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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  Change of Name

Other \_\_\_\_\_

Effective Date  
Month Day Year  
09/18/2000

Conveying Party

Mark if additional names of conveying parties attached

Name KCA Acquisition Corp. Execution Date  
Month Day Year  
09/18/2000

Formerly \_\_\_\_\_

Individual  General Partnership  Limited Partnership  Corporation  Association

Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization New York

Receiving Party

Mark if additional names of receiving parties attached

Name Fleet Precious Metals Inc.

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 111 Westminister Street

Address (line 2) \_\_\_\_\_

Address (line 3) Providence RI 02903  
City State/Country Zip Code

Individual  General Partnership  Limited Partnership  Corporation  Association

Corporation  Association

Other \_\_\_\_\_

Citizenship/State of Incorporation/Organization Rhode Island

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.)

12/14/2000 GTOM11 00000332 1687686

FOR OFFICE USE ONLY

01 FC:481 40.00 OP  
02 FC:482 300.00 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: 002195 FRAME: 0015

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

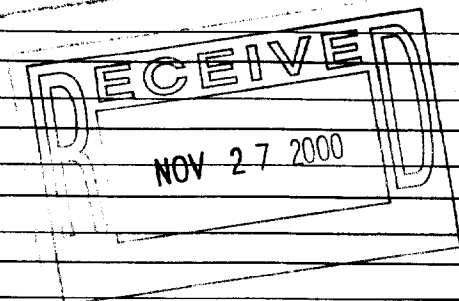
Name

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)

<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"/>

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"/>

**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.

Patricia J. Igoe

11/21/00

Name of Person Signing

Signature

Date Signed

**Additional Receiving Parties:**

**Fleet National Bank  
111 Westminster Street  
Providence, RI 02903**

**ABN AMRO Bank, N.V., New York Branch  
500 Park Avenue  
New York, NY 10022**

SCHEDULE A

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
IK and Design	1,687,686	05/19/92
JEFFREY DAVID	2,327,142	03/07/00
KURGAN & CHEVIOT	2,288,456	10/26/99
MIDNIGHT	75/680,814	04/12/99
MILLENIU PLATINUM	75/597,550	12/01/98
MILLENIU MOMENTO	75/647,060	02/24/99
NEXTGEM	2,053,152	04/15/97
PLATINUM 2000	75/597,551	12/01/98
POSITIVELY PLATINUM	75/350,984	09/03/97
PURE PLATINUM	75/597,552	12/01/98
ROYAL PRINCESS	75/700,711	05/07/99
SOLITARES.COM	75/700,712	05/07/99
TRISTONE	75/116,262	06/10/96
	2,189,728	09/15/98

## SECURITY AGREEMENT FOR TRADEMARKS AND TRADENAMES

**SECURITY AGREEMENT FOR TRADEMARKS AND TRADENAMES** made as of the 18<sup>th</sup> day of September, 2000, by and between **KCA ACQUISITION CORP**, a New York corporation, with offices at 5340 Alla Road, Los Angeles, California 90066 (the "Assignor"); and **FLEET PRECIOUS METALS INC.**, a Rhode Island corporation ("FPM"), in its capacity as agent for itself and **FLEET NATIONAL BANK**, a national banking association ("FNB"; and together with FPM, "Fleet"); and **ABN AMRO BANK N.V., NEW YORK BRANCH** ("ABN") (collectively, Fleet and ABN are hereinafter sometimes referred to as the "Lenders" and individually as a "Lender") (in such capacity as Agent, FPM is hereinafter sometimes referred to as the "Agent").

Background. Assignor together with Andin International Inc., a New York corporation (Assignor and Andin are hereinafter sometimes referred to individually as a "Borrower" and collectively as the "Borrowers") have incurred obligations to the Lenders which are secured by security interests in all of Assignor's accounts, inventories, equipment and general intangibles, including without limitation Assignor's trademarks, trademark applications, servicemarks, tradenames, and goodwill in respect thereof (collectively, the "Collateral"). To confirm and perfect the Lenders' security interest in Assignor's trademarks, trademark applications, servicemarks, and tradenames, Assignor has agreed to grant a security interest and lien upon Assignor's trademarks, trademark applications, servicemarks, and tradenames to the Agent for the benefit of the Lenders as hereinafter provided.

Additional Definitions. The following terms shall be defined as follows:

"Event of Default" shall have the meaning assigned by the Loan and Consignment Agreement (hereinafter defined).

"Obligations" means all obligations, liabilities and indebtedness due and to become due from the Assignor to the Agent or any of the Lenders, and each of them, at any time and from time to time from the date hereof, of every kind and description, whether now existing or hereafter incurred, including future advances, whether direct, indirect or contingent, whether otherwise guaranteed or secured, and whether on open account or evidenced by a note, draft, check or other agreement, instrument or document, which obligations, liabilities and indebtedness are evidenced by or incurred pursuant to:

- (a) that certain Secured Promissory Note of the Borrowers of even date herewith issued to FPM in the maximum principal amount of Forty-One Million Six Hundred Seventy Thousand Dollars (\$41,670,000.00) (as amended, modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the "FPM Revolver Note");
- (b) that certain Secured Promissory Note of the Borrowers of even date herewith issued to ABN in the maximum principal amount of Thirty-Three Million Three Hundred Thirty Thousand Dollars (\$33,330,000.00) (as amended,

modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the "ABN Revolver Note", and, together with the FPM Revolver Note, the "Revolver Notes); and

- (c) all the obligations and indebtedness of the Assignor contained herein and all obligations and indebtedness of the Borrowers contained in that certain Loan and Consignment Agreement of even date herewith by and among the Borrowers, the Lenders and FPM, as agent for the Lenders (as amended, modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the "Loan and Consignment Agreement"), which obligations and indebtedness shall include all obligations and indebtedness of the Borrowers to the Agent and the Lenders, or any of them, under the Revolving Loan Facility, the Consignment Facility, the Letter of Credit Facility and the Forward Contract Facility (all as defined by the Loan and Consignment Agreement).

"Of Record" means recorded in the U.S. Patent and Trademark Office.

Capitalized terms not otherwise defined herein shall have the meanings assigned by the Loan and Consignment Agreement.

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with the Lenders as follows:

1. To secure the complete and timely payment and satisfaction of the Obligations, Assignor hereby grants, assigns and conveys to the Agent, for itself and as agent for the Lenders, a security interest in and lien upon (a) Assignor's trademark and servicemark applications, trademarks, servicemarks, and tradenames listed in Schedule A hereto (the "Marks"), and (b) Assignor's goodwill in respect thereof, including without limitation all proceeds of the Marks (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world (collectively, the "Rights").

2. (a) Assignor covenants and warrants to the knowledge of Assignor (based solely upon inquiry made to I. Kurgan & Co., Inc. predecessor in interest to the Marks) that:

- i) Schedule A hereto correctly describes all Assignor's trademarks, trademark applications, servicemarks and tradenames Of Record;
- ii) The Rights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;
- iii) Each of the Rights is valid and enforceable and Assignor has notified Lenders in writing of all prior art (including public uses and sales) of which it is aware; and

- iv) Assignor is the sole and exclusive owner of the entire right, title and interest in and to each of the Rights.
- (b) Assignor covenants and warrants that Assignor has the unqualified right to enter into this Agreement and perform its terms.

3. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement which is inconsistent with Assignor's obligations under this Agreement, without Lenders' prior written consent.

4. Assignor hereby covenants and agrees with Agent and each of the Lenders that the Assignor (a) shall take such action as is reasonably necessary to protect the Marks against all claims and demands of all persons at any time claiming any interest therein; (b) shall promptly pay any and all taxes, assessments and governmental charges upon the Marks prior to the date penalties are attached thereto; and (c) shall immediately notify Agent of any event causing a substantial loss or diminution in the value of all or any material part of the Marks and the amount or an estimate of the amount of such loss or diminution.

5. Unless and until there shall have occurred an Event of Default Assignor shall have the right to use the Rights for Assignor's own benefit, and Assignor may make or grant assignments and sublicenses of the Rights in the ordinary course of Assignor's business; provided, further, that no such assignment or sublicense shall be Of Record or shall impair the rights of Assignor or the Agent or the Lenders to sell the Collateral in the United States in accordance with the terms of this Agreement and the aforesaid Loan and Consignment Agreement. Assignor will permit the Agent access to Assignor's facilities at all reasonable times for the purpose of inspecting the quality of such goods and will furnish the Lenders such certificates and product samples as the Agent shall from time to time reasonably request to verify Assignor's compliance with the foregoing covenants. Assignor further covenants that the Collateral includes and will at all times during the term of this Agreement include all equipment and other assets necessary to produce the products for which the Marks are used, to the extent that Assignor produces such products.

6. The Assignor shall be responsible for processing and maintaining any and all applications for registration and re-registration of the Marks and shall bear all costs pertaining to enforcing and/or defending rights pertaining to the Marks.

7. Assignor agrees that until the Obligations have been satisfied in full, Assignor will execute further security agreements to the Agent for the benefit of the Lenders, of like tenor to this Agreement, granting a security interest in and lien upon any and all trademarks and trademark applications and any licenses of any trademarks that Assignor shall effect, acquire or make application for and which shall be Of Record, so as to confirm and perfect the Lenders' interest in and to all of the Collateral.

8. If an Event of Default shall have occurred the Agent shall have, in addition to all other rights and remedies given Lenders 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 Rights may be located and, without demand of

performance and without other notice (except as set forth next below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, the Agent may sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Rights, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Rights all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations in such order as the Agent may determine in its sole and absolute discretion. Notice of any sale or other disposition of the Rights shall be given to Assignor at least ten (10) days before the time of any intended public or private sale or other disposition of the Rights is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Agent may purchase the whole or any part of the Rights sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

9. Notwithstanding anything to the contrary herein or in any agreement between or Assignor and Agent or any of the Lenders, if any Event of Default shall have occurred and be continuing, or if Assignor fails to perform any agreement or to meet any of its obligations to Agent hereunder or under any of the Obligations, in addition to any and all other rights and remedies that Agent may have under any other agreements or at law, the Assignor hereby irrevocably constitutes and appoints Agent and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of Assignor and in the name of Assignor or Agent's own name or the name of Agent's designee, all acts of said attorney being hereby ratified and confirmed, except to the extent any of the same constitute gross negligence or willful misconduct, such power being coupled with an interest is irrevocable, upon the occurrence of an Event of Default and the continuance thereof: (a) to convey to Agent (or Lenders) or any purchaser any or all of the Rights, together with the goodwill of the business represented thereby, and to execute and file or cause to be filed any and all assignments and other documents and instruments that may be necessary or desirable to accomplish the purposes of such conveyance; (b) to collect proceeds from the Rights (including, by way of example, license, royalties and proceeds of infringement suits); (c) convey in any bona fide transactions to a purchaser goods utilizing any of the Marks; and (d) to make payment or discharge taxes or liens levied or placed upon or threatened against any goods utilizing the Rights the legality or validity thereof and the amounts necessary to discharge the same to be determined by Agent, in its sole discretion, and such payments made by Agent to become the obligations of Assignor to Agent, due and payable immediately, without demand.

10. At such time as Assignor shall completely satisfy all the Obligations, the Agent shall execute and deliver to Assignor all releases, deeds, assignments and other instruments as may be necessary or proper to discharge the Agent's security interest in and lien upon the Rights, subject to any disposition thereof which may have been made by the Agent pursuant hereto.

11. Assignor shall have the duty, through counsel acceptable to the Agent to prosecute diligently any application in respect of any of the Rights pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full. Any



expenses incurred in connection with such an application shall be borne by Assignor.

12. At such time as the Agent becomes the owner of the Rights, as provided in this Agreement, the Agent shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Rights and any license thereunder, in which event Assignor shall at the request of Agent do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Agent for all costs and expenses incurred by Agent in the exercise of its rights under this Paragraph, provided however, if the Agent shall not bring suit hereunder, then Assignor, upon prior written consent of the Agent, shall have the right, with counsel of its own selection, to bring such suit prosecute and settle the same, at its own cost and expense.

13. No course of dealing between Assignor and the Agent nor any failure to exercise, nor any delay in exercising, on the part of the Agent, any right, power or privilege hereunder 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 further exercise thereof or the exercise of any other right, power or privilege.

14. All of the Agent' rights and remedies with respect to the Rights whether established hereby or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

15. 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.

16. This Agreement is subject to modification only by a writing signed by the parties.

17. 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.

18. 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 New York.

19. All notices, communications and distributions hereunder shall be given or made to the parties at their respective addresses set forth on the last page hereof, or at such other address as the addressee may hereafter specify for the purpose by written notice to the other party hereto in accordance with the requirements of the Loan and Consignment Agreement.

20. ASSIGNOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH


THIS AGREEMENT OR ANY OTHER LOAN AND CONSIGNMENT DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE LENDERS TO ACCEPT THIS AGREEMENT.

**\*The next page is a signature page\***

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

WITNESS:

KCA ACQUISITION CORP

  
\_\_\_\_\_

By: 

Title \_\_\_\_\_

Address: 5340 Alla Road

Los Angeles, California 90066

FLEET PRECIOUS METALS INC.,

as Agent

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 111 Westminster Street

Providence, RI 02903

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

No. 9907

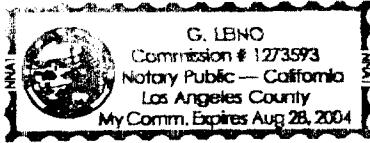
State of California

County of Los Angeles

On 9.22.00 before me, G. Leino, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared John C. Esposito  
NAME(S) OF SIGNER(S)

personally known to me - OR -  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.

G. Leino  
SIGNATURE OF NOTARY

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER

\_\_\_\_\_  
TITLE(S)

- PARTNER(S)       LIMITED
- GENERAL

ATTORNEY-IN-FACT

TRUSTEE(S)

GUARDIAN/CONSERVATOR

OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**  
NAME OF PERSON(S) OR ENTITY(IES)

\_\_\_\_\_  
\_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

\_\_\_\_\_  
TITLE OR TYPE OF DOCUMENT

\_\_\_\_\_  
NUMBER OF PAGES

\_\_\_\_\_  
DATE OF DOCUMENT

\_\_\_\_\_  
SIGNER(S) OTHER THAN NAMED ABOVE

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

WITNESS:

KCA ACQUISITION CORP

By: \_\_\_\_\_

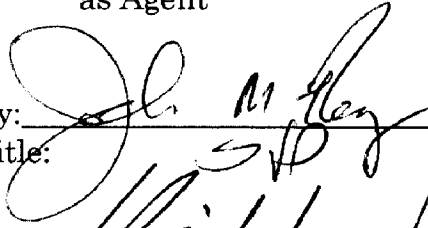
Title

Address: 5340 Alla Road

Los Angeles, California 90066

FLEET PRECIOUS METALS INC.,

as Agent

By:  \_\_\_\_\_

Title:

By:  \_\_\_\_\_

Title:

Address: 111 Westminster Street

Providence, RI 02903


STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

In \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2000, before me personally appeared the above-named \_\_\_\_\_, the \_\_\_\_\_ of KCA ACQUISITION CORP, to me known and known by me, to be the party executing the foregoing instrument, and he/she acknowledged said instrument, by him/her executed, to be his/her free act and deed in his/her said capacity, and the free act and deed of KCA ACQUISITION CORP.

\_\_\_\_\_  
Notary Public  
My commission expires:

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

In Providence, on the 18<sup>th</sup> day of September, 2000, before me personally appeared the above-named John M. Ryan and Richard M. Siefert, the Senior Vice President and Senior Vice President, respectively, of FLEET PRECIOUS METALS INC., to me known and known by me, to be the parties executing the foregoing instrument, and they acknowledged said instrument, by them executed, to be their free act and deed in their said capacities, and the free act and deed of FLEET PRECIOUS METALS INC..

  
Notary Public Darlene A. Cote  
My commission expires: 2-9-03

P62979.1

SCHEDULE A

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
IK and Design	1,687,686	05/19/92
JEFFREY DAVID	2,327,142	03/07/00
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