

08-30-2001



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8-30-01

TO: The Commissioner of Patents and Trademarks

101829583

original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID# _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____
- Assignment
- Security Agreement
- Merger
- Change of Name
- Other _____
- License
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name CATHERINES OF CALIFORNIA, INC.

Execution Date		
Month	Day	Year
8	16	2001

Formerly _____

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

Receiving Party

Mark if additional names of conveying parties attached

Name CONGRESS FINANCIAL CORPORATION, as Agent

DBA/AKA/TA _____

Composed of _____

Address (line 1) 1133 Avenue of the Americas

Address (line 2) _____

New York	New York USA	10036
City	State/Country	Zip Code

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

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 is attached. (Designation must be a separate document from Assignment)

FOR OFFICE USE ONLY

08/30/2001 DBYRNE 00000188 1273659

01 FC:481
02 FC:482

40.00 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 nation 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

Alan L. Kierman, Esq.

Address (line 1)

Otterbourg, Steindler, Houston & Rosen, P.C.

Address (line 2)

230 Park Avenue

Address (line 3)

New York, New York 10169

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

212-661-9100 X709

Name

Helen M. Linehan

Address (line 1)

Otterbourg, Steindler, Houston & Rosen, P.C.

Address (line 2)

230 Park Avenue

Address (line 3)

New York, New York 10169

Address (line 4)

Pages

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

#

20

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)

SEE EXHIBIT A

Registration Number(s)

SEE EXHIBIT A

Number of Properties

Enter the total number of properties involved.

20

Fee Amount

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

\$ 515.00

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:

#

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.

Helen M. Linehan

8/28/01

Date

Name of Person Signing

Signature

EXHIBIT A
TO
RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

<u>APPLICATIONS</u>	<u>REGISTRATIONS</u>
76/114752	1,273,659
75/821109	1,343,457
75/821105	1,429,411
75/348223	1,431,256
75/558981	1,445,291
	1,461,041
	1,477,793
	1,530,977
	1,714,345
	1,940,137
	2,237,743
	2,251,928
	2,273,091
	2,282,827
	2,311,415

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS AGREEMENT ("Agreement"), dated August 16, 2001, is by and between CATHERINES OF CALIFORNIA, INC., a California corporation ("Debtor"), with its chief executive office at 3742 Lamar Avenue, Memphis, Tennessee 38118 and CONGRESS FINANCIAL CORPORATION, a Delaware corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (in such capacity, "Secured Party"), having an office at 1133 Avenue of the Americas, New York, New York 10036.

W I T N E S S E T H :

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A attached hereto and made a part hereof;

WHEREAS, Charming Shoppes, Inc., a Pennsylvania corporation, C.S.I. Industries, Inc., a Delaware corporation, Charming Shoppes of Delaware, Inc., a Pennsylvania corporation, FB Apparel, Inc., an Indiana corporation, Catherines Stores Corporation, a Tennessee corporation, and Lane Bryant, Inc., a Delaware corporation (individually and collectively hereinafter referred to as the "Borrowers") and Secured Party have entered or are about to enter into financing arrangements pursuant to which Secured Party and Lenders (as hereinafter defined) may make loans and advances and provide other financial accommodations to Borrowers and certain of Borrowers' affiliates as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Secured Party, the financial institutions from time to time party thereto, as lenders (collectively, together with Secured Party, "Lenders"), JP Morgan Business Credit Corp., as co-agent and Borrowers (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, the Guarantee (as defined below) and this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements");

WHEREAS, Debtor has absolutely and unconditionally guaranteed the payment and performance of all Obligations (as defined in the Loan Agreement) of the Borrowers, Obligors and the Additional L/C Debtors (each as defined in the Loan Agreement) to Secured Party and Lenders as set forth in its Guarantee, dated of even date herewith, by Debtor and certain of its affiliates in favor of Secured Party (each as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, collectively, the "Guarantee"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrowers and the Additional L/C Debtors pursuant thereto, Debtor has agreed to grant to Secured Party, for the benefit of Lenders, certain collateral security as set forth herein;

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

1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and full and final payment of all of the Obligations, Debtor hereby grants to Secured Party, for the benefit of Lenders, a continuing security interest in and a general lien upon, and a conditional assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtor's trademarks, collective marks, certification marks, Internet domain names, tradenames, trade styles and service marks and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any trademarks, tradenames, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, tradenames, tradestyles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (d) all licenses, contracts or other agreements naming the Debtor as licensor or licensee and providing for the grant of any rights concerning any Trademark, including, without limitation, all trademark licenses described on Exhibit B hereto, together with any goodwill associated with and symbolized by any such trademark licenses and agreements; (e) the right to sue for past, present and future infringements thereof; (f) all rights corresponding thereto throughout the world; and (g) any and all other proceeds of any of the foregoing, including, without limitation, damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks.

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party, for the benefit of Lenders, pursuant to this Agreement shall secure the prompt performance, observance and

payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers, Obligors and the Additional L/C Debtors to Secured Party and Lenders, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under the Guarantee, this Agreement, the Loan Agreement and the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor or any Borrower under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured (all of the foregoing being collectively referred to herein as the "Obligations").

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Secured Party and Lenders the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except that Debtor may license any Trademark to any direct or indirect subsidiary of Charming Shoppes, Inc. and except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party or any Lender to any such action, except as such action is expressly permitted hereunder or in the Loan Agreement.

(c) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Secured Party or as otherwise determined by Secured Party. Debtor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(d) As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(e) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise for the benefit of Lenders of the rights and remedies granted to Secured Party hereunder.

(f) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do after notice to Debtor, as required hereunder or as reasonably requested by Secured Party to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral (without limiting the right of Debtor or abandon Trademarks not used or useful in its business accordance with Section 3(b) hereof), or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall be liable to Secured Party and Lenders for any such payment, which payment shall be deemed an advance by Secured Party and Lenders to Debtor, shall be payable on demand together with interest at the rate then applicable to the indebtedness of Borrowers to Secured Party and Lenders set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(g) Debtor shall not file any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, unless Debtor shall give Secured Party written notice no later than ten (10) days following such action. If, after the date hereof, Debtor shall (i) obtain any registered trademark or tradename, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States or any State thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interest in and conditional assignment of such Trademark in favor of Secured Party, for the benefit of Lenders.

(h) Except as set forth on Exhibit A, Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby a Trademark may become abandoned, invalidated, unenforceable, avoided, or avoidable, except to the extent that any such Trademark may no be longer used or useful in the business of Debtor or Borrowers and Debtor has given Secured Party notice of its intention to abandon such Trademark. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(i) Debtor shall render any assistance, as Secured Party shall determine is necessary, to Secured Party and Lenders in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, to maintain such application

and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's and Lenders' interests therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(j) To Debtor's knowledge, no material infringement or unauthorized use presently is being made of any of the Trademarks that would cause a Material Adverse Effect (as defined in the Loan Agreement). Debtor shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design which infringes on any Trademark or is likely to cause confusion with any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party and any Lender in such action as Secured Party and any Lender, in Secured Party's discretion, may deem advisable for the protection of Secured Party's and Lenders' interests in and to the Trademarks.

(k) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof), except for any liability arising out of the Secured Party's or any Lender's acts or omissions constituting gross negligence or willful misconduct, as determined pursuant to a final and non-appealable judgment or order of a court of competent jurisdiction. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(l) Debtor shall promptly pay Secured Party and Lenders for any and all expenditures made by Secured Party or any Lender pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the indebtedness of Borrowers to Secured Party and any Lender as set forth in the Loan Agreements and shall be part of the Obligations secured hereby.

4. EVENTS OF DEFAULT

All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party or the Required Lenders (as such term is defined in the Loan Agreement), upon the occurrence of any Event of Default, as such term is defined in the Loan Agreement (each an "Event of Default" hereunder).

5. RIGHTS AND REMEDIES

At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party and any Lender, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have the following rights and remedies, for and on behalf of Lenders, which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services in connection with enforcing any other security interest granted to Secured Party, for the benefit of Lenders, by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Secured Party may determine.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of five (5) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, Secured Party may execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party and Lenders on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees and legal expenses. Debtor agrees that Secured Party and Lenders have no obligation to preserve rights to the Trademarks against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses

which may be incurred by Secured Party and Lenders. Thereafter, Secured Party and Lenders may apply any remaining proceeds to such of the Obligations as Secured Party and Lenders may in their discretion determine in accordance with the Loan Agreement. Debtor shall remain liable to Secured Party and Lenders for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Secured Party and Lenders on demand any such unpaid amount, together with interest at the rate then applicable to the indebtedness of Borrowers to Secured Party and Lenders set forth in the Loan Agreement.

(f) Debtor shall supply to Secured Party, any Lender and their respective designees, Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party or any Lender to take any such action at any time. All of Secured Party's and Lenders' rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

6. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York (without giving effect to principles of conflicts of law).

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York, County of New York and the United States District Court for the Southern District of New York and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Debtor, Secured Party and Lenders in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or thereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party and Lenders shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party or any Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce Secured Party's and Lenders' rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's or any

Lender's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtor shall appear in answer to such process, failing which Debtor shall be deemed in default and judgment may be entered by Secured Party or any Lender against Debtor for the amount of the claim and other relief requested.

(d) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR, SECURED PARTY AND LENDERS IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Secured Party and Lenders shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or any Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party and each Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor: Catherines of California, Inc.
c/o Charming Shoppes, Inc.
450 Winks Lane
Bensalem, Pennsylvania 19020
Attention: Chief Financial Officer

with a copy to: Catherines of California, Inc.
c/o Charming Shoppes, Inc.
450 Winks Lane
Bensalem, Pennsylvania 19020
Attention: General Counsel

If to Secured Party: Congress Financial Corporation, as Agent
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Secured Party, Lenders and Borrowers pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7(e) hereof. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and its successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

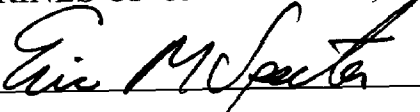
(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an

authorized officer of Secured Party. Secured Party and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of their rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party and Lenders. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party or any Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

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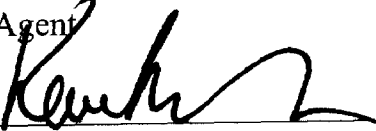
IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

CATHERINES OF CALIFORNIA, INC.

By: 

Title: **Vice-President**


CONGRESS FINANCIAL CORPORATION,
as Agent

By: 

Title: **Executive Vice-President**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)


On this 16th day of August, 2001, before me personally came Eric M. Specter, to me known, who being duly sworn, did depose and say, that he is the Vice-President of CATHERINES OF CALIFORNIA, INC., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.


Notary Public

HELEN M. LINEHAN
Notary Public, State of New York
No. 01LI6047897
Qualified in New York County
Commission Expires Sept. 18, 2002

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 16th day of August, 2001, before me personally came Kenneth M. Sands, to me known, who, being duly sworn, did depose and say, that he is the Executive Vice-President of CONGRESS FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.


Notary Public

HELEN M. LINEHAN
Notary Public, State of New York
No. 01LI6047897
Qualified in New York County
Commission Expires Sept. 18, 2002

**EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF TRADEMARKS

(Catherines)

Exhibit A
to
Trademark Collateral Assignment
and Security Agreement

List of Trademarks (Active)

MARK	SER./REG. #	FILING/REG. DATE
THE ANSWER	76/114,752	8/23/00
C.S.T. INTIMATES	75/821,109	10/12/99
CBO	75/821,105	10/12/99
KATE & CO.	75/348,223	8/28/97
CBO NEW YORK & Design	75/558,981	9/25/98
REGISTERED MARKS		
CBO	1,273,659	4/10/84
CATHERINES	1,343,457	6/18/85
JON LAWRENCE	1,429,411	2/17/87
LIZ & ME	1,431,256	3/3/87
SHEER DIMENSIONS	1,445,291	6/30/87
C.S.T. STUDIO	1,461,041	10/13/87
KATHY WHITE	1,477,793	2/23/88
MAGGIE BARNES	1,530,977	3/21/89
ADDED DIMENSIONS	1,714,345	9/8/92
WHITNEY, DUNN & MOORE	1,940,137	12/5/95
ANNA MAXWELL	2,237,743	4/6/99

POSITIVELY PLUS & Design	2,251,928	6/8/99
ANDRE BENOIR	2,273,091	8/24/99
ADDED DIMENSIONS	2,282,827	10/5/99
CST BLUES	2,311,415	1/25/00

**List of Trademarks (Inactive)
(Intend to Abandon)**

MARK	SER./REG. #	FILING/REG. DATE
L.K. KHAKI	75/767,066	8/3/99
CATHERINE'S PLUS SIZES & Design	75/751,879	7/13/99
CATHERINE'S PLUS SIZES	75/731,586	6/16/99
LK BLUES BY LINDA KAREN	75/467,923	4/14/98
REGISTERED MARKS		
PS PLUS SIZES PLUS SAVINGS	1,236,848	5/3/83
THE ANSWER THE ELEGANT LARGE SIZE DISCOUNTER & Design	1,392,693	5/6/86
FAIRFAX COUNTY	1,431,254	3/3/87
GROVE AVENUE	1,434,820	3/31/87
A. D. SPORT	1,435,712	4/7/87
THE ANSWER LARGE SIZES FOR LESS	1,539,759	5/16/89
LINDA KAREN	2,007,119	10/8/96
JUST ME	2,020,216	12/3/96
KAREN & CO.	2,030,976	1/14/97
LK SPORT BY LINDA KAREN	2,048,612	4/1/97
KAREN & CO.	2,330,733	3/21/00

**EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF LICENSES

(Catherines)

Exhibit B
to
**Trademark Collateral Assignment
and Security Agreement**

List of Licenses

Service Mark License Agreement between Catherines of California and CSIM dated January 30, 2001.

Sublicense Agreement between CSIM and Catherines, Inc. dated January 31, 2001.

**EXHIBIT C
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

SPECIAL POWER OF ATTORNEY

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

KNOW ALL MEN BY THESE PRESENTS, that CATHERINES OF CALIFORNIA, INC. ("Debtor"), having an office at 3742 Lamar Avenue, Memphis, Tennessee 38118, hereby appoints and constitutes, severally, CONGRESS FINANCIAL CORPORATION, as agent ("Secured Party"), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Secured Party (the "Security Agreement") and is subject to the terms and provisions thereof. This Power of Attorney, being coupled with an interest, is irrevocable until all "Obligations", as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in writing by Secured Party.

Dated: _____, 2001

CATHERINES OF CALIFORNIA, INC.

By: _____

Title: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this ____ day of _____, 2001, before me personally came _____,
to me known, who being duly sworn, did depose and say, that he is the _____ of
CATHERINES OF CALIFORNIA, INC., the corporation described in and which executed the
foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said
corporation.

Notary Public