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OMB 0651-0027



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11-23-1999

U.S. Patent & TMOfo/TM Mail Rcpt Dt. #26

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

- Individual General Partnership Limited Partnership 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.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

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FOR OFFICE USE ONLY

01	FC:481	40.00	OP
02	FC:482	75.00	OP
03	FC:998	25.00	OP

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Mail documents to be recorded with required cover sheet(s) information to:
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TRADEMARK
REEL: 001998 FRAME: 0583

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)

<input type="text" value="77/532,042"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
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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.

TONYA CHAPPLE

Name of Person Signing

Tonya Chapple

Signature

11-22-99

Date Signed

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement"), dated as of September 24, 1999, is made by **Staff Builders International, Inc.**, a New York corporation ("Pledgor") with an address at 1983 Marcus Avenue, Lake Success, New York 11042 and delivered to **Mellon Bank, N.A.** ("Lender") with an address at 1735 Market Street, 6th Floor, Philadelphia, PA 19103.

Background

A. This Agreement is being executed contemporaneously with that certain Second Amended and Restated Loan and Security Agreement, of even date herewith, by and among Lender, Pledgor and each of the other corporations referred to as a Borrower on the signature pages thereto (as amended, supplemented or replaced from time to time, the "Loan Agreement"), pursuant to which Pledgor is granting Lender a lien on and security interest in certain assets of Pledgor associated with or relating to services or products sold under Pledgor's trademarks and the goodwill associated therewith, and under which Lender is entitled to foreclose or otherwise deal with such assets under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Pledgor has adopted, used and is using (or has filed applications for the registration of) the trademarks, servicemarks and tradenames listed on Schedule "A" attached hereto and made part hereof (all such marks or names hereinafter referred to as the "Trademarks").

C. Pursuant to the Loan Agreement, Lender is acquiring a lien on, security interest in and a license to use the Trademarks and the registration thereof, together with all the goodwill of Pledgor associated therewith and represented thereby, as security for all of Pledgor's Obligations (as defined in the Loan Agreement), and Lender desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Agreement, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations of Borrowers, Pledgor grants to Lender a lien on and security interest in all of Pledgor's present and future right, title and interest in and to the Trademarks, together with all the goodwill of Pledgor associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and

proceeds of infringement suits.

2. Pledgor hereby covenants and agrees to maintain the Trademarks in full force and effect until all of Obligations of Borrowers are satisfied in full.

3. Pledgor represents, warrants and covenants to Lender that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) All of the Trademarks are registered, valid and enforceable;

(c) Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, charges and encumbrances including, without limitation, pledges, assignments, licenses (other than to Lender hereunder) and covenants by Pledgor not to sue third persons;

(d) Pledgor has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Pledgor has complied with, and will continue for the duration of this Agreement to comply with the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks except where failure to comply would not have a material adverse effect on Pledgor or its Property; and

(f) Pledgor has used and will continue to use for the duration of this Agreement, consistent standards of quality in services or products leased or sold under the Trademarks and hereby grants to Lender and its employees and agents the right (with no obligation of any kind upon Lender to do so) to visit Pledgor's affiliates, franchises or management locations and to inspect the use of the Trademarks and quality control records relating thereto at reasonable times during regular business hours to ensure Pledgor's compliance with this paragraph 3(f).

4. Pledgor further covenants that:

(a) Until all the Obligations of Borrowers have been satisfied in full, Pledgor will not enter into any amendment or modification to any agreement, including, without limitation, license agreements or options, which are inconsistent with Pledgor's obligations under this Agreement, Borrowers' obligations under the Loan Agreement or which restrict or impair Lender's rights hereunder.

(b) If Pledgor acquires rights to any new Trademarks, the provisions of this Agreement shall automatically apply thereto and such trademarks shall be deemed part of the

Trademarks. Pledgor shall give Lender prompt written notice thereof along with an amended Schedule "A."

5. So long as this Agreement is in effect and so long as Borrowers have not received notice from Lender that an Event of Default has occurred and is continuing under the Loan Agreement and that Lender has elected to exercise its rights hereunder (i) Pledgor shall continue to have the exclusive right to use the Trademarks; and (ii) Lender shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Pledgor agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Trademarks to any entity or person other than Pledgor without the prior written consent of Lender.

7. Anything herein contained to the contrary notwithstanding, if and while Pledgor shall be in default hereunder or an Event of Default exists under the Loan Agreement, Pledgor hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in Pennsylvania, may take such action permitted hereunder, in its exclusive discretion, to foreclose upon the Trademarks covered hereby. For such purposes, and in the event of Pledgor's default hereunder or an Event of Default under the Loan Agreement and while such default or Event of Default exists, Pledgor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, with the power to endorse Pledgor's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute a trademarks assignment in the form attached hereto as Exhibit 1. Pledgor hereby ratifies all that such attorney or agent shall lawfully do or cause to be done by virtue hereof, except for the gross negligence or wilful misconduct of such attorney or agent. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Obligations of Borrowers are indefeasibly paid and satisfied in full.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted to Lender under the Loan Documents. In the event of an inconsistency between this Agreement and Loan Agreement, the language of this Agreement shall control.

10. Upon Borrowers' performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all of the Borrowers' Obligations, Lender shall execute

and deliver to Pledgor all documents reasonably necessary to terminate Lender's security interest in the Trademarks.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrower on demand by Lender and until so paid shall be added to the principal amount of Borrowers' Obligations to Lender and shall bear interest at the rate prescribed in the Loan Agreement for the Revolving Credit.

12. Subject to the terms of the Loan Agreement, Pledgor shall have the duty to prosecute diligently any application and/or registration with respect to the Trademarks pending as of the date of this Agreement or thereafter, until Obligations of Borrowers shall have been satisfied in full, to preserve and maintain all rights in the Trademarks, and upon reasonable request of Lender, Pledgor shall make federal application on registerable but unregistered Trademarks belonging to Pledgor and licensed to Pledgor. Any reasonable expenses incurred in connection with such applications shall be borne exclusively by Pledgor. Pledgor shall not abandon any Trademarks without the prior written consent of the Lender, which consent shall not be unreasonably withheld.

13. Pledgor shall have the right to bring suit in its own name to enforce the Trademarks, in which event Lender may, if Pledgor reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Pledgor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Lender in the fulfillment of the provisions of this paragraph.

14. Upon the occurrence and continuance of an Event of Default under the Loan Agreement or hereunder, Lender may, without any obligation to do so, complete any obligation of Pledgor hereunder, in Pledgor's name or in Lender's name, but at the expense of Pledgor, and Pledgor hereby agrees to reimburse Lender in full for all expenses, including, without limitation, all attorneys' fees incurred by Lender in protecting, defending and maintaining the Trademarks.

15. No course of dealing between Pledgor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Documents, or by any other future

agreements between Pledgor and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. This Agreement shall be governed by and construed in conformity with the laws of the Commonwealth of Pennsylvania, without regard to its otherwise applicable principles of conflicts of laws.

19. Pledgor agrees to the jurisdiction of the State and Federal Courts located in Eastern District of Pennsylvania and to service by certified mail, return receipt requested at the address of the Pledgor.

20. PLEDGOR AND LENDER EACH WAIVES ANY AND ALL RIGHTS EITHER MAY HAVE TO A JURY TRIAL ARISING IN CONNECTION WITH ANY PROCEEDING OR CONTROVERSY RELATING TO THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN PLEDGOR AND LENDER.

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

Staff Builders International, Inc.

By: Renee Silver, V.P.
Renee Silver
Vice President

Approved and accepted:


Mellon Bank, N.A.

By: Jeffrey Saperstein
Jeffrey Saperstein
Vice President

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF NEW YORK : SS
COUNTY OF NASSAU :

On this 25th day of September, 1999, before me personally appeared RENEE SILVER, who being duly sworn, deposes and says that he/she is the VICE PRESIDENT of STAFF BUILDERS INTERNATIONAL, INC., the corporation described in the foregoing document, that he/she in such capacity as officer of said corporation is authorized to execute on behalf of the said corporation the foregoing document for the purposes contained therein, and that he/she is the person whose name and signature is subscribed to the foregoing document.



Notary Public

My commission expires: _____

GARY MARCUS
Notary Public, State of New York
No. 02MA4518442
Qualified in Nassau County
Term Expires November 30, 1999

SCHEDULE A

TRADEMARKS

REGISTERED TRADEMARKS		
Trademark	Registration Number	Registration Date
Outline of Human Figures	849,595	08/16/88
Staff Builders	1,524,789	02/14/89
Staff Line	1,550,489	08/01/89
Staff Builders & Design (France)	1,501,930	12/06/88
Staff Builders & Design (Canada)	172,276	10/23/70
Staff Builders & Design (Indonesia)	360,512	09/07/95
Staff Builders & Design (Taiwan)	83-533444	09/16/95
Staff Builders & Design (Japan)	6-61319/6-61320	10/17/97
European Community-CTM	0002781168	03/29/99
Staff Builders Medical Staffing Services	532,042	05/24/94

EXHIBIT 1
Trademark Assignment

WHEREAS, **Staff Builders International, Inc.**, a New York corporation ("Grantor") is the registered owner of the United States trademarks, tradenames and registrations listed on Schedule A attached hereto and made a part hereof ("Trademarks"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ ("Grantee") having a place of business at _____ is desirous of acquiring said Trademarks;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith. No rights or duties of any kind are intended to be granted or conferred upon Grantee unless and until this Trademark Assignment is recorded with the United States Patent and Trademark Office.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the ___ day of _____, _____.

Staff Builders International, Inc.

Witness: _____

By: _____
As Attorney-in-fact

SCHEDULE A
Trademarks

REGISTERED TRADEMARKS		
Trademark	Registration Number	Registration Date

PENDING TRADEMARK APPLICATIONS		
Trademark	Application Number	Filing Date

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF _____ : SS
COUNTY OF _____ :

On this ___ day of _____, 1999, before me personally appeared _____, who being duly sworn, deposes and says that he/she is the _____ of _____, the corporation described in the foregoing document, that he/she in such capacity as officer of said corporation is authorized to execute on behalf of the said corporation the foregoing document for the purposes contained therein, and that he/she is the person whose name and signature is subscribed to the foregoing document.

Notary Public

My commission expires: _____

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF New York : SS
COUNTY OF Nassau :

On this 24th day of September, 1999, before me personally appeared Renee J. Silver, who being duly sworn, deposes and says that he/she is the Vice President of Staff Builders Int'l., Inc., the corporation described in the foregoing document, that he/she in such capacity as officer of said corporation is authorized to execute on behalf of the said corporation the foregoing document for the purposes contained therein, and that he/she is the person whose name and signature is subscribed to the foregoing document.



Notary Public

My commission expires: _____

GARY MARCUS
Notary Public, State of New York
No. 02MA4518442
Qualified in Nassau County
Term Expires November 30, 19