

03-31-2000

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



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

101302213

MRO
2-25-00

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

Change of Name

Other

Effective Date
Month Day Year

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

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.)

03/30/2000 DCOATES 00000117 1461979

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

(40.00 OP
75.00 OP)

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: 002042 FRAME: 0681

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

Federal Research Corp.

Address (line 1)

400 7th St, NW

Address (line 2)

Suite 101

Address (line 3)

Washington, DC

Address (line 4)

20004

RETURN TO:

Federal Research Corporation
400 Seventh St., N.W., Suite 101
Washington DC 20004

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

10

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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

1 461979	1 462893	368528
2222377	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

4

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

115⁰⁰

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.

Judy Crowder, As agent
Name of Person Signing

Judy Crowder, as agent
Signature

2/23/00

Date Signed

RECORDING REQUESTED BY:

GMAC Commercial Credit LLC, as Agent
1290 Avenue of the Americas
New York, New York 10104

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") dated as of January 21, 2000, made by Tarrant Apparel Group dba Fashion Resource, a California corporation, and Tag Mex, Inc., a California corporation (collectively "Grantor"), in favor of GMAC Commercial Credit LLC, a New York limited liability company, in its capacity as agent for certain Lenders (including the Issuer and the Factor) parties to that certain Loan Agreement defined below ("Agent") located at 1290 Avenue of the Americas, New York, New York 10104.

R E C I T A L S:

A. Grantor is indebted to the Agent and the Lenders parties to the Revolving Credit, Factoring and Security Agreement dated January 21, 2000 ("Loan Agreement"), which provides for certain credit facilities in the aggregate principal sum not exceeding \$105,000,000.

B. The obligations of Grantor to Agent for and on behalf of the Secured Parties are secured by all of Grantor's right, title and interest in accounts, certain general intangibles and certain inventory as provided under the Loan Agreement.

C. As a condition to Secured Parties extending credit to Grantor, Grantor has agreed to give to Agent a security interest in and to all trademarks owned by Grantor, consisting of the trademarks "No!", "No! Jeans", "GET", "No! Femmes" and "Chazzz."

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Defined Terms. Capitalized terms used herein without definition shall have the meaning set forth in the Loan Agreement. The following terms have the following meanings

(such meanings being equally applicable to both the singular and plural forms of the terms defined):

"Agreement" means this Trademark Security Agreement, as the same may from time to time be amended, modified or supplemented.

"Intellectual Property Collateral" has the meaning assigned to such term in Section 2 of this Agreement.

"Trademarks" means trademarks (including service marks and trade names, whether registered or at common law), registrations and applications therefor and any and all (i) renewals thereof, (ii) income, royalties, damages and payments now and hereafter due or payable or both with respect thereto including, without limitation, damages and payments for past or future infringements thereof, (iii) rights to sue for past, present and future infringements thereof, and (iv) rights corresponding thereto throughout the world.

The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the Exhibits and Schedules hereto, and not to any particular section, subsection or clause contained in this Agreement.

2. Grant of Security Interest in Trademarks. In order to secure the complete and due and punctual payment of all of the Obligations of Grantor to the Agent and the Secured Parties, Grantor hereby grants and conveys to the Agent, on behalf of the Secured Parties, as collateral security, a continuing security interest in all of Grantor's entire right, title and interest in and to intellectual property rights now owned or existing and hereafter acquired or arising in the following assets (all of which being hereinafter referred to as the "Intellectual Property Collateral") all Trademarks of Grantor including, without limitation, the Trademarks listed on Schedule A hereto, and the entire goodwill of Grantor's business connected with the use of and symbolized by the Trademarks;

provided, however, that nothing hereunder constitutes or shall be deemed to constitute the grant of a security interest in favor of the Agent with respect to any Intellectual Property Collateral to the extent prohibited by applicable law.

3. Representations and Warranties; New Intellectual Property. (a) Grantor represents and warrants that it has the full right and power to grant the security interests provided for in this Agreement (subject to the exceptions contained herein) in the Trademarks made hereby; that it has made no previous assignment, transfer or agreements in conflict herewith or constituting an assignment of, a transfer of or an encumbrance on any of the Trademarks. Grantor further represents and warrants that Schedule A lists all Trademarks owned or used by

Grantor and which are material to any portion of its business or any of Grantor's subsidiaries or affiliates and (ii) the Intellectual Property Collateral does not infringe upon any rights owned or possessed by any entity not a party to this Agreement.

(b) In the event, prior to the time the Obligations of Grantor to the Agent and the Secured Parties have been indefeasibly paid in full, Grantor shall (i) obtain any rights to or interests in any new trademarks, trade names, service marks, and applications therefor, or licenses, or (ii) become entitled to the benefit of any trademark application, trademark, trademark registration, the provisions of this Agreement shall automatically apply thereto and anything enumerated in clauses (i) or (ii) shall constitute Intellectual Property Collateral. Grantor shall give to the Agent prompt written notice thereof. Grantor agrees, promptly following the written request by the Agent, to amend this Agreement by amending Schedule A, to include any such future trademarks, trademark registrations, trademark applications, trade names and service marks which would be Intellectual Property Collateral.

4. Rights and Remedies; Application of Monies.

(a) Upon the occurrence and during the continuation of a default of any or all of Grantor's Obligations to the Agent and the Secured Parties, and assuming the obligations are accelerated, the Agent may, to the fullest extent permitted by applicable law and without advertisement, hearing or process of law of any kind, (i) exercise any and all rights as beneficial and legal owner of the Intellectual Property Collateral, including, without limitation, any and all consensual rights and powers with respect to the Intellectual Property Collateral and (ii) sell or assign or grant a license or franchise to use, or cause to be sold or assigned or grant a license or franchise to use any or all of the Intellectual Property Collateral, in each case, free of all rights and claims of Grantor therein and thereto. Upon the occurrence and during the continuation of a default of any or all of Grantor's Obligations to the Agent or any of the Secured Parties, the Agent may, subject to any limitations under the Uniform Commercial Code or other applicable law, (i) sell or assign the Intellectual Property Collateral, or any part thereof, for cash or upon credit as the Agent may deem appropriate or (ii) grant licenses or franchises or both to use the Intellectual Property Collateral on such terms and conditions that the Agent shall determine. In connection therewith, the Agent shall have the right to impose such limitations and restrictions on the sale or assignment of the Intellectual Property Collateral as the Agent may deem to be necessary or appropriate to comply with any law, rule or regulation (federal, state or local) having applicability to any such sale and requirements for any necessary governmental approvals.

(b) Except as provided in this Section 4, Grantor hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Agent of any of its rights and remedies hereunder. The Agent shall not be liable to any person for any incorrect or improper

payment made pursuant to this Section 4, in the absence of gross negligence or willful misconduct.

(c) Notwithstanding any provisions of this Agreement to the contrary, if, after giving effect to any sale, transfer, assignment or other disposition of any or all of the Intellectual Property Collateral pursuant hereto and after the application of the proceeds hereunder to the Obligations of Grantor to the Agent, any said Obligations remain unpaid or unsatisfied, Grantor shall remain liable for the unpaid and unsatisfied amount of such remaining obligations.

(d) This Agreement is made to provide for and secure repayment of the obligations of Grantor to the Agent and the Secured Parties.

5. Termination of Security Interest. This Agreement and the security interests created or granted hereby or thereby, shall terminate when the later of the following shall have occurred: (a) the date that all of the obligations of Grantor to the Agent and the Secured Parties shall have been fully and indefeasibly paid and satisfied and (b) the date as of which the last of the commitments and related documents and instruments have terminated with respect to the Loan Agreement. After such termination, the Agent (without recourse upon, or any warranty whatsoever by, the Agent), shall execute and deliver to Grantor for filing in each office in which any security agreement, notice or other filing, or any part thereof, shall have been filed, an instrument releasing the Agent's security interest in the Intellectual Property Collateral, and such other documents and instruments to terminate any security interest of the Agent granted hereby as the Grantor may reasonably request, all without recourse upon, or warranty whatsoever by, the Agent (except that the same shall be free and clear of any claims, liens or encumbrances created by or in respect of the Agent) and all at the cost and expense of Grantor.

6. Use and Protection of Intellectual Property Collateral. Notwithstanding anything to the contrary contained herein, unless an Event of Default has occurred and is continuing, Grantor may continue to exploit, license, franchise, use, enjoy and protect (whether in the United States of America or any foreign jurisdiction) the Intellectual Property Collateral in the ordinary course of business and the Agent shall from time to time execute and deliver, upon written request of Grantor and at Grantor's sole cost and expense, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the judgment of Grantor to enable Grantor to do so.

7. Duties of Grantor. Grantor shall have the duty to preserve and maintain all rights in the Intellectual Property Collateral in respect of which a failure to be able to continue to use the same would have a material adverse effect on the ownership, operation or maintenance of its business and operations, in a manner substantially consistent with its present practices and shall take all action reasonably requested by the Agent to register, record and/or perfect the Agent's right hereunder.

8. The Agent's Right to Sue. Whenever Grantor shall have defaulted in any or all of its Obligations to the Agent and any of the Secured Parties, the Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks. and, if the Agent shall commence any such suit, Grantor shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement.

9. No Waiver; Cumulative Remedies. No failure on the part of the Agent to exercise, and no delay on the part of the Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Agent preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Agent whether at law, in equity or otherwise.

10. Notices, etc. All notices or other communications hereunder shall be given to the Agent as follows:

GMAC Commercial Credit LLC
1290 Avenue of the Americas
New York, New York 10104
Attention: Frank Imperato

Notices to the Grantor should be addressed to:

Tarrant Apparel Group
3151 E. Washington Boulevard
Los Angeles, California 90023
Attention: Patrick Chow

Tag Mex, Inc.
3151 E. Washington Boulevard
Los Angeles, California 90023
Attention: Patrick Chow

11. Expenses of Collection. Grantor hereby agrees to pay all expenses of the Agent, including reasonable attorneys' fees, incurred with respect to the collection of any of the Intellectual Property Collateral and the enforcement of the rights of the Agent hereunder which expenses together with interest thereon at the rate provided in the Loan Agreement shall constitute obligations of Grantor to the Agent thereunder and, therefore, secured hereby.

12. Attorney-in-Fact. Grantor hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as Grantor's true and lawful attorney-in-fact, for the purpose of taking such action and executing agreements, instruments and other documents, in the name of Grantor or otherwise, not inconsistent with the express provisions of this Agreement, as the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is an agency coupled with an interest and is irrevocable until payment in full of all obligations of Grantor to the Agent.

The Agent agrees that except upon the occurrence and during the continuation of an Event of Default, it will forbear from exercising the power of attorney or any rights granted to the Agent pursuant to this Section 12.

13. Agreement Governing Law; Binding Character; Assignment. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law. This Agreement shall be binding upon Grantor and the Agent and their respective successors and assigns and shall inure to the benefit of Grantor and the Agent, and their respective successors and assigns; provided, however, that Grantor may not assign its rights or obligations hereunder or in connection herewith or any interest herein (voluntarily, by operation of law or otherwise) without the prior written consent of the Agent. No other person (including, without limitation, any other creditor of Grantor) shall have any interest herein or any right or benefit with respect hereto and this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement and each of their respective successors and assigns.

14. Further Indemnification. Grantor agrees to pay, and save the Agent harmless from, any and all liabilities with respect to, or resulting from any delay in paying (other than a delay caused by the willful misconduct of the Agent), any and all excise, sales or other similar taxes which may be payable with respect to the Intellectual Property Collateral or in connection with any of the transactions contemplated by this Agreement.

15. WAIVER OF JURY TRIAL. GRANTOR WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE LOAN AGREEMENT OR ANY OF THE OTHER DOCUMENTS RELATED TO THE LOAN AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS OR COUNTERCLAIMS GROUNDED IN CONTRACT OR TORT.

16. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

17. Headings. Paragraph and section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

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

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

**TARRANT APPAREL GROUP,
dba Fashion Resource
a California corporation**

By: Scott Briskie
Name: Scott Briskie
Its: C. F. O.

TAG MEX, INC., a California corporation

By: Scott Briskie
Name: Scott Briskie
Its: C. F. O.

SCHEDULE A
to the
Trademark Security Agreement

Trademarks

MARK	SERIAL/REGISTRATION NUMBER	OWNER
No !	1 461979	TAG
No ! Jeans	1 462893	TAG
GET	368528	
No ! Femmes	2222377	TAG
Chazzz		