

04-29-1999

APR. 20. 1999 11:06AM LDLKSN

NO. 522 P. 2



101024096

FORM PTO-1394 (Rev. 6-93) OMB No. 0651-0011 (exp. 4/94)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

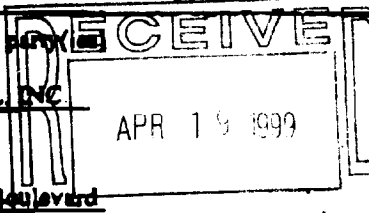
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

4.19.99 mrc

1. Name of conveying party(ies): HARD CANDY, INC.

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

2. Name and address of receiving party: HELLER FINANCIAL INC
Internal Address:
Street Address: 505 N. Brand Boulevard
City: Glendale State: CA Zip: 91203-1801
Country: U.S.A.



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

- Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other

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

Execution Date: March 19, 1998

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 registration number(s):

A. Trademark Application No.(s)

SEE ATTACHED

B. Trademark Registration No.(s)

SEE ATTACHED

Additional numbers attached? Yes No

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

Name: STEPHEN B. GOLDMAN
Internal Address: LERNER, DAVID, LITTENBERG, KRUMHOLZ & MENTLIK LLP
Street Address: 600 South Avenue West
City: Westfield State: NJ ZIP: 07090

6. Total Number of applications and registrations involved: 88

7. Total Fee (37 CFR 3.41).....\$ 2,215.00
Enclosed
Authorized to be charged to deposit account *SEE ATTACHED

8. Deposit account number: 12-1095

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

04/27/1999 DNDUYEN 00000417 121095 75253088

01 FC:481 40.00 CH
02 FC:482 2175.00 CH

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.

MARC E. BERSON (Name of Person Signing)

[Signature] (Signature)

April 20, 1999 (Date)

Total number of pages including cover sheet, attachments, and documents: 8

Mail documents to be recorded with required cover sheet information to: U.S. Patent and Trademark Office, Office of Public Records, Crystal Gateway 4, Room 135, Washington, DC 20231 Attention: Assignments

SCHEDULE A

| TRADEMARK | SERIAL NUMBER | DATE OF FILING | TRADEMARK | REGIST. NUMBER |
|----------------|---------------|----------------|--------------------|----------------|
| SQUEEZE | 75-253,092 | 19970306 | XXXMAS | 2,099,644 |
| SKITZO | 75-253,091 | 19970306 | SEXY SANTA | 2,099,643 |
| FLUFF | 75-253,090 | 19970306 | SEASONAL PSYCHOSIS | 2,099,642 |
| BOINK | 75-253,089 | 19970306 | JINGLE BALLS | 2,099,641 |
| VICE | 75-253,088 | 19970306 | ICKY EGGNOG | 2,099,640 |
| TRICKY | 75-253,087 | 19970306 | HOLIDAY HOMICIDE | 2,099,639 |
| GHETTO GIRL | 75-253,086 | 19970306 | TESTOSTERONE | 2,103,641 |
| DORK | 75-253,085 | 19970306 | OEDIPUS | 2,101,707 |
| CRY BABY | 75-253,084 | 19970306 | LIBIDO | 2,101,706 |
| CHUMP | 75-253,083 | 19970306 | GIGOLO | 2,101,705 |
| CANDY GIRL | 75-253,066 | 19970306 | DOG | 2,101,704 |
| CANDY GIRL | 75-253,065 | 19970306 | COWBOY | 2,107,477 |
| CANDY BOY | 75-253,064 | 19970306 | FELONY | 2,103,563 |
| CANDY BOY | 75-253,063 | 19970306 | FUNKY JUNKIE | 2,099,558 |
| HC | 75-223,388 | 19970109 | HIPPIE CHICK | 2,101,631 |
| HARD CANDY | 75-223,387 | 19970109 | PSYCHOTIC | 2,132,189 |
| HARD CANDY | 75-223,386 | 19970109 | SPACE BOY | 2,101,630 |
| HARD CANDY | 75-223,385 | 19970109 | GANGSTA BOOTY | 2,107,326 |
| HC | 75-223,384 | 19970109 | SEX PISTOL | 2,101,629 |
| HARD CANDY | 75-223,383 | 19970109 | AWOL | 2,101,628 |
| CANDY MAN | 75-198,564 | 19961115 | TANTRUM | 2,101,627 |
| HARD CANDY | 75-198,374 | 19961115 | PEA SOUP | 2,099,557 |
| CANDY MAN | 75-175,886 | 19961002 | SOUL | 2,112,077 |
| FIEND | 75-140,633 | 19960726 | TEASE | 2,057,566 |
| TRAMP | 75-140,605 | 19960726 | NYMPH | 2,055,570 |
| LOVE CHILD | 75-140,600 | 19960726 | HC | 2,059,480 |
| TRAILER TRASH | 75-136,469 | 19960719 | PYRO | 2,057,565 |
| CHOCOLATE KISS | 75-136,467 | 19960719 | NARCOTIC | 2,057,564 |
| MANIC | 75-136,457 | 19960719 | JAIL BAIT | 2,057,533 |
| SKY | 75-136,456 | 19960719 | SCAM | 2,055,529 |
| PLATINUM | 75-117,713 | 19960612 | VEGAS | 2,115,554 |
| FETISH | 75-117,705 | 19960612 | VINYL | 2,057,406 |
| GREED | 75-117,703 | 19960612 | PIMP | 2,055,338 |
| DESIGN ONLY | 74-726,810 | 19950908 | PAVEMENT | 2,057,405 |
| | | | NAVEL | 2,055,337 |
| | | | PUSSY CAT | 2,055,336 |
| | | | SCORN | 2,057,404 |
| | | | SKY | 2,059,342 |
| | | | INVISIBLE | 2,115,458 |
| | | | SUSHI | 2,055,335 |
| | | | TRAILER TRASH | 2,057,403 |
| | | | MANIC | 2,055,334 |
| | | | MERMAID | 2,059,341 |
| | | | PORNO | 2,121,012 |
| | | | BUBBLE GUM | 2,055,333 |
| | | | CHOCOLATE KISS | 2,122,972 |
| | | | CHRONIC | 2,055,332 |
| | | | COCONUT | 2,099,033 |
| | | | EARTH | 2,117,509 |
| | | | FLAMING | 2,057,402 |
| | | | FRIGID | 2,057,401 |
| | | | HAZE | 2,055,331 |
| | | | HEIST | 2,057,400 |
| | | | HARD CANDY | 1,987,262 |

**NOTICE OF GRANT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS**

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, HARD CANDY, INC., a California corporation (the "Grantor") with offices at 110 N. Doheny Drive, Beverly Hills, California 90211 hereby grants a security interest to HELLER FINANCIAL, INC., a Delaware corporation with offices at 505 N. Brand Boulevard, Glendale, California 91203-1903 (the "Grantee"), in (i) all of the Grantor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, together with (ii) all Proceeds (as such term is defined in the Factoring, Loan and Security Agreement referred to below) and products of the Marks, (iii) the goodwill of the businesses symbolized by the Marks, and (iv) all causes of action arising prior to or after the date hereof for infringement of any of the Marks or unfair competition regarding the same (collectively, the "Trademark Collateral").

THIS AGREEMENT is entered into to secure the full and prompt performance and payment of all the Obligations of the Grantor, as such term is defined in the Factoring, Loan and Security Agreement, dated as of March 19, 1998, between Grantor and Grantee, (as amended from time to time, the "Factoring Agreement").

NOTICE IS HEREBY GIVEN that this Agreement has been entered into in conjunction with the security interest granted to the Grantee under the Factoring Agreement. The rights and remedies of the Grantee with respect to the security interest granted herein and therein are without prejudice to, and are in addition to those set forth in the Factoring Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are deemed to conflict with the Factoring Agreement, the provisions of the Factoring Agreement shall govern. This Agreement is governed by the laws of the State of California, without consideration to its choice of law provisions, and any claims arising hereunder shall be prosecuted therein.

Grantor shall notify Grantee of the filing of any application for registration of, or the initiation of use of a trademark not set forth in Schedule "A", within thirty (30) days of the filing of such application or such first use, whichever is the earlier to occur. Upon Grantee's request, Grantor shall execute and deliver to Grantee any document necessary to further evidence the by Grantor to Grantee of a security interest in such trademark and all associated goodwill and proceeds therefrom (such additional trademark, all associated goodwill and proceeds therefrom shall be a part of the Trademark Collateral).

In the event that Grantor shall fail to execute any document or take any action reasonably requested of it in furtherance of this Agreement, then Grantor hereby names Grantee its true and lawful attorney-in-fact for the sole purpose of executing such document or taking such action in

:\WPDATA\WELLER\FHARD CANDY\TRADEMARKNOTICE

**TRADEMARK
REEL: 001898 FRAME: 0899**

the place and stead of Grantor. This power of attorney is coupled with an interest, is irrevocable, and shall survive the termination or expiration of this Agreement.

DATED: March 19, 1998

GRANTOR:

HARD CANDY, INC.,
a California corporation

By: *Eric B. Heller*
Its: *CEO*

GRANTEE:

HELLER FINANCIAL, INC.,
a Delaware corporation

By: *Deane W. Kenney*
Its: *AIP - Underwriter*

(THIS DOCUMENT MUST BE EXECUTED BEFORE A NOTARY PUBLIC
AND PROPER NOTARIAL ACKNOWLEDGMENTS ATTACHED)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

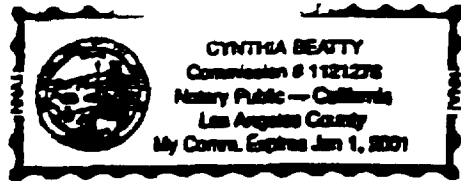
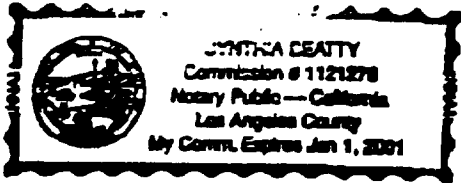
No. 5807

State of California
County of Los Angeles

On March 19, 1998 before me, Cynthia Beatty, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Eric R. Hohl and Anne W. Kenney
NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Cynthia Beatty
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S) LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

Notice of Grant of Security Interest in United States Trademark

TITLE OR TYPE OF DOCUMENT

- 3 -

NUMBER OF PAGES

March 19, 1998

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(ES)

SIGNER(S) OTHER THAN NAMED ABOVE

PENDING APPLICATIONS

| TRADEMARK | SERIAL NUMBER | DATE OF FILING | REGIST. NUMBER | DATE REG. |
|----------------|------------------|-------------------|-------------------|--------------|
| VICE | 75-253,088 | 19970306 | | |
| CANDY GIRL | 75-253,066 | 19970306 | | |
| CANDY GIRL | 75-253,065 | 19970306 | | |
| CANDY BOY | 75-253,064 | 19970306 | | |
| CANDY BOY | 75-253,063 | 19970306 | | |
| HC | 75-223,388 | 19970109 | | |
| HARD CANDY | 75-223,387 | 19970109 | | |
| HARD CANDY | 75-223,386 | 19970109 | | |
| HARD CANDY | 75-223,385 | 19970109 | | |
| HC | 75-223,384 | 19970109 | | |
| HARD CANDY | 75-223,383 | 19970109 | | |
| CANDY MAN | 75-198,564 | 19961115 | | |
| FIEND | 75-140,633 | 19960726 | | |
| TRAMP | 75-140,605 | 19960726 | | |
| LOVE CHILD | 75-140,600 | 19960726 | | |
| TRAILER TRASH | 75-136,469 | 19960719 | | |
| CHOCOLATE KISS | 75-136,467 | 19960719 | | |
| MANIC | 75-136,457 | 19960719 | | |
| SKY | 75-136,456 | 19960719 | | |
| PLATINUM | 75-117,713 | 19960612 | | |
| FETISH | 75-117,705 | 19960612 | | |
| GREED | 75-117,703 | 19960612 | | |

REGISTERED MARKS

| TRADEMARK | SERIAL NUMBER | DATE OF FILING | REGIST. NUMBER | DATE REG. |
|--------------------|------------------|-------------------|-------------------|--------------|
| XXXMAS | 75-253,098 | 19970306 | 2,099,644 | 19970923 |
| SEXY SANTA | 75-253,097 | 19970306 | 2,099,643 | 19970923 |
| SEASONAL PSYCHOSIS | 75-253,096 | 19970306 | 2,099,642 | 19970923 |
| JINGLE BALLS | 75-253,095 | 19970306 | 2,099,641 | 19970923 |
| ICKY EGGNOG | 75-253,094 | 19970306 | 2,099,640 | 19970923 |
| HOLIDAY HOMICIDE | 75-253,093 | 19970306 | 2,099,639 | 19970923 |
| SQUEEZE | 75-253,092 | 19970306 | 2,215,767 | 19990105 |
| SKITZO | 75-253,091 | 19970306 | 2,213,796 | 19981229 |
| FLUFF | 75-253,090 | 19970306 | 2,213,795 | 19981229 |
| BOINK | 75-253,089 | 19970306 | 2,213,794 | 19981229 |
| TRICKY | 75-253,087 | 19970306 | 2,215,766 | 19990105 |
| GHETTO GIRL | 75-253,086 | 19970306 | 2,213,793 | 19981229 |
| DORK | 75-253,085 | 19970306 | 2,215,765 | 19990105 |
| CRY BABY | 75-253,084 | 19970306 | 2,215,764 | 19990105 |
| CHUMP | 75-253,083 | 19970306 | 2,215,763 | 19990105 |
| TESTOSTERONE | 75-229,319 | 19970122 | 2,103,641 | 19971007 |
| OEDIPUS | 75-229,317 | 19970121 | 2,101,707 | 19970930 |
| LIBIDO | 75-229,316 | 19970122 | 2,101,706 | 19970930 |

| | | | | |
|----------------|------------|----------|-----------|----------|
| GIGOLO | 75-229,315 | 19970122 | 2,101,705 | 19970930 |
| DOG | 75-229,314 | 19970121 | 2,101,704 | 19970930 |
| COWBOY | 75-229,313 | 19970122 | 2,107,477 | 19971021 |
| HARD CANDY | 75-198,374 | 19961115 | 2,150,397 | 19980414 |
| FELONY | 75-198,372 | 19961115 | 2,103,563 | 19971007 |
| FUNKY JUNKIE | 75-198,371 | 19961115 | 2,099,558 | 19970923 |
| HIPPIE CHICK | 75-198,370 | 19961115 | 2,101,631 | 19970930 |
| PSYCHOTIC | 75-198,369 | 19961115 | 2,132,189 | 19980127 |
| SPACE BOY | 75-198,368 | 19961115 | 2,101,630 | 19970930 |
| GANGSTA BOOTY | 75-198,367 | 19961115 | 2,107,326 | 19971021 |
| SEX PISTOL | 75-198,366 | 19961115 | 2,101,629 | 19970930 |
| AWOL | 75-198,365 | 19961115 | 2,101,628 | 19970930 |
| TANTRUM | 75-198,364 | 19961115 | 2,101,627 | 19970930 |
| PEA SOUP | 75-198,362 | 19961115 | 2,099,557 | 19970923 |
| CANDY MAN | 75-175,886 | 19961002 | 2,215,697 | 19990105 |
| SOUL | 75-175,869 | 19961002 | 2,112,077 | 19971111 |
| TEASE | 75-140,608 | 19960726 | 2,057,566 | 19970429 |
| NYMPH | 75-140,607 | 19960726 | 2,055,570 | 19970422 |
| HC | 75-140,606 | 19960726 | 2,059,480 | 19970506 |
| PYRO | 75-140,603 | 19960726 | 2,057,565 | 19970429 |
| NARCOTIC | 75-140,601 | 19960726 | 2,057,564 | 19970429 |
| JAIL BAIT | 75-133,477 | 19960712 | 2,057,533 | 19970429 |
| SCAM | 75-133,476 | 19960712 | 2,055,529 | 19970422 |
| VEGAS | 75-133,475 | 19960712 | 2,115,554 | 19971125 |
| VINYL | 75-117,728 | 19960612 | 2,057,406 | 19970429 |
| PIMP | 75-117,726 | 19960612 | 2,055,338 | 19970422 |
| PAVEMENT | 75-117,725 | 19960612 | 2,057,405 | 19970429 |
| NAVEL | 75-117,724 | 19960612 | 2,055,337 | 19970422 |
| PUSSY CAT | 75-117,723 | 19960612 | 2,055,336 | 19970422 |
| SCORN | 75-117,722 | 19960612 | 2,057,404 | 19970429 |
| SKY | 75-117,721 | 19960612 | 2,059,342 | 19970506 |
| INVISIBLE | 75-117,718 | 19960612 | 2,115,458 | 19971125 |
| SUSHI | 75-117,717 | 19960612 | 2,055,335 | 19970422 |
| TRAILER TRASH | 75-117,716 | 19960612 | 2,057,403 | 19970429 |
| MANIC | 75-117,715 | 19960612 | 2,055,334 | 19970422 |
| MERMAID | 75-117,714 | 19960612 | 2,059,341 | 19970506 |
| PORNO | 75-117,712 | 19960612 | 2,121,012 | 19971216 |
| BUBBLE GUM | 75-117,710 | 19960612 | 2,055,333 | 19970422 |
| CHOCOLATE KISS | 75-117,709 | 19960612 | 2,122,972 | 19971223 |
| CHRONIC | 75-117,708 | 19960612 | 2,055,332 | 19970422 |
| COCONUT | 75-117,707 | 19960612 | 2,099,033 | 19970923 |
| EARTH | 75-117,706 | 19960612 | 2,117,509 | 19971202 |
| FLAMING | 75-117,704 | 19960612 | 2,057,402 | 19970429 |
| FRIGID | 75-117,702 | 19960612 | 2,057,401 | 19970429 |
| HAZE | 75-117,701 | 19960612 | 2,055,331 | 19970422 |
| HEIST | 75-117,700 | 19960612 | 2,057,400 | 19970429 |
| DESIGN ONLY | 74-726,810 | 19950908 | 2,177,733 | 19980804 |
| HARD CANDY | 74-724,256 | 19950824 | 1,987,262 | 19960716 |

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