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02-28-2000

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FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027



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

02-08-2000

101277015

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #70

### 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  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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.)

02/25/2000 DNGUYEN 00000238 1947700  
01 FC:481 40.00 OP  
02 FC:482 250.00 OP

#### FOR OFFICE USE ONLY

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

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

TRADEMARK  
REEL: 002037 FRAME: 0877

**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)**

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<input type="text" value="1,947,700"/>	<input type="text" value="2,006,761"/>	<input type="text" value="2,044,295"/>
<input type="text" value="1,947,701"/>	<input type="text" value="1,947,699"/>	<input type="text" value="1,813,820"/>
<input type="text" value="1,947,702"/>	<input type="text" value="1,947,706"/>	<input type="text" value="1,766,442"/>

**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.

Janice M. Duffy

2.1.00

Name of Person Signing

Signature

Date Signed

**RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY**

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

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

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual     General Partnership     Limited Partnership     Corporation     Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional 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

Corporation     Association

Other

Citizenship/State of Incorporation/Organization

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 the Assignment)

**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)**

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1,171,752	<input type="text"/>	<input type="text"/>
1,259,466	<input type="text"/>	<input type="text"/>
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## TRADEMARK SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into as of January 25, 2000 by and between BG Shoe Acquisition Corp., a Delaware corporation, having its principal place of business at 3155 El-Bee Road, Dayton, Ohio 45401-1448 (the "**Borrower**"), and Paragon Capital LLC, a Delaware limited liability company with a usual place of business at Hillside Office Building, 75 Second Avenue, Suite 400, Needham, Massachusetts 02494 ("**Bank**").

NOW THEREFORE, in consideration of the premises, Borrower hereby agrees with Bank as follows:

1. **Grant of Security Interest.** Borrower hereby grants to Bank a first priority security interest in, and conditionally assigns, but does not transfer title to Bank, all of Borrower's right, title and interest in and to the following (collectively, the "**Collateral**") to secure payment and performance of all obligations of Borrower to Bank whether such obligations are direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including without limitation, those liabilities of Borrower to Bank pursuant to a Loan and Security Agreement dated as of January 24, 2000, between the Bank and the Borrower (the "**Loan Agreement**") (collectively, the "**Obligations**").

The Collateral shall consist of the following:

(a) Each of the trademarks, service marks and rights and interests protectible as trademarks or service marks, which are presently, or in the future may be, owned, created, acquired or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all trademark or service mark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks, service marks and trademark or service mark rights;

(b) All of Borrower's right, title and interest, in and to the trademarks, service marks and trademark or service mark registrations listed on Schedule A attached hereto, as the same may be updated hereafter from time to time;

(c) All of Borrower's right, title and interest to register trademark or service mark claims under any state or federal trademark or service mark law or regulation of any foreign country, and to apply for, renew and extend the trademark or service mark registrations and trademark or service mark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Borrower or in the name of Bank for past, present and future infringements of the trademarks, service marks or trademark or service mark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(d) All general intangibles relating to the Collateral; and

(e) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

**2. Warranties and Representations.** Borrower hereby warrants and represents to Bank the following:

(a) A true and complete schedule setting forth all federal and state trademark and service mark registrations owned or controlled by Borrower or licensed to Borrower, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(b) Each of the trademarks, service marks and trademark or service mark registrations is valid and enforceable, and Borrower is not presently aware of any past, present or prospective claim by any third party that any of the trademarks or service marks are invalid or unenforceable, or that the use of any trademark or service mark violates the rights of any third person, or of any basis for any such claims;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the trademarks, service marks and trademark and service mark registrations free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, shop rights and covenants by Borrower not to sue third persons;

(d) Borrower has used and will continue to use proper statutory notice in connection with its use of each of the trademarks and service marks;

(e) Borrower has used and will continue to use consistent standards of high quality (which may be consistent with Borrower's past practices) in the manufacture, sale and delivery of products and services sold or delivered under or in connection with the trademarks and service marks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks and service marks;

(f) Except for the filing of financing statements with the Secretary of State of Ohio under the Uniform Commercial Code and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Borrower of the security interest hereunder or for the execution, delivery or performance of this Agreement by Borrower or for the perfection of or the exercise by Bank of its rights hereunder to the Collateral in the United States.

**3. After-Acquired Trademark/Service Mark Rights.** If Borrower shall obtain rights to any new trademarks or service marks, the provisions of this Agreement shall automatically apply thereto. Borrower shall give prompt notice in writing to Bank with respect to any such new trademarks or service marks or renewal or extension of any trademark or service mark registration. Borrower shall bear any expenses incurred in connection with future applications for trademark or service mark registration.

**4. Litigation and Proceedings.** Borrower shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings or other actions for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Borrower shall provide to Bank any information with

respect thereto reasonably requested by Bank. Bank shall provide at Borrower's expense all necessary cooperation in connection with any such suit, proceeding or action, including, without limitation, joining as a necessary party. Following Borrower's becoming aware thereof, Borrower shall notify Bank of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state or foreign court regarding Borrower's claim of ownership in any of such trademarks or service marks, its right to apply for the same, or its right to keep and maintain such trademark or service mark rights.

**5. Power of Attorney.** Borrower grants Bank upon the occurrence and during the continuance of an Event of Default power of attorney, having the full authority, and in the place of Borrower and in the name of Borrower, from time to time in Bank's discretion to take any action and to execute any instrument which Bank may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of the Loan Agreement:

(a) To endorse Borrower's name on all applications, documents, papers and instruments necessary for Bank to use or maintain the Collateral;

(b) To ask, demand, collect, sue for, recover, impound, receive and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) To file any claims or take any action or institute any proceedings that Bank may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Bank's rights with respect to any of the Collateral and to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any person.

**7. Right to Inspect.** Borrower grants to Bank and its employees and agents the right to visit Borrower's plants and facilities which manufacture, inspect or store products sold under any of the trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

**8. Events of Default.** Any of the following events shall be an Event of Default:

(a) Borrower fails to make any payment of principal or interest or any other payment on any Obligation when due and payable, by acceleration or otherwise (subject to any applicable cure or grace period); and

(b) the occurrence of an Event of Default as that term is defined in the Loan Agreement.

**9. Specific Remedies.** Upon the occurrence of any Event of Default:

(a) Bank may cease advancing money or extending credit to or for the benefit of Borrower under the Loan Agreement or under any other agreement between Borrower and Bank.

(b) Bank may declare all Obligations to be due and payable immediately, whereupon they shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Borrower;

(c) Bank may set off against the Obligations all Collateral, balances, credits, deposits, accounts or moneys of Borrower then or thereafter held with Bank, including amounts represented by certificates of deposit;

(d) Bank may notify licensees to make royalty payments on license agreements directly to Bank;

(e) Bank may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Bank deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Borrower ten (10) days prior to such disposition. Borrower shall be credited with the net proceeds of such sale only when they are actually received by Bank, and Borrower shall continue to be liable for any deficiency remaining after the Collateral is sold or collected;

(f) If the sale is to be a public sale, Bank shall also give notice of the time and place by publishing a notice one time at least ten (10) calendar days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held; and

(g) To the maximum extent permitted by applicable law, Bank may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any Collateral payable by Bank at such sale.

**10. Governing Law.** All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Borrower and Bank have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

BG SHOE ACQUISITION CORP.

By: 

PARAGON CAPITAL LLC

By: 

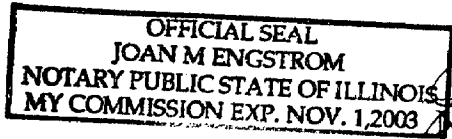
Robert J. Shusterman, Executive Vice President

STATE OF ILLINOIS

COOK COUNTY, ss.

January 25, 2000

Then personally appeared the above-named, Ervin B. Matthews, and acknowledged the foregoing instrument to be the free act and deed of BG Shoe Acquisition Corp., before me,



Joan M. Engstrom  
Notary Public

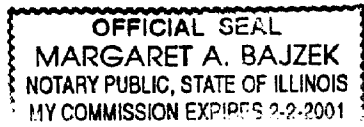
My commission expires: 11/1/03

STATE OF ILLINOIS

COOK COUNTY, ss.

January 25, 2000

Then personally appeared the above-named, Robert J. Shusterman, Executive Vice President, and acknowledged the foregoing instrument to be the free act and deed of Paragon Capital LLC, before me,



Margaret A. Bajzek  
Notary Public

My commission expires: 2-2-2001



Material Intellectual Property

Mark or Tradename	Reg. No.	Registration Location	Registration Date	Renewal Date	Granted to:
RAPID RIVER	1,947,700	United States Patent and Trademark Office ("USPTO")	1/9/1996	1/9/2006	The Bee-Gee Shoe Corp. ("BG")
D.J. HARRISON	1,947,701	USPTO	1/9/1996	1/9/2006	BG
CONSTRUCT	1,947,702	USPTO	1/9/1996	1/9/2006	BG
PINE MOUNTAIN	2,006,761	USPTO	10/8/1996	10/8/2006	BG
ASHLEY MARIE	1,947,699	USPTO	1/9/1996	1/9/2006	BG
ACCINTE	1,949,706	USPTO	1/16/1996	1/16/2006	BG
SHOEBILEE	2,044,295	USPTO	3/11/1997	3/11/2007	BG
FLEX-WALK	1,813,820	USPTO	12/28/1993	12/28/2003	BG <i>(as licensee per License Agreement dated February 1, 1994 between Lyles Richards International, Ltd. and BG)</i>
EL-BEE in script form	37741	Texas	9/22/1990	9/22/2000	The Elder-Beerman Stores Corp. ("EB")
EL BEE	1,766,442	United States Patent and Trademark Office ("USPTO")	4/20/1993	4/20/2003	EB
EL-BEE	1,171,752	USPTO	5/29/1981	?	EB

Mark or Tradename	Reg. No.	Registration Location	Registration Date	Renewal Date	Granted to:
SUGARFOOT	1,259,466	USPTO	11/29/1983	11/29/2003	EB <i>(per assignment from Brown Group, Inc.)</i>
SUGARFOOT	RN 50771	Ohio	11/16/1978	11/16/2003	EB
EL-BEE SHOE OUTLET	RN 32,514	Ohio	8/2/1971	8/2/2001	EB
Bee-Gee Shoes	---	---	---	---	---
El-Bee	---	---	---	---	---
Shoebilee!	---	---	---	---	---

The domain name Shoebilee.com and all domain names registered or reserved for the Business.

**SHAPIRO,  
ISRAEL &  
WEINER, P.C.**

**ATTORNEYS AT LAW**

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BOSTON, MASSACHUSETTS 02114-2128  
TELEPHONE: 617.742.4200  
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RONA WEST CROSS  
MARGARET E. WATSON

OF COUNSEL  
WILLIAM E. RYCKMAN, JR.  
WILLIAM FRANZBLAU  
JOSEPH M. CHENEY, JR.

JANICE M. DUFFY EXT.: 245  
E-MAIL ADDRESS: JMD@SIWLAW.COM

February 1, 2000

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Assistant Commissioner of Patents and Trademarks  
United States Patent & Trademark Office  
2900 Crystal Drive  
Arlington, VA 22202-3513

**Re: Paragon Capital LLC / BG Shoe Acquisition Corp.**

To the Commissioner:

Enclosed please find for filing a Trademark Recordation Form Cover Sheet and Trademark Security Agreement, together with our check in the amount of \$290.00 representing the filing fee.

If you have any questions, please do not hesitate to call.

Very truly yours,

  
Janice M. Duffy