
- (vii) any other circumstance (including, but not limited to, any statute of limitations) that might otherwise constitute a defense available to, or a discharge of, the Grantor.

The granting of a Security Interest in the Trademark Collateral shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must be otherwise returned by the Agent or any Lender upon the insolvency, bankruptcy or reorganization of the Grantor or otherwise, all as though such payment had not been made.

SECTION 12. Waiver. The Grantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Secured Obligations and this Agreement and any requirement that the Agent or any Lender protect, secure, perfect or insure any Security

Interest or any property subject thereto or exhaust any right or take any action against the Grantor or any other person or any collateral.

SECTION 13. Amendments, Etc.

(a) Except as provided in subsection (b) to this Section 13, no amendment or waiver of any provision of this Agreement, and no consent to any departure by the Grantor herefrom, shall be in any event effective unless the same shall be in writing and signed by the Agent (with the consent of each Lender), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure to exercise nor any delay in exercising, on the part of the Agent or any of the Lenders, any right, power or privilege under this Agreement shall operate as a waiver thereof; further, no single or partial exercise of any right, power or privilege under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Any trademark security agreement supplement hereto shall be in substantially the form of Exhibit A hereto (each a "Trademark Security Agreement Supplement"), and upon the execution and delivery thereof by the Grantor the supplements attached to each Trademark Security Agreement Supplement shall be incorporated into and become a part of and supplement Schedule I hereto, and the Agent may attach such supplements to such Schedule as supplemented pursuant hereto.

SECTION 14. Addresses for Notices. All notices and other communications to any party provided for hereunder shall be in writing (including telegraphic, telecopy, telex or cable communication) and mailed, telegraphed, telecopied, telexed, cabled or delivered, addressed to such party at its address set forth on the signature pages to this Agreement, or as to any party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall be effective (a) when received, if mailed or delivered, or (b) when delivered to the telegraph company, transmitted by telecopier, confirmed by telex answerback or delivered to the cable company, respectively, addressed as aforesaid.

SECTION 15. Continuing Security Interest; Release and Reassignment of Collateral.

(a) Subject to the provisions of Section 2(b) hereof, this Agreement shall create a continuing security interest in the Trademark Collateral and shall (i) remain in full force and effect until the cash payment in full of the Secured Obligations, (ii) be binding upon the Grantor, its successors and assigns, and (iii) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent, the Lenders and their respective successors, transferees and assigns.

(b) In the case of any Trademark Collateral pledged or assigned, or in which a security interest is granted hereunder by the Grantor, upon any sale, lease, transfer or other disposition of any item of Trademark Collateral (other than sales of inventory in the ordinary course of business), the Agent will, at the Grantor's expense, execute and deliver to the Grantor, any such documents as the Grantor shall reasonably request to evidence the release of such item of Trademark Collateral from the assignment and security interest granted hereby; provided, however, that (x) at the time of such request and such release no default in the payment or performance of the Obligations (or event or condition which upon notice or lapse of time or both would constitute such a default) shall have occurred and be continuing, (y) the Grantor shall have delivered to the Agent, at least ten (10) business days prior to the date of the proposed release, or such shorter period acceptable to the Agent under this Agreement, a written request for release describing the item of Trademark Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Agent and a certification by the Grantor to the effect that the transaction is in compliance with the Loan Documents and as to such other matters as the Agent may request, and (z) any proceeds of any such sale, lease, transfer or other disposition required to be applied to the prepayment of loans in accordance with the Loan Documents shall be so applied.

(c) Upon the cash payment in full of the Secured Obligations, the Security Interests granted hereby shall terminate and all rights to the Trademark Collateral shall revert and be reassigned to the Grantor. Upon any such termination, the Agent will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination and reassignment.

(d) The non-consummation of the restructuring contemplated in the introductory clauses hereof shall not effect or modify any provision, or the effectiveness, of this Agreement.

SECTION 16. Severability. If any term or provision of this Agreement is or shall become illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of this Agreement shall remain legal, valid and enforceable in such jurisdiction and such illegal, invalid or unenforceable provision shall be legal, valid and enforceable in any other jurisdiction.

SECTION 17. Execution in Counterparts. This Agreement may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreements.

SECTION 18. GOVERNING LAW; TERMS. 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 SECURITY INTEREST HEREUNDER, OR REMEDIES


HEREUNDER, IN RESPECT OF ANY PARTICULAR TRADEMARK COLLATERAL ARE GOVERNED BY THE LAWS OF THE UNITED STATES OR ANY OTHER JURISDICTION OTHER THAN THE STATE OF NEW YORK. UNLESS OTHERWISE DEFINED HEREIN, TERMS USED IN ARTICLE 8 OR 9 OF THE U.C.C. ARE USED HEREIN AS THEREIN DEFINED.

SECTION 19. WAIVER OF TRIAL BY JURY. THE GRANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES TO THE EXTENT PERMITTED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR THE TRANSACTIONS CONTEMPLATED THEREBY.

SECTION 20. The Agent. Each of the Lenders hereby irrevocably appoints the Agent as its agent and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. The Agent shall not have any duties or obligations except those expressly set forth in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

ANNE KLEIN COMPANY LLC (successor by merger with Anne Klein & Company), as Grantor

By: 
Name: *L. P. STERN*
Title: *Sr. V.P. and CFO*

Anne Klein Company LLC
11 West 42nd Street
New York, New York 10036
Attention: Beverly I. Katz, Esq.
Tel: (212) 626-6305
Fax: (212) 626-6354

**THE CHASE MANHATTAN BANK, as Lender
and as Agent**

By: _____
Name:
Title:

The Chase Manhattan Bank
111 West 40th Street, 40th Floor
New York, New York 10018
Attention: Ms. Denise Thomas
Tel: (212) 403-5006
Fax: (212) 403-5112

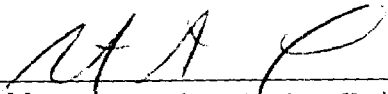
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

ANNE KLEIN COMPANY LLC (successor by merger with Anne Klein & Company), as Grantor

By: _____
Name:
Title:


Anne Klein Company LLC
11 West 42nd Street
New York, New York 10036
Attention: Beverly I. Katz, Esq.
Tel: (212) 626-6305
Fax: (212) 626-6354

**THE CHASE MANHATTAN BANK, as Lender
and as Agent**

By: 
Name: Robert A. Kuhn
Title: Vice President

The Chase Manhattan Bank
111 West 40th Street, 40th Floor
New York, New York 10018
Attention: Ms. Denise Thomas
Tel: (212) 403-5006
Fax: (212) 403-5112

FIRST UNION NATIONAL BANK, as Lender

By: 
 Name: DON D. MISHLER
 Title: SENIOR VICE PRESIDENT

* —
 First Union National Bank
 1339 Chestnut Street
 PA 48180
 Philadelphia, Pennsylvania 19107
 Attention: Mr. Don ~~NA~~ Mishler
 Tel: (215) 786-4132
 Fax: (215) 973-6680

CHASE EQUIPMENT LEASING, INC, as Lender

By: _____
 Name:
 Title:

Chase Equipment Leasing, Inc.
 One Chase Square (MC-5)
 Rochester, New York 14643
 Attention: Mr. Thomas K. Walsh
 Tel: (716) 258-4218
 Fax: (716) 258-6458

- and-

Chase Equipment Leasing, Inc.
 One Chase Square (CS-5)
 Rochester, New York 14643
 Attention: Howard Grossman, Esq.
 Tel: (716) 258-6456
 Fax: (716) 258-6458

FIRST UNION NATIONAL BANK, as Lender

By: _____
Name:
Title:

First Union National Bank
1339 Chestnut Street
PA 4813
Philadelphia, Pennsylvania 19107
Attention: Mr. Donald Mishler
Tel: (215) 786-4132
Fax: (215) 973-6680

CHASE EQUIPMENT LEASING, INC, as Lender

By: Michael J O'Hern
Name: MICHAEL J O'Hern
Title: VICE PRESIDENT

Chase Equipment Leasing, Inc.
One Chase Square (MC-5)
Rochester, New York 14643
Attention: Mr. Thomas K. Walsh
Tel: (716) 258-4218
Fax: (716) 258-6458

- and -

Chase Equipment Leasing, Inc.
One Chase Square (CS-5)
Rochester, New York 14643
Attention: Howard Grossman, Esq.
Tel: (716) 258-6456
Fax: (716) 258-6458

NYC28/45777 2

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 22ND day of February —, 1999, before me personally came L. P. STERN, to me known, who, being my duly sworn, did depose and say he resides at NEW YORK, NY and that he is a SR. V.P. and CFO of Anne Klein Company LLC, the limited liability company described in and which executed the above instrument.

Veronica E. Grassi

Notary Public

VERONICA E. GRASSI
Notary Public, State of New York
No. 01GR4801279
Qualified in Westchester County
Certificate filed in New York County
Commission Expires April 30, 1999

SCHEDULE I
TRADEMARKS

See Attached.

COWAN, LIEBOWITZ & LATMAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	A ANNE KLEIN LOGO	75/499854 10JE1998		FILED
		25: CLOTHING, NAMELY, JACKETS, COATS, PARKAS, RAINCOATS, BLAZERS, BLOUSES, SHIRTS, DRESSES, TROUSERS, JEANS, SHORTS, JUMPSUITS, SWEATERS, CARDIGANS, HATS, BELTS AND LEGGINGS		
U. S. A.	A LINE & DESIGN		1789503 24AU1993	REGISTERED
		25: CLOTHING FOR ADULTS; NAMELY, BOMBER JACKETS, BASEBALL JACKETS, PARKAS, BLAZERS, SHIRTS, T-SHIRTS, STRAIGHT-LEGGED TROUSERS, JEANS, STRAIGHT-LEGGED SHORTS, JUMPSUITS, SWEATERS HATS, BELTS, SCARVES, LINGERIE, NECKWEAR, KNEE-HIGH AND THIGH-HIGH STOCKINGS, PANTYHOSE, TIGHTS, SOCKS AND KNIT LEGGINGS		
U. S. A.	A LINE ANNE KLEIN & DESIGN	74/096742 13SE1990	1772678 18MY1993	REGISTERED
		25: CLOTHING FOR ADULTS; NAMELY, JACKETS, RAINCOATS, BLOUSES, SKIRTS, DRESSES, COATS, TROUSERS, SHORTS AND CARDIGANS		
U. S. A.	A LINE ANNE KLEIN & DESIGN	74/800747 13SE1990	1782792 20JL1993	REGISTERED
		25: CLOTHING FOR ADULTS, NAMELY, BOMBER JACKETS, BASEBALL JACKETS, PARKAS, BLAZERS, SHIRTS, T-SHIRTS, STRAIGHT-LEGGED TROUSERS, JEANS, STRAIGHT-LEGGED SHORTS, JUMPSUITS, SWEATERS, HATS, BELTS, SCARVES, LINGERIE, NECKWEAR, KNEE-HIGH AND THIGH-HIGH STOCKINGS, PANTYHOSE, TIGHTS, SOCKS AND KNIT LEGGINGS		
U. S. A.	A LOGO	74/096741 13SE1990	1857279 04OC1994	REGISTERED
		25: FOOTWEAR, EXCEPT FOR CHILDREN'S FOOTWEAR		
U. S. A.	AKII	75/257225 14MR1997	2197271 20OC1998	REGISTERED
		14: JEWELRY, WATCHES, CLOCKS AND TABLECLOCKS		
U. S. A.	AKII	75/252754 06MR1997	2199398 27OC1998	REGISTERED
		18: BILLFOLDS, WALLETS, PURSES, CHECKBOOK CLUTCHES, COSMETIC CASES SOLD EMPTY, CREDIT CARD CASES, KEY CASES, COSMETIC POUCHES SOLD EMPTY, COIN PURSES, CARRY-ALL CLUTCHES, COIN/KEY PURSES, SECRETARIES, KEY FOBS, HANDBAGS AND KNAPSACKS		
U. S. A.	ANNE KLEIN		1016644 29JL1975	REGISTERED
		3: COSMETICS AND TOILET PREPARATIONS--NAMELY, PERFUME AND COLOGNE		

NJH/NJH/15653/00/347237.1

TRADEMARK
 REEL: 1864 FRAME: 0027

COWAN, LIEBOWITZ & LATMAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	ANNE KLEIN		1074926 11OC1977	REGISTERED
		9: SUNGLASSES		
U. S. A.	ANNE KLEIN		1016832 29JL1975	REGISTERED
		14: JEWELRY; 26: HAIR ORNAMENTS, NOT IN THE NATURE OF JEWELRY		
U. S. A.	ANNE KLEIN		1046318 17AU1976	REGISTERED
		14: WATCHES		
U. S. A.	ANNE KLEIN		1016890 29JL1975	REGISTERED
		18: POCKETBOOKS		
U. S. A.	ANNE KLEIN		1052858 16NO1976	REGISTERED
		18: LEATHER GOODS--NAMELY, COSMETIC CASES, CLUTCHES, PURSES, WALLETS, BILLFOLDS, CREDIT CARD CASES, CHECKBOOK HOLDERS, KEY CASES, POUCHES, TRAVEL KITS AND PASSPORT CASES		
U. S. A.	ANNE KLEIN		1006943 18MR1975	REGISTERED
		25: COATS; SUITS; JACKETS; PANTS; SHIRTS; DRESSES; BLOUSES; SWEATERS; BELTS		
U. S. A.	ANNE KLEIN		1049090 28SE1976	REGISTERED
		25: SHOES		
U. S. A.	ANNE KLEIN	74/267038 20AP1992	1738435 08DE1992	REGISTERED
		25: HOSIERY, INCLUDING STOCKINGS, PANTY-HOSE, KNEE-HIGH OR THIGH-HIGH STOCKINGS, CUT-AND-SEWN SPECIALTY TIGHTS (OR STOCKINGS) AND SOCKS		
U. S. A.	ANNE KLEIN	73/832180 18OC1989	1613344 11SE1990	REGISTERED
		42: RETAIL CLOTHING STORE SERVICES		
U. S. A.	ANNE KLEIN & LION HEAD DESIGN		1032218 03FE1976	REGISTERED
		14: JEWELRY MADE OF NON-PRECIOUS METAL		

NJH/NJH/15653/00/347237.1

TRADEMARK
 REEL: 1864 FRAME: 0028

COWAN, LIEBOWITZ & LATMAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	ANNE KLEIN & LION HEAD DESIGN		1022721 14OC1975	REGISTERED
				25: CLOTHING--NAMELY, COATS, SUITS, JACKETS, PANTS, SHIRTS, DRESSES, BLOUSES, SWEATERS AND BELTS
U. S. A.	ANNE KLEIN & LION HEAD DESIGN		1369164 05NO1985	REGISTERED
				25: GLOVES; KNITTED HEADWEAR; MUFFLERS
U. S. A.	ANNE KLEIN & LION HEAD DESIGN	73/718990 28MR1988	1511071 01NO1988	REGISTERED
				25: SWIMWEAR, SOCKS, SCARVES AND SHAWLS
U. S. A.	ANNE KLEIN (SIGNATURE) & LION HEAD DESIGN		1147173 17FE1981	REGISTERED
				18: UMBRELLAS
U. S. A.	ANNE KLEIN II	73/800175 15MY1989	1598067 29MY1990	REGISTERED
				3: FRAGRANCES; NAMELY, PERFUMES, COLOGNES AND HAND AND BODY CREAMS AND LOTIONS
U. S. A.	ANNE KLEIN II	73/800176 15MY1989	1611081 28AU1990	REGISTERED
				9: SUNGLASSES, OPHTHALMIC EYEGLOSS FRAMES AND OPHTHALMIC SUNGLASS FRAMES
U. S. A.	ANNE KLEIN II	73/800201 15MY1989	1573264 26DE1989	REGISTERED
				14: JEWELRY
U. S. A.	ANNE KLEIN II	74/480111 18JA1994	1876539 31JA1995	REGISTERED
				14: WATCHES, CLOCKS AND TABLECLOCKS
U. S. A.	ANNE KLEIN II	73/803880 01JE1989	1596438 15MY1990	REGISTERED
				18: BILLFOLDS, WALLETS, PURSES, CHECKBOOK CLUTCHES, COSMETIC CASES, CREDIT CARD CASES, KEY CASES, COSMETIC POUCHES, COIN PURSES, CARRY-ALL CLUTCHES, COIN/KEY PURSES, SECRETARIES, KEY FOBS AND HANDBAGS

COWAN, LIEBOWITZ & LATMAN, P.C.
 OWNER: ANNE KLEIN & COMPANY
 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	ANNE KLEIN II	571125 02DE1985	1425808 20JA1987	REGISTERED
25: WOMEN'S COATS, SUITS, JACKETS, PANTS, SHIRTS, DRESSES, BLOUSES, SWEATERS AND BELTS				
U. S. A.	ANNE KLEIN II	73/800411 15MY1989	1607519 24JL1990	REGISTERED
25: CLOTHING; NAMELY, GLOVES AND SCARVES				
U. S. A.	ANNE KLEIN II	74/128259 07JA1991	1671841 14JA1992	REGISTERED
25: FOOTWEAR				
U. S. A.	ANNE KLEIN RAINWEAR		1410608 23SE1986	REGISTERED
25: WOMEN'S RAINCOATS; RAINJACKETS				
U. S. A.	LION HEAD DESIGN		1145619 13JA1981	REGISTERED
3: PERFUME, COLOGNE, DUSTING POWDER, BATH SALTS, HAND AND BODY SOAP, HAND AND BODY LOTION				
U. S. A.	LION HEAD DESIGN		1074925 11OC1977	REGISTERED
9: SUNGLASSES				
U. S. A.	LION HEAD DESIGN		1032219 03FE1976	REGISTERED
14: JEWELRY MADE OF NON-PRECIOUS METAL				
U. S. A.	LION HEAD DESIGN		1046317 17AU1976	REGISTERED
14: WATCHES				
U. S. A.	LION HEAD DESIGN		1016891 29JL1975	REGISTERED
18: POCKETBOOKS				

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 UNITED STATES TRADEMARK REGISTRATION PROGRAM AS OF FEBRUARY 15, 1999

COUNTRY	MARK	APPLICATION NUMBER and DATE	REGISTRATION NUMBER and DATE	STATUS
U. S. A.	LION HEAD DESIGN		1052859 16NO1976	REGISTERED
		18: LEATHER GOODS--NAMELY, COSMETIC CASES, CLUTCHES, PURSES, WALLETS, BILLFOLDS, CREDIT CARD CASES, CHECKBOOK HOLDERS, KEY CASES, POUCHES, TRAVEL KITS AND PASSPORT CASES		
U. S. A.	LION HEAD DESIGN		1016971 29JL1975	REGISTERED
		25: COATS, SUITS, JACKETS, PANTS, SHIRTS, DRESSES, BLOUSES, SWEATERS AND BELTS		
U. S. A.	LION HEAD DESIGN		1050741 19OC1976	REGISTERED
		25: SHOES		

SCHEDULE II

Chief Executive Office

11 West 42nd Street
New York, New York 10018

Chief Places of Business

1170 Valleybrook Avenue
Lyndhurst, New Jersey 07071

**EXHIBIT A
TO
TRADEMARK SECURITY AGREEMENT**

TRADEMARK SECURITY AGREEMENT SUPPLEMENT

TRADEMARK SECURITY AGREEMENT SUPPLEMENT, dated as of _____, 1999 (this "Supplement"), made by **ANNE KLEIN COMPANY LLC**, a New York limited liability company and the successor by merger with Anne Klein & Company, a New York general partnership (the "Grantor"), to The Chase Manhattan Bank, with an office at 111 West 40th Street, New York, New York 10017, as agent (the "Agent") for the benefit of each of the lenders (the "Lenders") signatory to Trademark Security Agreement dated February 19, 1999 (as the same may have been or may be amended, supplemented or otherwise modified from time to time, the "Agreement") among the Grantor, the Agent and the Lenders.

WHEREAS, all terms used herein and not otherwise defined herein shall, unless the context specifically requires otherwise, have the respective meanings ascribed to them in, or pursuant to the provisions of, the Agreement;

WHEREAS, pursuant to the terms of the Loan Documents, the Lenders agreed to make loans to and issue letters of credit for the account of the Grantor upon the terms and subject to the conditions set forth therein;

WHEREAS, the Agreement was recorded on _____, 1999 in Reel _____, Frame ___ - ___ in the United States Patent and Trademark Office and was delivered by the Grantor to the Agent to secure its obligations under the Loan Documents; and

WHEREAS, the Grantor and the Agent mutually desire to supplement the Agreement to add certain additional Trademarks as collateral for the respective obligations of Grantor under the Loan Documents.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that Schedule I to the Agreement is hereby supplemented to add the Trademark(s) set forth on Schedule A hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**ANNE KLEIN COMPANY LLC (successor
by merger with Anne Klein & Company),
as Grantor**

By: _____
Name:
Title:

**THE CHASE MANHATTAN BANK, as
Agent**

By: _____
Name:
Title:

**EXHIBIT B TO
TRADEMARK SECURITY AGREEMENT**

[LETTERHEAD OF ANNE KLEIN]

[DATE]

[NAME AND ADDRESS
OF LICENSEE]

Dear _____:

Reference is hereby made to that certain [LICENSE AGREEMENT], dated _____
(the "License Agreement"), between Anne Klein Company LLC, as Licensor (the "Licensor") and
[NAME OF LICENSEE], as licensee (the "Licensee").

Please be advised that from and after the date of this letter, all payments due and owing to
the Licensor under the License Agreement should be remitted to The Chase Manhattan Bank, as
Agent, at 111 West 40th Street, 40th Floor, New York, New York 10018, Attention: Ms. Denise
Thomas. This instruction is irrevocable and shall not be modified except by a writing signed by the
Licensor and The Chase Manhattan Bank, as Agent.

Very truly yours,

ANNE KLEIN COMPANY LLC

By: _____

Name:

Title: