04-26-2001

FORM PTO-1618A
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OMB 0651-0027

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

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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

- [x] New
- [ ] Resubmission (Non-Recordation) Document ID #
- [ ] Correction of PTO Error Reel # Frame #
- [ ] Corrective Document Reel # Frame #

Conveyance Type

- [ ] Assignment
- [ ] License
- [x] 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: 02 26 01

Name: John M. Smyth Company

Formerly:

1972052

[ ] Individual [ ] General Partnership [ ] Limited Partnership [x] Corporation [ ] Association

[ ] Other

[x] Citizenship/State of Incorporation/Organization: Illinois

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name: State Street Bank & Trust Company, N.A.

DBA/AKA/TA:

Composed of:

Address (line 1): c/o Equiserve Limited

Address (line 2): P.O. Box 8200

Address (line 3): Boston (City) MA (State/Country) 02266-8200 (Zip Code)

[ ] Individual [ ] General Partnership [ ] Limited Partnership

[x] Corporation [ ] Association

[ ] Other

[ ] 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.)*

[x] Citizenship/State of Incorporation/Organization: Massachusetts

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

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 212-373-3077

Name Allison Engel

Address (line 1) Paul, Weiss, Rifkind, Wharton & Garrison

Address (line 2) 1285 Avenue of the Americas

Address (line 3) New York, New York 10019-6064

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. # 7

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)		
			1922052	1922051	

Number of Properties

Enter the total number of properties involved. # 2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $ $65.00

Method of Payment: Enclosed [X] 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.

Allison Engel	Allison Engel	4/6/01
Name of Person Signing	Signature	Date Signed

This agreement and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in that certain Subordination and Intercreditor Agreement (Subordinated Deferred) (the "Senior Subordination Agreement") dated as of February 26, 2001 among the Lenders, the Term Agent and the WC Agent ("Senior Agents"), to the indebtedness (including interest) owed by Borrowers to Senior Agents and the other lenders from time to under the Senior Debt Documents (as such term is defined therein) in each case as such Senior Debt Documents have been and hereafter may be amended, supplemented or otherwise modified from time to time and to indebtedness refinancing the indebtedness under those documents as contemplated by the Senior Subordination Agreement; and each holder of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Senior Subordination Agreement.

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") made as of this 26th day of February, 2001 by **JOHN M. SMYTH COMPANY,** an Illinois corporation ("Grantor") in favor of the grantee whose name and principal place of business is set forth on the signature pages hereto ("Grantee"):

W I T N E S S E T H

WHEREAS, Seaman Furniture Company, Inc., a Delaware corporation ("Seamans") and Levitz Furniture, LLC, a Delaware limited liability company ("Levitz"; Seamans and Levitz are hereinafter referred to each individually as an "Obligor"; collectively as the "Obligors") have entered into that certain Financing Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Loan Agreement") with Grantee, Levitz Home Furnishings, Inc., a Delaware corporation ("Holdings"), and certain Subsidiaries of Holdings;

WHEREAS, Grantor is an Affiliate of Levitz and a direct subsidiary of Levitz Furniture Corporation, and as such, Grantor acknowledges that it will receive substantial direct and indirect benefits by reason of the making of loans and other financial accommodations to the Obligors as provided in the Loan Agreement; and

WHEREAS, the Pledgors are indebted to the Deferred Lenders in respect of unpaid compensation for services performed by the Deferred Lenders in connection with the Acquisition (as defined in the Loan Agreement) and the other Related Transactions (as defined in the Loan Agreement) or in respect of a portion of the purchase price for shares of common stock of Seamans redeemed by Seamans pursuant to such transactions, which outstanding obligations are being converted into Loans under the Loan Agreement;

WHEREAS, as a condition to the extension of credit under the Loan Agreement, Grantor is required to and has granted pursuant to the Loan Agreement to Grantee a security interest in substantially all of the assets of Grantor including all right title and interest of Grantor in, to and under all now owned and hereafter acquired or arising (a) trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing

have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith (other than "intent to use" applications until a verified statement of use or an amendment to alleged use is filed with respect to such applications); (b) all renewals thereof; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing (collectively, "Trademarks") and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Loan Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement, except to the extent not defined herein or therein such terms shall have the meanings ascribed to them in that certain Amended and Restated Loan Agreement of even date herewith by and among Seamans, Levitz and Heller Financial, Inc., a Delaware corporation, as agent, for the benefit of the Lenders, as in effect as of the date hereof.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Grantor hereby grants to Grantee and hereby reaffirms its prior grant pursuant to the Guaranty and Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now owned or existing or hereafter created or acquired:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

3. Warranties and Representations. Grantor warrants and represents to Grantee that:

(i) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation licenses and covenants by Grantor not to sue third persons except as otherwise permitted by the WC Loan Agreement, the Term Loan Agreement, the Resurgence III Reimbursement Agreement or the Resurgence I Loan

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Agreement (as defined in the Loan Agreement), each as in effect as of the date hereof, or except for Permitted Encumbrances or as indicated on Schedule 1;

(ii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iii) Grantor has the unqualified right to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until the Obligors' Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under (other than to any Obligor or for fair market consideration in the ordinary course of business), any Trademark or enter into any other agreement with respect to any Trademark, and Grantor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

5. Product Quality. Grantor agrees (i) (except in circumstances where in the reasonable opinion of Grantor it would be commercially imprudent to do so) to maintain the quality of any and all material products in connection with which the Trademarks are used, consistent with commercially reasonable business practices, and (ii) to provide Grantee, upon Grantee's reasonable request from time to time, with a certificate of an officer of Grantor certifying Grantor's compliance with the foregoing. Upon the occurrence and during the continuation of an Event of Default, Grantor agrees that Grantee, or a conservator appointed by Grantee, shall have the right to establish such additional product quality controls as Grantee, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks.

6. New Trademarks. If, before the Obligors' Obligations shall have been satisfied in full or before the Loan Agreement has been terminated, Grantor shall (i) become aware of any existing Trademarks of which Grantor has not previously informed Grantee, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Agreement above shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee to modify this Agreement by amending Schedule 1 to include any such Trademarks.

7. Duties of Grantor. Grantor shall (i) file and pursue diligently any material trademark applications pending as of the date hereof or hereafter, (ii) preserve and maintain all rights in the material Trademarks, as reasonably deemed appropriate by Grantor (iii) ensure that the material Trademarks are and remain enforceable.

8. Grantee's Right to Sue. After the occurrence and during the continuation of an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper

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documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses (including reasonable attorney's fees) incurred by Grantee in the exercise of its rights under this Section 8.

9. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Grantee in the use of the Trademarks or (ii) (save to the extent prohibited by law or equity) take any other actions with respect to the Trademarks as Grantee deems to be in the best interest of Grantee, or (iii) (save to the extent prohibited by law or equity) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone, except as otherwise permitted by the WC Loan Agreement, the Term Loan Agreement, the Resurgence III Reimbursement Agreement or the Resurgence I Loan Agreement. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligors' Obligations shall have been paid in full and the Loan Agreement has been terminated. Grantor hereby further acknowledges and agrees that the use by Grantee of the Trademarks shall be worldwide, except as limited by their terms, and without any liability for royalties or related charges from Grantee to Grantor.

10. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, will be deemed an original and all of which shall together constitute one and the same instrument.

11. Termination of Security Interests; Release of Collateral. Upon payment in full of all Obligations (other than contingent indemnification obligations to the extent no unsatisfied claim giving rise thereto has been asserted) and the termination of all Commitments under the Loan Agreement, this Agreement shall terminate. Upon such termination of the Security Interests or release of any Collateral, Grantee will, at the expense of the Grantor, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be.

12. **APPLICABLE LAW. THIS TRADEMARK SECURITY AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.**

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IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

JOHN M. SMYTH COMPANY, an Illinois corporation

By: _____

Name: E. L. Grund

Title:

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Agreed and Accepted

As of the Date First Written Above

STATE STREET BANK AND TRUST COMPANY, N.A., as Agent, Pledgee and Grantee

By: Ward Spooner
Name: WARD A. SPOONER
Title: VICE PRESIDENT

Attn: Ward Spooner
Address: 61 Broadway, 15th Floor
New York, NY 10006

SCHEDULE 1
TO
TRADEMARK SECURITY AGREEMENT

TRADEMARK REGISTRATIONS

Registered Owner	U.S. Service Mark/Trademark Description	Registration Number (Serial No.)	Registration Date (Date Filed)	Status
John M. Smyth Company	"John M. Smyth's Homemakers"*	1922052	09/26/95	Registered
John M. Smyth Company	"John M. Smyth"*	1922051	09/26/95	Registered
John M. Smyth Company	"Not Low Priced Furniture, But Good Furniture at Low Prices"	Illinois – 42799	N/A	Renewed
John M. Smyth Company	"Homemakers"	Illinois – 42797	N/A	Renewed
John M. Smyth Company	"H"	Illinois – 42798	N/A	Renewed
John M. Smyth Company	"John M. Smyth"	Illinois – 74,244	03/18/94	Registered
John M. Smyth Company	"John M. Smyth's Homemakers"	Illinois – 74,243	03/18/94	Registered

* License granted to Heilig - Meyers Furniture Company on January 9, 1998 and assigned to Rhodes Furniture Company on June 23, 2000.

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