



02-06-2001

01-29-2001

U.S. Patent & TMO/TM Mail Rpt Dt. #54



101606639

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

1-29-01

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

12 08 00

Conveying Party



Mark if additional names of conveying parties attached

Execution Date
Month Day Year

12 08 00

Name Caron International, Inc.

Formerly



Individual



General Partnership



Limited Partnership



Corporation



Association



Other



Citizenship/State of Incorporation/Organization

Delaware

Receiving Party



Mark if additional names of receiving parties attached

Name Foothill Capital Corporation

DBA/AKA/TA

Composed of

Address (line 1)

2450 Colorado Avenue

Address (line 2)

Suite 3000 West

Address (line 3)

Los Angeles

City

California

State/Country

90025

Zip Code



Individual



General Partnership



Limited Partnership



Corporation



Association



Other



Citizenship/State of Incorporation/Organization

California

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.)

FOR OFFICE USE ONLY

02/05/2001
01 FC:481
02 FC:482

GTOM11 00000093 75846323

40.00 OP
575.00 OP

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TRADEMARK
REEL: 002230 FRAME: 0120

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 **404-572-2771**

Name

Michael C. Mason

Address (line 1)

King & Spalding

Address (line 2)

191 Peachtree Street

Address (line 3)

Atlanta, Georgia 30303-1763

Address (line 4)

Pages

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

#

9

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)

75-846323

760810

1102799

840030

75-887887

1211611

2174609

599744

1140835

1086520

599744

Number of Properties

Enter the total number of properties involved.

#

24

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

615.00

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:

#

11-0980

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.

Ellen Morrissey Hughes
Name of Person Signing

Signature

12/18/00

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

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



01-29-2001

U.S. Patent & TMO/TM Mail Rcpt Dt. #54

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)

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

☐ Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

1269928	1732105	
1813775	2313661	
1481645	1591524	
1344714	1228526	
1421123	2181412	
775895	993116	
1014715		

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of December 8, 2000, executed by CARON INTERNATIONAL, INC., a Delaware corporation ("Grantor"), in favor of FOOTHILL CAPITAL CORPORATION, a California corporation, as administrative agent ("Agent"), on its behalf and on behalf of the Lenders signatory thereto (the "Lenders") from time to time party to Loan and Security Agreement, dated as of the date hereof (as amended, restated, supplemented, or otherwise modified from time to time, the "Loan Agreement") among Grantor, Grantor's Subsidiaries that are signatory thereto, the Lenders, and the Agent. Capitalized terms used in this Agreement shall have the meanings set forth in the Loan Agreement unless specifically defined herein.

WITNESSETH:

WHEREAS, pursuant to the Loan Agreement, the Lenders and the Agent, have agreed to establish a revolving credit facility and extend term loans to the Borrowers;

WHEREAS, pursuant to the Loan Agreement, Grantor has granted to Agent, for its benefit and for the benefit of the Lenders, a continuing security interest in all of its right, title, and interest in all currently existing and hereafter acquired or arising Personal Property Collateral, including, without limitation, (a) all of Grantor's Trademarks (as herein defined), whether presently existing or hereafter acquired or arising, or in which Grantor now has or hereafter acquires rights and wherever located; (b) all of Grantor's Trademark Licenses (as herein defined), whether presently existing or hereafter acquired or in which Grantor now has or hereafter acquire rights and wherever located; and (c) all products and proceeds any of the foregoing, as security for all of the Obligations; and

WHEREAS, it is a condition precedent to the extension of the Loans under the Loan Agreement that Grantor grant to the Agent, for its benefit and the benefit of Lenders, a security interest in and a collateral assignment of the Property (as herein defined);

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"Trademark License" means any written agreement now or hereafter in existence granting to Grantor any right to use any Trademark, including, without limitation, the agreements listed on Schedule I attached hereto.

"Trademarks" means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof (except in any jurisdiction in which the grant of a security interest in trademarks is prohibited and except for any intent to use applications unless or until a statement of use or amendment to assert use has been filed with the United States Patent and Trademark Office), including, without limitation, those U.S. registrations and applications for registration listed on Schedule I attached hereto, together with all the rights, benefits and privileges derived therefrom and the goodwill of the business symbolized thereby, (ii) all renewals thereof and (iii) all proceeds of the foregoing.

2. As security for all of the Obligations, Grantor hereby grants and conveys a security interest to the Agent, for its benefit and the benefit of the Lenders, in, and collaterally assigns, pledges, mortgages and hypothecates to the Agent, for its benefit and the benefit of the Lenders, all of its right, title and interest in, to and under the following (collectively, the "Property"):

(a) each Trademark now or hereafter owned by Grantor or in which Grantor now has or hereafter acquires rights (other than Trademark Licenses) and wherever located (except any jurisdiction in which the grant of a security interest in trademarks is prohibited) and the goodwill of the business of Grantor relating thereto or represented thereby, including, without limitation, each U.S. registration and application for registration of a Trademark referred to in Schedule I hereto; and

(b) each Trademark License now or hereafter held by Grantor or in which Grantor now has or hereafter acquires rights, to the extent each of the Trademark Licenses does not prohibit assignment or the granting of a security interest in the rights thereunder, and wherever located, including, without limitation, the Trademark Licenses, if any, referred to in Schedule I hereto; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future

infringement of any Trademark or breach of Trademark Licenses, if any, including, without limitation, any Trademark or Trademark License referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, the assignment set forth above shall not be effective as a transfer of title to the Property unless and until the Agent exercises the rights and remedies accorded to it under the Security Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, and until such time Grantor shall own, and may use and enjoy the Property in connection with its business operations, and exercise all incidents of ownership, including, without limitation, enforcement of its rights and remedies with respect to the Property, but with respect to all Property being used in Grantor's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property, provided, however, that the foregoing shall not impose an obligation on Grantor to continue to use any of the Property in Grantor's business to the extent that such Property is not necessary in the normal conduct of its business.

3. Grantor does hereby further acknowledge and affirm that the representations, warranties and covenants of Grantor with respect to the Property and the rights and remedies of the Agent with respect to the security interest in and collateral assignment of the Property made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. This Agreement shall terminate upon termination of the Loan Agreement in accordance with Section 3 thereof. At any time and from time to time prior to such termination, the Agent may terminate its security interest in or reconvey to Grantor any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from Grantor, the Agent shall, at the expense of Grantor, execute and deliver to Grantor all deeds, assignments and other instruments as Grantor may reasonably request (but without recourse or warranty by the Agent) in order to evidence such termination.

5. If at any time before the termination of this Agreement in accordance with Section 4, Grantor shall obtain or acquire rights to any new Trademark or Trademark License, the provisions of Section 2 shall automatically apply thereto and Grantor shall comply with the terms of the Loan Agreement with respect to such new Trademark or Trademark License. Grantor authorizes the Agent to modify this Agreement by amending Schedule I to include any future Trademarks and Trademark Licenses covered by Section 2 or by this Section 5.

6. Grantor further agrees that (a) neither the Agent nor any Lender shall have any obligation or responsibility to protect or defend the Property and Grantor shall at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Loan Agreement, (b) Grantor shall forthwith advise the Agent promptly in writing upon detection of infringements of any of the Property being used in Grantor's business and (c) if

Grantor fails to comply with the requirements of the preceding clause (a), the Agent or any Lender may do so in Grantor's name or in its own name, but in any case at Grantor's expense, and Grantor hereby agrees to reimburse the Agent and the Lenders for all expenses, including attorneys' fees, incurred by the Agent and the Lenders in protecting, defending and maintaining the Property.

7. THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA, EXCEPT TO THE EXTENT THAT PERFECTION (AND THE EFFECT OF PERFECTION AND NONPERFECTION) AND CERTAIN REMEDIES MAY BE GOVERNED BY THE LAWS OF ANY JURISDICTION OTHER THAN GEORGIA.

[Signatures on following page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed under seal by its duly authorized officers as of the date first above written.

CARON INTERNATIONAL, INC.

By: William Ward
William Ward, Vice President

Carolyn Alford
Witness

Doreen Salade
Witness

STATE OF GEORGIA)
) ss.:
COUNTY OF FULTON)

On the 8th day of Dec., 2000 before me personally came William Ward, to me personally known and known to me to be the person described in and who executed the foregoing instrument as the Vice President of Caron International, Inc., who being by me duly sworn, did depose and say that he is the Vice President of Caron International, Inc., the corporation described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Susan Lake
Notary Public

My Commission Expires:



[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

FOOTHILL CAPITAL CORPORATION,
as Agent

By: Phyliss Hasen
Phyliss Hasen, Vice President

Carolyn Alford
Witness

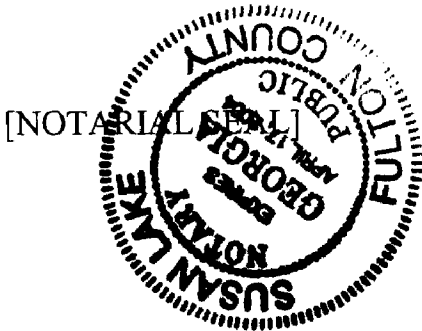
Dereza Lade
Witness

STATE OF GEORGIA)
) ss.:
COUNTY OF FULTON)

On the 8th day of Dec, 2000 before me personally came Phyliss Hasen, to me personally known and known to me to be the person described in and who executed the foregoing instrument as the Vice President of Foothill Capital Corporation, who being by me duly sworn, did depose and say that he is the Vice President of Foothill Capital Corporation, the corporation described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Susan Lake
Notary Public

My Commission Expires:



[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

Schedule I
to Trademark Security Agreement

CARON INTERNATIONAL, INC.

PENDING AND REGISTERED U.S. TRADEMARKS

TRADEMARK	SERIAL/ REGISTRATION NO.	FILING/ REGISTRATION DATE	STATUS
Aunt Lydia's (words only)	75-846323	11/10/99	Pending
Camelot (words only)	760810	11/26/63	Renewed 8/26/83
Carefree (words only)	1211611	10/5/82	Registered
Caron (words only)	1140835	10/28/80	Registered
Caron (words only)	1102799	9/19/78	Renewed 9/19/98 for 10 years
Colour Perfect (words only)	2174609	7/21/98	Registered
Columbia-Minerva (words only)	1086520	2/28/78	Renewed 2/28/98 for 10 years
Columbia-Minerva (words only)	840030	12/05/67	Renewed 12/05/87
Dawn (stylized letters)	599744	12/21/54	Renewed 12/21/94 for 10 years
Dawn (stylized letters)	599744	12/21/54	Renewed 12/21/94 for 10 years
Glencannon (words only)	1269928	3/13/84	Registered
Grandma's Best (words and design)	1813775	12/28/93	Registered
Heirloom (words only)	75-887887	1/05/00	Pending

TRADEMARK	SERIAL/ REGISTRATION NO.	FILING/ REGISTRATION DATE	STATUS
Heirloom (words only)	1481645	3/22/88	Registered
Heirlooms (words only)	1344714	6/25/85	Registered
Honeyspun (words only)	1421123	12/16/86	Registered
Mohlon (words only)	775895	8/25/64	Renewed 8/25/84
Nantuk (words only)	1014715	7/01/75	Renewed 7/01/95 for 10 years
Nantuk (words only)	1014715	7/01/75	Renewed 7/01/95 for 10 years
Perfect Match (words only)	1732105	11/10/92	Registered
Simply Soft (words only)	2313661	2/01/00	Registered
Simply Soft (words only)	1591524	4/10/90	Registered
Sofgan (stylized letters)	1228526	2/22/83	Registered
Soft Touch (words only)	2181412	8/11/98	Registered
Wonder Art (words only)	993116	9/10/74	Renewed 9/10/94 for 10 years

TRADEMARK LICENSES

1. Amended License Agreement by and between Mattell, Inc. and Caron International, Inc., dated February 17, 2000, expires December 31, 2001.
2. License Agreement by and between Dale Earnhardt, Inc. and Caron International, Inc., dated April 1, 1999, expires December 31, 2000.

3. License Agreement by and between National Association for Stock Car Auto Racing, Inc. and National Spinning Co., Inc. d.b.a. Caron International, Inc., dated as of December 1, 1998, expires December 31, 2000.
4. License Agreement by and between Warner Bros. and National Spinning Co., Inc./ Caron International, Inc., dated February 23, 1999, expires December 31, 2000.