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Tab settings

To the Honorable Commissioner of Patents and Tr

il documents or copy thereof.

101084513

1. Name of conveying party(ies):
Brownstone Holdings, Inc.

2. Name and address of receiving party(ies)

Name: First Source Financial LLP

Internal Address: _____

Street Address : 2850 W. Golf Road - 5th Floor

City: Rolling Meadows State: IL Zip: 60008

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

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: May 12, 1999

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

If assignee is not domiciled in the United States, a 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 trademark

A. Trademark Application No.(s)

B. Trademark Registration

1,276,576	995,979	989,000	1,613,970
1,506,560	1,992,040	1,186,245	1,165,943
816,640	801,926	802,301	

Additional numbers attached? Yes No

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

Name: Federal Reserve Corp.

Internal Address: _____

Street Address: 400 Seventh St NW

Suite 101

City: Washington Stat - DC ZIP: 20006

6. Total number of applications and registrations

11

7. Total fee (37 CFR 3.41) \$ 290.00

- Enclosed
- Authorized to be charged to deposit

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.

Nancy A. Butler
Name of Person

Nancy Butler
Signature

6/30/99
Date

Total number of pages including cover sheet, attachments

9

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

**TRADEMARK AGREEMENT
(Brownstone)**

THIS AGREEMENT (TRADEMARK), dated as of May 12, 1999 (this "**Agreement**"), between BROWNSTONE HOLDINGS, INC., a Delaware corporation ("**Grantor**") and **FIRST SOURCE FINANCIAL LLP**, an Illinois registered limited liability partnership (together with its successors and assigns, "**Lender**").

W I T N E S S E T H:

WHEREAS, pursuant to a Secured Credit Agreement dated as of May 12, 1999 (as amended, restated, supplemented or otherwise modified from time to time, the "**Secured Credit Agreement**"), among Grantor, ECOLOGY KIDS, INC., a Delaware corporation ("**Ecology Kids**"), DIPLOMAT HOLDINGS, INC., a California corporation ("**Diplomat**") and LEW MAGRAM, LTD., a New York corporation ("**Lew Magram**"; and together with Ecology Kids, Diplomat and Grantor are collectively referred to as the "**Borrowers**"), DIPLOMAT DIRECT MARKETING CORPORATION, a Delaware corporation ("**Parent**"), as Funds Administrator for the Borrowers, and Lender, Lender has extended Commitments to make Loans and other extensions of credit to Borrowers;

WHEREAS, in connection with the Secured Credit Agreement, Borrowers have executed and delivered to Lender a Security Agreement, dated as of May 12, 1999 (as amended, restated, supplemented or otherwise modified from time to time, the "**Security Agreement**");

WHEREAS, as a condition precedent to the making of the initial Loans under the Secured Credit Agreement, Grantor is required to execute and deliver this Agreement and to grant to Lender a continuing security interest in all of the Trademark Collateral (as defined below) to secure all Liabilities; and

WHEREAS, Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce Lender to make Loans (including the initial Loans) and other extensions of credit pursuant to the Secured Credit Agreement, Grantor agrees, for the benefit of Lender, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the respective meanings provided or provided by reference in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure the prompt and complete payment, performance and observance of all of the Liabilities, Grantor does hereby mortgage, pledge and grant to Lender a continuing security interest in, all of the following property of Grantor (the "**Trademark Collateral**"), whether now or hereafter owned, acquired, existing or arising:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, certification marks, collective marks, logos, other sources of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (each of the foregoing items in this **clause (a)** being called a "**Trademark**"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in **Item A of Attachment 1** hereto;

(b) all Trademark licenses, including each Trademark license referred to in **Item B of Attachment 1** hereto;

(c) all reissues, extensions or renewals of any of the items described in **clauses (a) and (b)**;

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in **clauses (a) and (b)**; and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration, or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in **Item A and Item B of Attachment 1** hereto, or for any injury to the goodwill associated with the use of any Trademark or for breach or enforcement of any Trademark license.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by Grantor for the purpose of registering the security interest of Lender in the Trademark Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby

has been granted as a supplement to, and not in limitation of, the security interest granted to Lender under the Security Agreement. The Security Agreement (and all rights and remedies of Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Liabilities and the termination of all Commitments, Lender shall, at Grantor's expense, execute and deliver to Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. Grantor does hereby further acknowledge and affirm that the rights and remedies of Lender with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Related Document, etc. This Agreement is a Related Document executed pursuant to the Secured Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Secured Credit Agreement.


SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers hereunto duly authorized as of the day and year first above written.

GRANTOR:

BROWNSTONE HOLDINGS, INC.


By: 
Name Printed: WARREN H. COLSON
Its: Vice President

Address for Grantor:
414 Alfred Avenue
Teaneck, New Jersey 07666
Facsimile:
Telephone:

LENDER:

FIRST SOURCE FINANCIAL LLP

By: First Source Financial, Inc.
Its: Manager

By: 
Name Printed: CHESTER R. ZORA
Its: SENIOR VICE PRESIDENT

Address for Lender:
2850 West Golf Road - Fifth Floor
Rolling Meadows, IL 60008
Attention: Contract Administration
Facsimile: (847) 734-7910, 7911
Telephone: (847) 734-2000

STATE OF Illinois)
) SS.
COUNTY OF COOK)

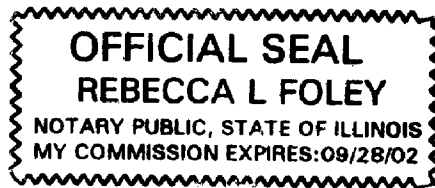
I, Rebecca L. Foley, a notary public in and for said County, in the State of aforesaid, DO HEREBY CERTIFY that Warren H. Golden, personally known to me to be a Vice President of Brownstone Holdings, Inc., a Delaware corporation and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as VP of said corporation, pursuant to authority, given by the _____ of said corporation as such person's free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 11th day of May, 1999.

Rebecca L. Foley
Notary Public

My Commission Expires:

9/28/02



STATE OF Illinois)
) SS.
COUNTY OF Cook)

I, Rebecca L. Foley, a notary public in and for said County, in the State of aforesaid, DO HEREBY CERTIFY that Chester R. Zava, personally known to me to be a Senior Vice President of FIRST SOURCE FINANCIAL, INC., a Delaware corporation, the Agent/Manager First Source Financial, LLP, an Illinois registered limited liability partnership and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as such officer of said corporation, pursuant to authority, given by the Board of Directors of said corporation as such person's free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 1st day of May, 1999.

Rebecca L. Foley
Notary Public

My Commission Expires:

9/28/02



TRADEMARK LIST

Jean Grayson's Brownstone Studio
Status: Registered
Reg. No.: 1,276,576
Registered: May 1, 1984

Owner: Brownstone Holding Inc.

Jean Grayson's Brownstone Studio
Status: Renewed
Reg. No.: 995,979
Registered: October 15, 1974

Owner: Brownstone Holding, Inc.

Brownstone Studio
Status: Renewed
Reg. No. 989,000
Registered: July 12, 1974

Owner: Brownstone Holding, Inc.

Brownstone Woman
Status: Registered
Registered No.: 1,613,970
Registered: September 18, 1990

Owner: Brownstone Holding, Inc.

Adrian-Avery
Status: Registered
Reg. No.: 1,506,560
Registered: September 27, 1988

Owner: Brownstone Holding, Inc.

Brownstone Boutique
Status: Registered
Reg. No.: 1,992,040
Registered: August 6, 1996
Assignee: Brownstone Holding, Inc.

Intime
Status: Registered
Reg. No.: 1,186,245
Registered: January 12, 1982

Owner: Brownstone Holding, Inc.

Brownstone Studio
Status: Registered
Reg. No. 1,165,943
Registered: August 18, 1981

Owner: Brownstone Holding, Inc.

'Kicks' By Wilroy
Status: Renewed
Reg. No.: 816,640
Registered: October 11, 1966
Owner: Brownstone Holding, Inc.

Wilroy Traveler
Status: Renewed
Reg. No.: 801,926
Registered: January 11, 1996
Owner: Brownstone Holding, Inc.

Wilroy
Status: Renewed
Reg. No.: 802301
Registered: January 18, 1966
Owner: Brownstone Holding, Inc.