

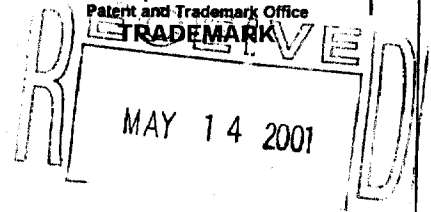
05-29-2001



101732668

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. Department of Commerce
Patent and Trademark Office



5/14/01

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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

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

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

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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: 002304 FRAME: 0254

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)

Registration Number(s)

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.

Christa Perez
Name of Person Signing

Christa Perez
Signature

5/09/2001
Date Signed

TRADEMARK ASSIGNMENT AND SECURITY AGREEMENT

This Agreement is made as of this 30th day of March, 2001, by and between OUTPOST TRADING AG, a Swiss corporation ("Outpost") with offices at Ringstrasse 9, 4123 Allschwil, Switzerland, and RICHARD CRANE an individual ("Crane"), residing at 1612 Gilcrest Drive, Beverly Hills, California 90210.

WHEREAS, Outpost and Crane have entered into a certain Non-Recourse Guaranty, dated March __, 2001 (the "Guaranty") pursuant to which Outpost guaranteed certain obligations of Big Star Jeans USA, Inc., a New York corporation ("Big Star"), owing to Crane under that certain Secured Promissory Note, of even date herewith, between Big Star and Crane (the "Note"); and

WHEREAS, in order to secure its obligations to Crane under the Guaranty, Outpost desires to assign to Crane all of its right, title and interest in and to certain of its trademarks;

NOW THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Outpost hereby pledges and assigns to Crane and grants to Crane a security interest in and to its rights (including, without limitation, common law rights), title and interest in and to those trademarks in such classes and for such goods as are set forth on Exhibit "A" attached hereto and incorporated herein by this reference (the "Trademarks"), including all applications, registrations and recordings relating to the foregoing, and all reissues, renewals and extensions thereof, whether with the United States Patent and Trademark Office or any similar office or agency or the United States, any State thereof, any political subdivision thereof, together with the goodwill of the business symbolized by the Trademarks and all proceeds of same to secure all of Outpost's obligations and indebtedness now or hereafter owing Crane under the Guaranty.

2. This Agreement is intended to create an assignment of the Trademarks and goodwill of the business for collateral purposes only. Subject to the security interest in the Trademarks and goodwill created by this Agreement, Outpost shall continue to own and utilize the Trademarks and goodwill and to control the nature and quality of the goods manufactured or sold and the services rendered under the Trademarks, provided, however, Outpost shall not grant any rights, whether by license or otherwise, in or to the Trademarks in the United States in those classes and for those goods assigned to Crane pursuant to this Agreement, provided, however, that Outpost shall be permitted to grant rights, whether by license or otherwise, in or to the Trademarks for use on children's clothing in the United States notwithstanding the fact that such goods are in the same class as those goods assigned to Crane pursuant to this Agreement, and Crane hereby consents any such grant of rights by Outpost. The parties hereby acknowledge and agree that as of the date hereof, the only exceptions to the foregoing are that certain distribution agreement dated January 5, 1996, between Outpost and Art of Blue, Inc., and that certain license agreement dated June 8, 1999 between Outpost and Big Star. Upon the earlier of (1) payment and performance of all of Big Star's obligations under the Note, or (2) payment and performance

of all of Outpost's obligations under the Guaranty, the security interest of Crane in the Trademarks and goodwill will be released.

3. Outpost represents and warrants that: (a) Outpost lawfully possesses and owns the Trademarks free from all liens, security interests, claims and encumbrances except those in favor of MaberCrane, Inc., a California corporation (the nature and extent of which Crane has been fully informed) ("MaberCrane"), and Crane; (b) Outpost has made no prior assignments or transfers and has granted no other security interests in the Trademarks except to MaberCrane; (c) Outpost will not, without the prior written consent of Crane, sell, assign, grant a security interest in or otherwise transfer the Trademarks, or any rights therein whether by license or otherwise; and (d) to the best of Outpost's knowledge, there are no infringements with respect to the Trademarks.

4. Upon the occurrence of an Event of Default (as such term is defined in the Note), Crane shall have all of the rights and remedies set forth in the Note, the Guaranty and all of the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal laws. In addition to the foregoing, and all other rights and remedies of Crane, upon the occurrence of the an Event of Default, Crane shall have the immediate right to sell, assign and transfer to itself or to any other person: all right, title and interest in and to the Trademarks; the goodwill of the business symbolized by the Trademarks; Outpost's entire inventory of labels, tags, decals or other items bearing the Trademarks that are not then affixed to its products; and ownership of the right to operate and control the business under the Trademarks. Crane shall credit the proceeds of any such sale or transfer against Outpost's liabilities under the Guaranty.

5. Outpost agrees that, in the event Crane exercises his right to sell, assign or transfer the Trademarks after an Event of Default, Outpost never thereafter, without the written authorization of the owner of the Trademarks, use the Trademarks on or in connection with the same type of goods or services in the United States of America, its territories or possessions.

6. Outpost agrees to execute and deliver to Crane any further documentation or papers, and take all such other actions, as are necessary to carry out the intent and purpose of this Agreement without any charge or expense to Crane.

7. Outpost will take all reasonable and necessary actions during the term of this Agreement to maintain and protect the value of the Trademarks and all associated goodwill. Additionally, Outpost will maintain all current registrations and recordations of any rights in the Trademarks in full force and effect and will diligently prosecute any pending applications for additional rights thereto. Further, Outpost will defend at its own cost and expense any action, claim or proceeding affecting the Trademarks or the interest of Crane therein. Outpost agrees to reimburse Crane for all costs and expenses incurred by Crane in defending any such action, claim or proceeding.

8. This Agreement shall be in addition to the Guaranty and all other present and future instruments, documents and agreements between Outpost and Crane, and it shall not be deemed to affect, modify or limit any of the same or any rights of Crane under the Guaranty.

9. In the event that Outpost shall fail to execute any document or take any action reasonably requested of it in furtherance of this Agreement, then Outpost hereby names Crane its true and lawful attorney-in-fact for the sole purpose of executing such document or taking such action in the place and stead of Outpost. This power of attorney is coupled with an interest, is irrevocable, and shall survive the termination or expiration of this Agreement.

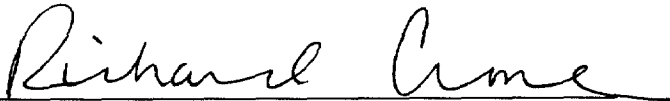
10. This Agreement may be recorded with the United States Patent and Trademark Office and such other office or agency of the United States, any State thereof or any political subdivision thereof as Crane may determine, in his sole and absolute discretion, to be reasonable or necessary.

11. This Agreement, the Guaranty the Note, and all transactions hereunder and/or evidenced hereby, shall be determined under, governed by, and construed in accordance with the laws of the State of California. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the state and federal courts located in the County of Los Angeles, State of California. Outpost waives any right it may have to assert the doctrine of forum non conveniens or to object to such venue and hereby consents to any court ordered relief.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.



Outpost Trading AG

By: _____
Its: _____


RICHARD CRANE

The Art of Blue, Inc. hereby consents to the foregoing.

THE ART OF BLUE, INC.

By: 
Its: 


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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Outpost Trading AG

By: 
Its: CHAIRMAN OF THE BOARD RICHARD CRANE

The Art of Blue, Inc. hereby consents to the foregoing.

THE ART OF BLUE, INC.


By: 
Its: PRESIDENT

EXHIBIT "A"

TRADEMARKS

| <u>Mark</u> | <u>Country</u> | <u>Registration No.</u> | <u>Class</u> | <u>Goods</u> |
|-------------|----------------|-------------------------|--------------|--------------|
| BIG STAR | U.S.A. | 1,752,666 | 25 | JEANS |

TRADEMARK ASSIGNMENT AND SECURITY AGREEMENT

This Agreement is made as of this 30th day of March, 2001, by and between OUTPOST TRADING AG, a Swiss corporation ("Outpost") with offices at Ringstrasse 9, 4123 Allschwil, Switzerland, and RICHARD CRANE an individual ("Crane"), residing at 1612 Gilcrest Drive, Beverly Hills, California 90210.

WHEREAS, Outpost and Crane have entered into a certain Non-Recourse Guaranty, dated March __, 2001 (the "Guaranty") pursuant to which Outpost guaranteed certain obligations of Big Star Jeans USA, Inc., a New York corporation ("Big Star"), owing to Crane under that certain Secured Promissory Note, of even date herewith, between Big Star and Crane (the "Note"); and

WHEREAS, in order to secure its obligations to Crane under the Guaranty, Outpost desires to assign to Crane all of its right, title and interest in and to certain of its trademarks;

NOW THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Outpost hereby pledges and assigns to Crane and grants to Crane a security interest in and to its rights (including, without limitation, common law rights), title and interest in and to those trademarks in such classes and for such goods as are set forth on Exhibit "A" attached hereto and incorporated herein by this reference (the "Trademarks"), including all applications, registrations and recordings relating to the foregoing, and all reissues, renewals and extensions thereof, whether with the United States Patent and Trademark Office or any similar office or agency or the United States, any State thereof, any political subdivision thereof, together with the goodwill of the business symbolized by the Trademarks and all proceeds of same to secure all of Outpost's obligations and indebtedness now or hereafter owing Crane under the Guaranty.

2. This Agreement is intended to create an assignment of the Trademarks and goodwill of the business for collateral purposes only. Subject to the security interest in the Trademarks and goodwill created by this Agreement, Outpost shall continue to own and utilize the Trademarks and goodwill and to control the nature and quality of the goods manufactured or sold and the services rendered under the Trademarks, provided, however, Outpost shall not grant any rights, whether by license or otherwise, in or to the Trademarks in the United States in those classes and for those goods assigned to Crane pursuant to this Agreement, provided, however, that Outpost shall be permitted to grant rights, whether by license or otherwise, in or to the Trademarks for use on children's clothing in the United States notwithstanding the fact that such goods are in the same class as those goods assigned to Crane pursuant to this Agreement, and Crane hereby consents any such grant of rights by Outpost. The parties hereby acknowledge and agree that as of the date hereof, the only exceptions to the foregoing are that certain distribution agreement dated January 5, 1996, between Outpost and Art of Blue, Inc., and that certain license agreement dated June 8, 1999 between Outpost and Big Star. Upon the earlier of (1) payment and performance of all of Big Star's obligations under the Note, or (2) payment and performance

of all of Outpost's obligations under the Guaranty, the security interest of Crane in the Trademarks and goodwill will be released.

3. Outpost represents and warrants that: (a) Outpost lawfully possesses and owns the Trademarks free from all liens, security interests, claims and encumbrances except those in favor of MaberCrane, Inc., a California corporation (the nature and extent of which Crane has been fully informed) ("MaberCrane"), and Crane; (b) Outpost has made no prior assignments or transfers and has granted no other security interests in the Trademarks except to MaberCrane; (c) Outpost will not, without the prior written consent of Crane, sell, assign, grant a security interest in or otherwise transfer the Trademarks, or any rights therein whether by license or otherwise; and (d) to the best of Outpost's knowledge, there are no infringements with respect to the Trademarks.

4. Upon the occurrence of an Event of Default (as such term is defined in the Note), Crane shall have all of the rights and remedies set forth in the Note, the Guaranty and all of the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal laws. In addition to the foregoing, and all other rights and remedies of Crane, upon the occurrence of the an Event of Default, Crane shall have the immediate right to sell, assign and transfer to itself or to any other person: all right, title and interest in and to the Trademarks; the goodwill of the business symbolized by the Trademarks; Outpost's entire inventory of labels, tags, decals or other items bearing the Trademarks that are not then affixed to its products; and ownership of the right to operate and control the business under the Trademarks. Crane shall credit the proceeds of any such sale or transfer against Outpost's liabilities under the Guaranty.

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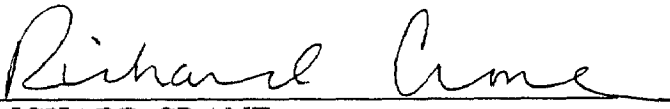
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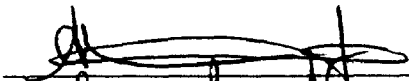
Outpost Trading AG

By: _____
Its: _____


RICHARD CRANE

The Art of Blue, Inc. hereby consents to the foregoing.

THE ART OF BLUE, INC.

By: 
Its: President

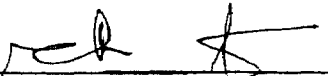
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By: 
Its: CHAIRMAN OF THE BOARD RICHARD CRANE

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THE ART OF BLUE, INC.

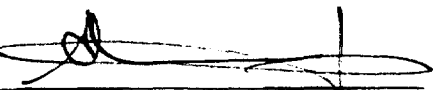
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|-------------|----------------|-------------------------|--------------|--------------|
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