

4-20-01

05-04-2001



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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Documents and Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): Lucien Piccard/Arnex Watch Co., Inc.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State - Delaware <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: FTZ Funding Ltd.</p> <p>Internal Address: _____</p> <p>Street Address: 1333 60th Street 2001 City: Brooklyn State: NY Zip: 11219</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State _____ <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date: March 30, 2001</p>	<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) 76/218568; 76/218570; 76/218596; 76/218569</p> <p>B. Trademark Registration No.(s) 1422764; 746214; 1976924; 1981245; 1360438; 769918</p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Simon Bock, Esq.</p> <p>Internal Address: Amster, Rothstein & Ebenstein</p> <p>05/03/2001 LMJELLER 00000090 76218568</p> <p>01 FC: 81 40.00 OP 02 FC: 82 225.00 OP</p> <p>Street Address: 90 Park Avenue</p> <p>City: New York State: NY Zip: 10016</p>	<p>6. Total number of applications and registrations involved: 10</p> <p>7. Total fee (37 CFR 3.41).....\$ 265.00</p> <p><input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: 01-1785</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
DO NOT USE THIS SPACE	
<p>9. Statement and signature. <i>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.</i></p> <p>Simon Bock, Esq. <i>Simon Bock</i> 4/20/01 Name of Person Signing Signature Date</p> <p style="text-align: right;">Total number of pages including cover sheet, attachments, and document 4</p>	

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002286 FRAME: 0529

NOTICE OF SECURITY INTEREST IN U.S. TRADEMARKS

WHEREAS, LUCIEN PICCARD/ARNEX WATCH CO., INC., a New York corporation (herein referred to as "Grantor"), has adopted, used, is using, or has a bona fide intention to use, the trademarks listed on the annexed Schedule A, which trademarks are registered or pending for registration in the United States Patent and Trademark Office (the "Trademarks"); and

WHEREAS, Grantor was obligated to SOL FRIEDMAN (herein referred to as "Friedman") and has entered into a Security Agreement as of January 15, 2001 among Grantor, the Debtor named therein and Friedman (the "Security Agreement"; capitalized terms used herein without definition have the meanings ascribed to such terms in the Security Agreement); and

WHEREAS, pursuant to the Security Agreement, the Grantor has granted and assigned to Friedman for his benefit, a lien on and security interest in, all of the Grantor's rights, title and interest in and to certain collateral, and any and all additions, increases, proceeds, and substitutions thereto, thereof, and therefor (collectively, the "Collateral"), which Collateral includes the Trademarks; and

WHEREAS, Friedman and FTZ FUNDING LTD. (herein referred to as "Secured Party") have entered into an Instrument of Assignment as of March __, 2001 among Friedman and the Secured Party pursuant to which Friedman has released its continuing security interest in any property of the Grantor and assigned the Secured Party all such interest and rights as against Grantor; and

WHEREAS, pursuant to the Instrument of Assignment, Friedman has granted and assigned to the Secured Party all rights and interests of Friedman in all obligations owed by Grantor to Friedman pursuant to the Security Agreement and other documents and agreements, including his lien on and security interest in, all of the Grantor's rights, title and interest in and to the Collateral, which Collateral includes the Trademarks; and

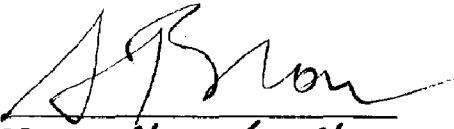
NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Grantor does hereby acknowledge the grant of, and hereby do grant to the Secured Party a lien on and security interest in, all of the Grantor's right, title and interest in and to the Collateral pursuant to the Security Agreement, including specifically the Trademarks

Grantor and the Secured Party do hereby further acknowledge and affirm that the rights and remedies of each other with respect to the grant of the lien on and security interest in the Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.


IN WITNESS WHEREOF, Grantor and Secured Party have caused this Notice of Security Interest in U.S. Trademarks to be duly executed by its officers.

Dated: **March 30**, 2001

**LUCIEN PICCARD/
ARNEX WATCH CO., INC.**

By 
Name: *Alexander Blau*
Title: *President*

FTZ FUNDING LTD.

By 
Name: *Sol Friedman*
Title: *President*

SCHEDULE A
TO NOTICE OF SECURITY INTEREST IN U.S. TRADEMARKS

TRADEMARK	(SERIAL)/ REG. NUMBER	(FILING)/REG./ [RENEWAL] DATE
ARNEX	(76/218,568)	(February 28, 2001)
ARNEX & Design	(76/218,570)	(February 28, 2001)
BELLE-SUISSE	1,422,764	December 30, 1986
DUFONTE	746,214	[March 5, 1983]
LP (Stylized)	(76/218,596)	(February 28, 2001)
LUCIEN PICCARD	1,976,924	May 28, 1996
LUCIEN PICCARD	1,981,245	June 18, 1996
LUCIEN PICCARD	(76/218,569)	(February 28, 2001)
ROYALE (Stylized)	1,360,438	[September 17, 1985]
Watch Back Design	769,918	[May 19, 1984]