

08-28-2000

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FORM PTO-1594
(Rev. 8-93)

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

OMB No. 0051-0011 (exp. 4/94)

Tab settings: 1.31.12

101444290

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

1. Name of conveying party(ies):

CALIFORNIA FASHION INDUSTRIES, INC.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State California
☐ Other

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: July 19, 2000

2. Name and address of receiving party(ies)

Name: Levine Leichtman Capital Partners II L.P.

Internal Address:

Street Address: 355 North Maple Drive

City: Beverly Hills State: CA ZIP: 90210

- ☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☒ Limited Partnership California
☐ Corporation-State
☐ Other

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 patent number(s):

A. Trademark Application No.(s)

Please see attached.

B. Trademark Registration No.(s)

Please see attached.

Additional numbers attached? ☒ Yes ☐ No

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

Name: Steven E. Peden

Internal Address:

Alschuler, Grossman, Stein & Kahan

Street Address: 2049 Century Park East

Suite 3900

City: Los Angeles State: CA ZIP: 90067

6. Total number of applications and registrations involved: 25

7. Total fee (37 CFR 3.41).....\$ 640.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

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

08/25/2000 MTHA11 00000306 1099607

DO NOT USE THIS SPACE

01 FC:481
02 FC:482

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.

Steven E. Peden

Name of Person Signing

Signature

July 26, 2000

Date

Total number of pages including cover sheet, attachments, and document: 10

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231TRADEMARK
REEL: 002125 FRAME: 0917

Trademark Application Nos.**Trademark Registration Nos.**

75/304,049 75/304,181

1,099,607 1,515,467 1,790,729

1,180,284 1,535,379 1,841,532

1,206,245 1,596,562 1,863,763

1,234,576 1,601,527 1,891,851

1,245,256 1,637,257 1,947,064

1,313,520 1,643,666 1,965,552

1,494,314 1,764,622 2,096,012

1,503,112 1,774,458

COLLATERAL ASSIGNMENT OF TRADEMARKS

This Collateral Assignment of Trademarks ("Agreement") is made as of the 19th day of July, 2000, by **CALIFORNIA FASHION INDUSTRIES, INC.**, a California corporation ("Debtor"), in favor of and for the benefit of **LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.**, a California limited partnership ("Lender").

RECITALS

A. Chorus Line Corporation, a Delaware corporation ("Chorus Line"), Chorus Line International, Inc., a Delaware corporation ("CLI") and Chorus Line Retail, Inc., a Delaware corporation ("CLR") (Chorus Line, CLI and CLR are hereinafter sometimes collectively referred to as the "Borrower"), are parties to that certain July 2000 Restated Note Purchase Agreement, pursuant to which Lender may make loans to the Borrower in the aggregate principal amount of up to \$18,750,000.00 (collectively, the "Loan"). The Loan will be evidenced by Borrower's Fixed Rate Note dated July 19, 2000 (the "Note").

B. Concurrently with Debtor's execution of this Agreement, Debtor is executing a Continuing Guaranty of Payment and Performance dated July 19, 2000 (the "Guaranty") pursuant to which Debtor is guaranteeing all of Borrower's obligations to the Lender in connection with the Loan. In addition, Debtor is entering into a Security Agreement, of even date herewith (the "Security Agreement") to secure all of Debtor's obligations to the Lender in connection with the Guaranty.

C. In order to induce Lender to enter into the Note Purchase Agreement, and to make the Loan, and pursuant to the terms of the Security Agreement, Debtor has agreed to make a collateral assignment to Lender certain trademarks.

NOW, THEREFORE, in consideration of the premises, Debtor hereby agrees as follows:

1. To secure the complete and timely satisfaction of all Obligations (as defined in the Security Agreement), Debtor hereby grants, assigns and conveys to Lender the entire right, title and interest in and to the trademark applications and trademarks listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds of infringement suits, the right to sue for past, present and future infringements and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks"), and the good will of the business to which each of the Trademarks relates.

2. Debtor covenants and warrants that:
- (a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;
 - (b) To the best of Debtor's knowledge, each of the Trademarks is valid and enforceable;
 - (c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;
 - (d) Debtor is the sole and exclusive owner of the entire ~~and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Debtor not to sue third persons;~~
 - (e) Debtor has the unqualified right to enter into this Agreement and perform its terms;
 - (f) Debtor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and
 - (g) Debtor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.
3. Debtor hereby grants to Lender and their employees and agents the right to visit Debtor'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. Debtor shall do any and all acts required by Lender to ensure Debtor's compliance with paragraph 2(g).
4. Debtor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Debtor's obligations under this Agreement, without Lender' prior written consent.
5. If, before the Obligations shall have been satisfied in full, Debtor shall obtain rights to any new trademarks, the provisions of this Agreement, including but not

limited to paragraph 1, shall automatically apply thereto and Debtor shall give Lender prompt written notice thereof.

6. Debtor authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications covered by paragraphs 1 and 5 hereof.
7. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Security Agreement), Lender hereby grant to Debtor the exclusive, nontransferable right and license to use the Trademarks on and in connection with products sold by Debtor, for Debtor's own benefit and account and for none other. Debtor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Debtor in this paragraph 7, without the prior written consent of Lender.
8. If any Event of Default shall have occurred and be continuing, Debtor's license under the Trademarks, as set forth in paragraph 7, shall terminate forthwith, and the Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Los Angeles, California, or elsewhere, all or from time to time any of the Trademarks, or any interest which the Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds after payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Debtor. Notice of any sale or other disposition of the Trademarks shall be given to Debtor at least five (5) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of the Note (as defined in the Security Agreement) or Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released.
9. At such time as Debtor shall completely satisfy all of the Obligations, this Agreement shall terminate and Lender shall execute and deliver to Debtor All deeds, assignments and other instruments as may be necessary or proper to re-

vest in Debtor full title to the Trademarks, subject to any disposition thereof which may have been made by Lender pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's 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, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Debtor on demand by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Security Agreement.
11. Debtor shall have the duty, through counsel acceptable to Lender, to prosecute diligently any trademark applications of the Trademarks pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Debtor. The Debtor shall not abandon any Trademark without the consent of the Lender, which consent shall not be unreasonably withheld.
12. Debtor shall have the right, with the prior written consent of Lender, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, or to prevent, restrain or enjoin, or recover damages for, infringement thereof, in which event Lender may, if necessary, be joined as a nominal party to such suit if Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. Debtor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including attorney's fees, incurred by Lender in the fulfillment of the provisions of this paragraph 12.
13. In the event of the occurrence of an Event of Default under the Security Agreement, Debtor hereby authorizes and empowers Lender to make, constitute and appoint either Seller or any agent of Lender as Lender may select, in their exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks, or to grant or issue any exclusive or nonexclusive 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. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

14. If Debtor fails to comply with any of its obligations hereunder, Lender may do so in Debtor's name or in Lender's name, but at Debtor's expense, and Debtor hereby agrees to reimburse Lender in, full for all expenses, including reasonable attorney's fees, incurred by Lender in protecting, defending and maintaining the Trademarks.
15. No course of dealing between Debtor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
16. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.
17. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.
18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6.
19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
20. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California.

21. Debtor and Lender acknowledge that Lender's enforcement rights hereunder are subject to the Subordination Agreement between and among Lender, GMAC Commercial Credit LLC and others, dated as of the date hereof.

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed, and such execution to be duly notarized, as of the day and year first above written.

Debtor
CALIFORNIA FASHION INDUSTRIES, INC.,
a California corporation

By: 

Its: _____

By: 

Its: _____

(Attach Notarial Acknowledgement)

SCHEDULE A

Trademark Application Nos.

75/304,049 75/304,181

Trademark Registration Nos.

1,099,607	1,515,467	1,790,729
1,180,284	1,535,379	1,841,532
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1,313,520	1,643,666	1,965,552
1,494,314	1,764,622	2,096,012
1,503,112	1,774,458	

Schedule A

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Los Angeles

ss.

On

July 19, 2000

before me,

David Fairman, Notary

personally appeared

Carole Little and Leonard Rabinowitz

Name(s) of Signer(s)

☒ personally known to me
☒ 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.

David Fairman
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document:

Collateral Assignment of Trademarks

Document Date:

July 19, 2000

Number of Pages:

7

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

☐ Individual

☒ Corporate Officer — Title(s):

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

Signer Is Representing:

RIGHT THUMBPRINT
OF SIGNER

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