

10-29-2001



Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

101888849

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies):</p> <p>LARRY I. MARSHAK <i>10/18/01</i></p> <p><input checked="" type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Corporation-State <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)</p> <p>Name: <u>CGC ENTERTAINMENT CORP.</u> Internal Address: _____ Address: _____</p> <p>Street Address: <u>247-72A 77th Crescent</u> City: <u>Bellrose</u> State: <u>NY</u> Zip: <u>11426</u></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 <u>New York</u> <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 checked="" type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" 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: _____</p>	

<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s)</p>	<p>B. Trademark Registration No.(s)</p> <p>1081340 <i>OCT 18 2001</i></p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Stephen B. Rodner</p> <p>Internal Address: <u>Pryor Cashman Sherman & Flynn</u></p> <p>Street Address: <u>410 Park Avenue</u></p> <p>City: <u>New York</u> State: <u>NY</u> Zip: <u>10022</u></p>	<p>6. Total number of applications and registrations involved: 1</p> <p>7. Total fee (37 CFR 3.41).....\$ <u>40.00</u></p> <p><input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
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DO NOT USE THIS SPACE

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.

Stephen B. Rodner *10/18/01*
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 10

10/26/2001 DBYRNE 00000214 1081340

01 FC:461

40.00 00

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

TRADEMARK
REEL: 002390 FRAME: 0023

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (as it may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement") dated as of October 18, 2001 is made by LARRY MARSHAK (the "Grantor") in favor of CGC ENTERTAINMENT CORP. (the "Secured Party").

WITNESSETH:

WHEREAS, the Grantor has made a note dated as of the date hereof to the order of the Secured Party (the "Note"), pursuant to which Note the Secured Party has agreed to make loans and/or advances to the Grantor in the total aggregate amount of \$45,000 (collectively, the "Loans");

WHEREAS, as a condition precedent to the making of the Loans by the Secured Party to the Grantor pursuant to the Note, the Secured Party has required the Grantor to grant, and the Grantor has agreed to grant, to the Secured Party a security interest in and to the Intellectual Property Collateral (as hereinafter defined) of the Grantor to secure the Obligations (as hereinafter defined) upon the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises and covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL**. To secure the complete and timely payment and performance of all obligations of the Grantor to the Secured Party now or hereafter existing from time to time under (i) the Note, including, but not limited to the obligation to pay, as and when due and payable (by scheduled maturity or otherwise), all amounts from time to time owing by him pursuant to the Note, whether for principal, interest, fees, expenses or indemnifications, or (ii) this Agreement (collectively, the "Obligations"), the Grantor hereby pledges and grants to the Secured Party, a first priority security interest in all of the Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Intellectual Property Collateral"):

- (a) all of his Trademarks to which he is a party including those referred to on Schedule I hereto;
- (b) all reissues, continuations or extensions of the foregoing;
- (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark; and
- (d) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future (i)

infringement or dilution of any and all rights in Trademarks, and (ii) injury to the goodwill associated with any Trademark.

2. REPRESENTATIONS AND WARRANTIES. This Agreement is effective to create a valid and continuing lien on the Grantor's Intellectual Property Collateral and, upon the filing hereof with the United States Patent and Trademark Office, and the filing of appropriate financing statements, (i) all action necessary or desirable to protect and perfect the Secured Party's lien on the Grantor's Intellectual Property Collateral shall have been duly taken, and (ii) the security interests in favor of the Secured Party in all of the Grantor's Intellectual Property Collateral shall have been perfected and such perfected security interests shall be enforceable as such as against any and all creditors of, and purchasers from, the Grantor.

3. COVENANTS. The Grantor covenants and agrees with the Secured Party that from and after the date of this Agreement and until the Obligations are paid in full:

(a) The Grantor shall promptly notify the Secured Party if he knows or has reason to know that any application or registration relating to any Trademark (now or hereafter existing) may be or become abandoned, canceled, opposed, expired or invalidated, or of any adverse proceeding, action or determination (including the institution of, or any such proceeding, action or determination in the United States Patent and Trademark Office or any court) regarding the Grantor's ownership of any Trademark, his right to register the same, or to keep and maintain the same.

(b) The Grantor shall take all actions reasonably deemed appropriate by the Secured Party to prosecute each application, to obtain the relevant registration and to maintain the registration of each of the material Trademarks (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.

(c) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party, the Grantor shall promptly notify the Secured Party after the Grantor learns thereof. The Grantor shall, unless it shall reasonably determine that such Intellectual Property Collateral is not material to the conduct of his business or operations, promptly sue (i) for infringement, misappropriation or dilution, and (ii) to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as commercially reasonable under the circumstances to protect such Intellectual Property Collateral and to actually recover any and all damages for such infringement, misappropriation or dilution.

4. FURTHER ASSURANCES. (a) The Grantor agrees that from time to time, at its expense, he will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or appropriate, or that the Secured Party may request, in order to create, evidence, perfect or preserve any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Intellectual Property Collateral. The Grantor hereby agrees that (i) the Secured Party is authorized to file all such Uniform Commercial Code financing statements and trademark filings as are necessary or desirable without the signature of the Grantor, and (ii) a

carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement where permitted by law.

(b) The Grantor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Intellectual Property Collateral and such other reports in connection with the Intellectual Property Collateral as the Secured Party may reasonably request, all in reasonable detail, and will permit the Secured Party, and/or its designated agents, at any time during the Grantor's usual business hours, to inspect and/or conduct audits with respect to the Intellectual Property Collateral.

5. TRANSFERS AND OTHER LIENS. The Grantor shall not, without the Secured Party's prior written consent, (i) sell, assign or otherwise dispose of any of the Intellectual Property Collateral or (ii) create or suffer to exist any lien upon or with respect to any of the Intellectual Property Collateral, other than as created hereby.

6. SECURED PARTY APPOINTED ATTORNEY-IN-FACT. Upon the occurrence and continuation of an Event of Default (as defined below), the Grantor hereby irrevocably appoints the Secured Party as the Grantor's attorney-in-fact, with full authority to take any action and to execute any instrument that the Secured Party may deem necessary to preserve and perfect the Secured Party's interest in the Intellectual Property Collateral or to foreclose on or otherwise enforce any and all of the rights and remedies available to the Secured Party under this Agreement or under applicable law.

7. REMEDIES UPON DEFAULT. If the Grantor shall default on his obligations under the Note or this Agreement (the occurrence of such default, an "Event of Default"), (a) in addition to other rights and remedies provided for herein or otherwise available to it, the Secured Party may exercise all the rights and remedies of a secured party under applicable law and may also (i) in the name of the Secured Party, the Grantor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for, or make any compromise or settlement deemed desirable with respect to, any of the Intellectual Property Collateral, and the Secured Party may modify the terms of payment or of a release, all without incurring responsibility to, or discharging or otherwise affecting any liability of, the Grantor, (ii) without notice (except as specified below) and with or without taking the possession thereof, sell, lease, assign, grant options to purchase or otherwise dispose of the Intellectual Property Collateral or any part thereof in one or more parcels at public or private sale, at any location chosen by the Secured Party, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Grantor agrees that the Secured Party shall have no obligation to preserve rights

in the Intellectual Property Collateral against prior parties or to marshal any Intellectual Property Collateral for the benefit of any person. The Secured Party is hereby granted a license or other right to use, without charge, the Grantor's intellectual property, as it pertains to the Intellectual Property Collateral, in completing production of, advertising for, sale of, and the selling of any Intellectual Property Collateral, and the Grantor's rights under all licenses and franchise agreements shall inure to the Secured Party's benefit. The Grantor waives, to the extent permitted by applicable law, all rights of the Grantor to prior notice and hearing under any other applicable statute or constitution.

(b) All cash proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Intellectual Property Collateral will, after payment of any amounts payable to the Secured Party pursuant to Section 9 hereof, be applied against the Obligations in such order as the Secured Party shall elect.

8. SETOFF. The Obligations will be paid by the Grantor without regard to any equities between the Grantor and the Secured Party or any right of setoff or cross-claim. At any time an Event of Default exists, any indebtedness owing by the Secured Party to the Grantor may be set off and applied by the Secured Party against the Obligations at any time or from time to time either before or after maturity, without demand upon or notice to the Grantor or any Person.

9. INDEMNITY AND EXPENSES. (a) The Grantor agrees to indemnify the Secured Party from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting solely from the Secured Party's gross negligence or willful misconduct. (b) The Grantor will upon demand pay to the Secured Party the amount of any and all reasonable expenses (including the reasonable fees and disbursements of its counsel) which the Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody, use or operation of, or the sale of, or other realization upon, any of the Intellectual Property Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Party hereunder.

10. CONTINUING SECURITY INTEREST; ASSIGNMENTS. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (i) remain in full force and effect until the Obligations shall have been indefeasibly paid in full, (ii) be binding upon the Grantor and his heirs, successors, assigns and representatives (iii) inure to the benefit of the Secured Party and its successors, transferees and assigns.

11. GOVERNING LAW; TERMS. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of New York, without regard to its principles of conflicts of law.

12. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. **(a) THE GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE OR UNITED STATES FEDERAL COURT SITTING IN NEW YORK COUNTY OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE NOTE AND THIS AGREEMENT, AND**

THE GRANTOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR FEDERAL COURT. THE GRANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO THE GRANTOR AT HIS ADDRESS SPECIFIED IN THE NOTE. THE GRANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. THE GRANTOR FURTHER WAIVES ANY OBJECTION TO VENUE IN SUCH STATE AND ANY OBJECTION TO AN ACTION OR PROCEEDING IN SUCH STATE ON THE BASIS OF FORUM NON CONVENIENS. THE GRANTOR FURTHER AGREES THAT ANY ACTION OR PROCEEDING BROUGHT AGAINST THE SECURED PARTY SHALL BE BROUGHT ONLY IN NEW YORK STATE OR UNITED STATES FEDERAL COURT SITTING IN NEW YORK COUNTY. EACH OF THE SECURED PARTY AND THE GRANTOR WAIVES ANY RIGHT IT OR HE MAY HAVE TO JURY TRIAL.

(b) Nothing in this Section 12 shall affect the right of the Secured Party to serve legal process in any other manner permitted by law or affect the right of the Secured Party to bring any action or proceeding against the Grantor or his property in the courts of any other jurisdictions.

13. REINSTATEMENT. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantor for liquidation or reorganization, should the Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of the Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

14. NOTICES. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing to the following:

To the Grantor:

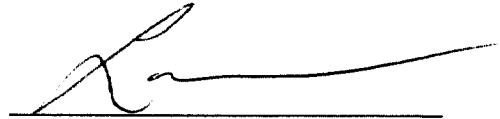
Larry Marshak
69-41 261st Street
Floral Park, New York 11004

To the Secured Party:

CGC Entertainment Corp.
247-72A 77th Crescent
Bellerose, New York 11426

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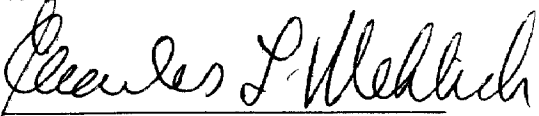
IN WITNESS WHEREOF, the Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.



Larry Marshak

ACCEPTED and ACKNOWLEDGED by:

CGC ENTERTAINMENT CORP.

By: 
Name: _____
Title: *authorized agent*

247672

247672

TRADEMARK
REEL: 002390 FRAME: 0030

SCHEDULE I

TRADEMARK SECURITY AGREEMENT

I. TRADEMARK REGISTRATIONS:

<u>Mark:</u>	<u>Reg. No.:</u>	<u>Date:</u>
Service Mark "The Marvellettes"	1,081,340	1/3/78

II. TRADEMARK APPLICATIONS:

None

III. TRADEMARK LICENSES:

None