

09-19-2001

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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office



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Tab settings

To the Honorable Commissioner c

... record the attached original documents or copy thereof.

1. Name of conveying party(ies):

FASMA, LLC 7329 West Harrison Street Forest Park, Illinois 60130

08/29/01

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State, Other Limited Liability Company - Delaware

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: THE DIAL CORPORATION

Internal Address: Suite 2214

Street Address: 15501 North Dial Boulevard

City: Scottsdale State: AZ ZIP: 85260

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other



08-29-2001

U.S. Patent & TMO/TM Mail Rcpt Dt. #26

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment, Security Agreement, Other, Merger, Change of Name

Execution Date: August 28, 2001

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

N/A

B. Trademark Registration No.(s)

1,730,536 2,197,110 1,963,024 1,614,557

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: THE DIAL CORPORATION

Internal Address: Suite 2214

15501 North Dial Boulevard

Street Address:

City: Scottsdale State: AZ ZIP: 85260

6. Total number of applications and registrations involved:

4

7. Total fee (37 CFR 3.41).....\$ 115.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

04-0980

(Attach duplicate copy of this page if paying by deposit account)

09/18/2001 DBYRNE 00000099 040980 1730536

DO NOT USE THIS SPACE

01 FC:481 40.00 CH 02 FC:482 75.00 CH

9. 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.

Kanaiyalal J. Hathi Name of Person Signing

Signature

August 28, 2001

Date

9

Total number of pages including cover sheet, attachments, and document:



08-29-2001

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PLEDGE AGREEMENT

Pledge Agreement (this "Agreement"), dated as of August 28, 2001, by and between FASMA, LLC, a Delaware limited liability company (the "Pledgor"), and The Dial Corporation, a Delaware corporation (the "Pledgee").

WHEREAS, the Pledgor has executed a Promissory Note, of even date herewith, in the principal amount of \$2,000,000 in favor of the Pledgee payable on December 28, 2001 (the "December Note");

WHEREAS, the Pledgor has executed a Promissory Note, of even date herewith, in the principal amount of \$2,000,000 in favor of the Pledgee payable on January 25, 2002 (the "January Note" and, together with the December Note, the "Notes");

WHEREAS, the Pledgor delivered the Notes to the Pledgee as partial consideration for its purchase from the Pledgee of certain assets pursuant to the Purchase Agreement, dated as of the date hereof, among Pledgor, Pledgee and SMILLC Holding Co., Inc., a Delaware corporation (the "Purchase Agreement"); and

WHEREAS, the parties hereto have agreed that the Pledgor's prompt and complete payment, observance and performance of all of its obligations under the Notes shall be secured by a first priority security interest in the Pledged Collateral (as defined in Section 2 hereof) pursuant to this Agreement;

NOW, THEREFORE, in consideration of the premises and in order to induce the Pledgee to enter into the Purchase Agreement, the parties agree as follows:

Section 1. Definitions. Capitalized terms used in this Agreement shall have (unless otherwise provided elsewhere in this Agreement) the meanings set forth in the Notes).

Section 2. Pledge. As collateral security for the prompt payment, performance and observance by the Pledgor of all of its obligations under the Notes, Pledgor hereby assigns, transfers, pledges and grants to the Pledgee a first priority security interest in the U.S. trademarks set forth on Exhibit A hereto (collectively, the "Pledged Collateral").

Section 3. Security for Obligations. This Agreement shall secure, and the Pledged Collateral shall be security for, the prompt payment in full when due, and performance of, all obligations of the Pledgor under the Notes, including the costs of collection thereof, to the Pledgee or any assignee, indorsee or transferee of the Pledgee (the "Secured Obligations").

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Section 4. Representations and Warranties. The Pledgor represents and warrants to the Pledgee that:

(a) The Pledgor has the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral as provided herein;

(b) The pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement will create a valid lien on the Pledged Collateral and a perfected security interest which shall be a first priority security interest, and all filings and other actions necessary to perfect such security interest in the U.S. have been taken; and

(c) This Agreement has been duly executed and delivered by the Pledgor and constitutes a legal, valid and binding obligation of the Pledgor enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and other laws affecting creditors' rights generally and to general equitable principles (whether considered in a proceeding in equity or at law).

Section 5. Covenants. The Pledgor covenants and agrees that until the termination of this Agreement in accordance with Section 8 hereof:

(a) Without the prior written consent of the Pledgee, it will not sell, assign, license, transfer, pledge, or otherwise encumber any of its rights in or to the Pledged Collateral or grant a lien therein (other than the lien created by this Agreement) except as contemplated by the Intercreditor Agreement;

(b) The Pledgor will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such action as the Pledgee from time to time may reasonably request in order to ensure to the Pledgee the benefits of the liens in and to the Pledged Collateral intended to be created by this Agreement; and

(c) The Pledgor shall not do any act, or knowingly omit to do any act, whereby such Pledged Collateral may lapse or become abandoned or dedicated to the public or unenforceable. The Pledgor will make all commercially reasonable filings and recordations to protect its interest in the Pledged Collateral. The Pledgor shall make all filings and recordations with the United States Patent and Trademark Office necessary to perfect the Pledgee's security interest in such Pledged Collateral.

Section 6. Defaults and Remedies.

(a) Upon any Event of Default by the Pledgor, subject to the Intercreditor Agreement, the Pledgee, in addition to all rights of the Pledgee created under the Notes, shall have and may exercise with respect to the Pledged Collateral and the Arizona Uniform Commercial Code, or otherwise at law or in equity including, without limiting the generality of the foregoing, (i) the right to take the Pledged Collateral (or portion thereof) for its own account as provided in clause (b) of this Section 6 and (ii) the right to sell or assign the Pledged

Collateral, or any part thereof, at public or private sale in Arizona or elsewhere as Pledgee may determine in good faith to be commercially reasonable and at such prices as Pledgee may deem best and commercially reasonable. The parties agree that written notice mailed to the Pledgor not less than twenty days prior to any public sale of the Pledged Collateral or twenty days prior to the date after which any private sale or other disposition of such Pledged Collateral will be made shall constitute reasonable notice (all other notices, demands or advertisements of any kind being hereby expressly waived), but notice given in any other reasonable manner or at any other reasonable time shall be sufficient. At any such sale, Pledgee shall have the right to purchase the Pledged Collateral, or any part thereof.

(b) Upon any Event of Default by the Pledgor, subject to the Intercreditor Agreement, the Pledgee shall have the right, in lieu of selling Pledged Collateral as provided in clause (a) of this Section 6, to take for its own account a portion of the Pledged Collateral with a fair market value equal to the amount of the Secured Obligations as to which the Pledgor shall be in default (the "Foreclosed Collateral") upon 20 days prior written notice (which notice shall state the fair market value ascribed thereto). In such event, subject to the Intercreditor Agreement, Pledgee shall thereafter have all right, title and interest in and to such Foreclosed Collateral free of any liens, claims or encumbrances and the Pledgor's interest therein shall terminate, as if such Foreclosed Collateral had been sold to a third party in accordance with the procedures contemplated by clause (a) of this Section 6.

(c) Any cash held by or on behalf of the Pledgee as Pledged Collateral and all cash proceeds received by or on behalf of the Pledgee in respect of any sale of, liquidation of, or other realization upon or all or any part of the Pledged Collateral shall be applied by the Pledgee, subject to the Intercreditor Agreement, as follows:

(i) First, to the payment of the costs and expenses of such sale or of enforcing Pledgee's rights under this Agreement or the Notes, including reasonable expenses of the Pledgee's counsel, and all other of the expenses, liabilities and advances made or incurred by the Pledgee in connection therewith; and

(ii) Next, to the payment of the Secured Obligations, all in accordance with the terms and provisions of the Notes; and

(iii) Finally, after payment in full of all of the Secured Obligations, to the Pledgor, or its successors or assigns, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

Section 7. Waiver. No delay on the part of the Pledgee in exercising any power of sale, lien, option or other right hereunder, and no notice or demand which may be given to or made upon the Pledgor by the Pledgee with respect to any power of sale, lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair the Pledgee's right to take any action or to exercise any power of sale, lien, option, or any other right hereunder, or prejudice the Pledgee's rights as against the Pledgor in any respect.

Section 8. Termination. This Agreement shall remain in full force and effect until the Secured Obligations have been fully and indefeasibly paid and satisfied and no Event of Default shall have occurred and be continuing. Upon the termination of this Agreement as provided above (other than as a result of any action taken under Section 6), the Pledgee will release the security interest created hereunder.

Section 9. Miscellaneous. This Agreement shall be binding upon the Pledgor and its successors and assigns, and shall inure to the benefit of, and be enforceable by, the Pledgee and its successors and assigns, and none of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed by the Pledgee and the Pledgor.

Section 10. Severability. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

Section 11. Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be given in writing and shall be deemed sufficiently given when delivered by hand or by confirmed facsimile transmission or on the second business day after a writing is consigned (freight prepaid) to a commercial overnight courier, and on the fifth business day after a writing is deposited in the mail, postage and other charges prepaid, addressed to the addresses provided in the Notes.

Section 12. Counterparts. This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

Section 13. Assignment. Pledgee shall have the full power, right and authority to assign its interests under the Notes with or without the consent of Pledgor hereunder and upon such assignment such transferee shall have rights and benefits of the Pledgee under this Agreement.

Section 14. Governing Law. (a) This Agreement shall be construed and enforced in accordance with the laws of the State of Arizona without regard to the conflicts of law rules thereof.

(b) The Pledgor hereby irrevocably and unconditionally consents to submit to the jurisdiction of the federal courts of the United States of America (located in the City of Phoenix, Arizona) or, if such federal courts do not have jurisdiction, to the courts of the State of Arizona (located in the City of Phoenix, Arizona) for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby, and further agrees that service of any process, summons, notice or document by U.S. registered mail at its address set forth in the Notes shall be effective service of process for any litigation brought against it in any such court. The Pledgor hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement and the transactions contemplated herein in the federal courts of the United States of America or the State of Arizona, in each case, located in the

City of Phoenix, Arizona, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

FASMA, LLC

By: *Ramjivall J. Bhatt*
Name: Member *RAMJIVALL J. BHATT*
Title:

THE DIAL CORPORATION

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

FASMA, LLC

By: _____
Name:
Title:

THE DIAL CORPORATION

By: C. A. C.
Name: Conrad A. Conrad
Title: Executive Vice President & CFO

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Exhibit A

<u>Trademark</u>	<u>Reg. No.</u>
Sarah Michaels & Design	1730536
Sarah Michaels & Design	1963024
Freeman	1614557
Freeman & Design	2197110