

02-12-2002

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

101981710

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

2/12/02

1. Name of conveying party(ies):

K MEDIA INC.

- Individual(s) Association
- General Partnership Limited Partnership
- Corporation-State (Delaware)
- Other _____

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

3. Nature of conveyance:

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

Execution Date: December 17, 2001

2. Name and address of receiving party(ies)

Name: CIT LENDING SERVICES CORPORATION

Internal

Address: Suite 160

Street Address: 44 Whippany Road

City: Morristown State: NJ Zip: 07962

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

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

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

A. Trademark Application No.(s)

76/210690

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: _____

RETURN TO:
FEDERAL RESEARCH CORP.
400 SEVENTH STREET NW
SUITE 101

Street Address: **WASHINGTON DC 20004**

City: _____ State: _____ Zip: _____

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41)..... \$ 40⁰⁰

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

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

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.

Frederick A. Avin

Name of Person Signing

[Signature]

Signature

2/5/02

Date

Total number of pages including cover sheet, attachments, and document: 14

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

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TRADEMARK
REEL: 002440 FRAME: 0926

**TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") is made as of December 17, 2001 by K MEDIA INC. (the "Assignor") in favor of CIT LENDING SERVICES CORPORATION, having offices at c/o The CIT Group, 44 Whippany Road, Suite 160, Morristown New Jersey 07692 (the "Agent") in connection with the Loan and Security Agreement of even date herewith (as amended, modified, supplemented or restated from time to time, the "Loan Agreement") among Han Ad. & Graphics, Inc., K Radio Inc., KNN Productions Inc., AM Korea Radio - NY, Inc., K Licensee Inc., K Radio Licensee Inc. (each a "Borrower" and collectively the "Borrowers"), Assignor, as guarantor, the Lenders from time to time party thereto and the Agent as agent for the Lenders. Unless the context clearly requires otherwise, capitalized terms shall have the meanings given to them in the Loan Agreement.

WITNESSETH

WHEREAS, subject to the terms and conditions of the Loan Agreement, the Lenders have agreed to make Loans to the Borrowers.

WHEREAS, it is a condition precedent to the obligations of the Lenders under the Loan Agreement that the Assignor shall have executed and delivered this Agreement to secure the prompt and complete payment and performance of the Obligations.

AGREEMENT

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor and the Agent hereby agree as follows:

1. Defined Terms.

(a) "Agreement" means this Trademark Collateral Assignment and Security Agreement, as amended, restated, supplemented or otherwise modified from time to time.

(b) "Termination Date" means the date on which (i) all of the Obligations have been fully and irrevocably paid and (ii) all of the commitments of the Agent to make the Loans under the Loan Agreement have expired or been terminated.

(c) Unless otherwise specified in this Agreement, (i) the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and (ii) section references are to this Agreement.

(d) The meanings given to terms defined in this Agreement shall be equally applicable to both the singular and plural forms of such terms.

2. Security Interest in Trademarks and Trademark Licenses, etc. To secure the complete and timely payment and performance when due of all of the Obligations, the Assignor hereby grants to the Agent, for the benefit of the Lenders, a first priority lien on and security interest in, with power of sale to the extent permitted by applicable law, all of the Assignor's now owned or existing and hereafter acquired or arising:

(a) trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, (iv) the goodwill of the Assignor's business symbolized by the foregoing and connected therewith, and (v) all of the Assignor's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, trade names, and service marks, registered service marks and service mark applications, together with the items described in clauses (i)-(v) in this Section 2(a), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(b) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether the Assignor is a licensee or licensor under any such license agreement, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made part hereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all assets now or hereafter owned by the Assignor and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Trademark Licenses").

3. Restrictions on Future Agreements. The Assignor will not, without the Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and the Assignor further agrees that it will not take any action, and will use reasonable commercial efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any material respect adversely affect the validity or enforcement of the rights transferred to the Agent under this Agreement or the rights associated with the Trademarks or Trademark Licenses which the Assignor deems in its best business interest to be necessary or economically desirable to the business of Assignor.

4. New Trademarks and Trademark Licenses. The Assignor represents and warrants that to the best of its knowledge, from and after the date hereof, (a) the Trademarks listed on

Schedule A include all of the trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications now owned or held by the Assignor, (b) the Trademark Licenses listed on Schedule B include all of the trademark license agreements and service mark license agreements under which the Assignor is the licensee or licensor, and (c) no Liens, claims or security interests in such Trademarks and Trademark Licenses have been granted by the Assignor to any Person other than the Agent. If, prior to the termination of this Agreement, the Assignor shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, tradenames, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trade names, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals, whether as licensee or licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of Section 2 hereof shall automatically apply thereto. The Assignor shall give to the Agent written notice of each event described in clause (i), (ii) and (iii) of the preceding sentence promptly after the occurrence thereof. The Assignor hereby authorizes the Agent to modify this Agreement unilaterally (i) by amending Schedule A to include any future Trademarks and by amending Schedule B to include any future Trademark Licenses which are Trademarks or Trademark Licenses under Section 2 hereof or under this Section 4, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future Trademarks and Trademark Licenses.

5. Royalties. The Assignor hereby agrees that the Agent's rights to use the Trademarks and Trademark Licenses after the occurrence and during the continuance of an Event of Default as authorized hereunder in connection with the Agent's exercise of its rights and remedies under this Agreement and under the Loan Agreement shall be coextensive with the Assignor's rights thereunder and with respect thereto and the Agent shall have no liability to the Assignor for royalties or other related charges on account of any such use by Agent.

6. Right to Inspect; Further Assignments and Security Interests. The Agent may at all reasonable times during normal business hours and with reasonable frequency and reasonable notice (and at any time after the occurrence and during the continuation of an Event of Default) have access to, examine, audit, make copies and extracts from and inspect the Assignor's books, records and operations relating to the Trademarks and Trademark Licenses; provided, however, that in conducting such inspections and examinations, the Agent shall use reasonable efforts not to disturb unnecessarily the conduct of the Assignor's ordinary business operations. From and after the occurrence and during the continuation of an Event of Default, the Assignor agrees that the Agent, or a conservator appointed by the Agent, shall have the right to establish such reasonable additional product quality controls as the Agent or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold or services rendered by the Assignor under the Trademarks and the Trademark Licenses or in connection with which such Trademarks and Trademark Licenses are used, provided that neither the Agent nor any such conservator shall adopt any additional product quality controls that would cause the quality of any products sold or services rendered by Assignor to be maintained at a standard of quality which is less than the standard of quality for such goods and services as maintained by the Assignor. The Assignor agrees (a) not to sell or assign its respective interests in, or grant any license under, the Trademarks or the Trademark Licenses without the prior and

express written consent of the Agent which consent will not be unreasonably withheld, (b) to maintain the quality of such products as of the date hereof, and (c) not to change the quality of such products in any material respect without the Agent's prior and express written consent which consent will not be unreasonably withheld.

7. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Trademark Licenses and shall terminate on the Termination Date. When this Agreement has terminated, the Agent shall promptly execute and deliver to the Assignor, at the Assignor's request and expense, all termination statements and other instruments as may be necessary or proper to terminate the Agent's security interest in the Trademarks and the Trademark Licenses, subject to any disposition thereof which may have been made by the Agent in accordance with applicable law and the terms of this Agreement and the Loan Agreement.

8. Duties of the Assignor. The Assignor shall have the duty to: (a) prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, and (b) make application for material trademarks or material service marks, but only to the extent the Assignor determines that the actions under subparagraphs (a) and (b) are in the best business interests of the Assignor. The Assignor further agrees (i) not to abandon any material Trademark or material Trademark License which is used in or useful to its business without the prior written consent of the Agent, and (ii) to use its reasonable efforts to maintain in full force and effect the Trademarks and Trademark Licenses that are or shall be necessary or economically desirable in the operation of the Assignor's business. Any expenses incurred in connection with the foregoing shall be borne by the Assignor. The Agent shall not have any duty with respect to the Trademarks and Trademark Licenses except to the extent that the Agent has acquired ownership of the Trademarks or Trademarks Licenses upon an exercise of its remedies hereunder. Without limiting the generality of the foregoing, the Agent shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks or Trademark Licenses against any other parties (except to the extent that the Agent has acquired ownership of the Trademarks or Trademarks Licenses upon an exercise of its remedies hereunder), but the Agent may do so at its option from and after the occurrence (and during the continuance) of an Event of Default, and all reasonable and, in the commercially reasonable business judgment of the Agent, necessary, expenses incurred in connection therewith shall be for the sole account of the Assignor and shall be added to the Obligations secured hereby.

9. The Agent's Right to Sue. From and after the occurrence and during the continuation of an Event of Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Trademark Licenses and, if the Agent shall commence any such suit, the Assignor shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required in aid of such enforcement and requested by the Agent. The Assignor shall, upon demand, promptly reimburse the Agent for all reasonable and, in the commercially reasonable business judgment of the Agent, necessary, costs and expenses incurred by it in the exercise of its rights under this Section 9 (including, without limitation, reasonable and, in the commercially reasonable business judgment of the Agent, necessary, fees and expenses of attorneys for the Agent). In the event the Agent shall commence

any such enforcement action, the Agent shall provide the Assignor with ten (10) days prior written notice thereof, and shall provide the Assignor with an opportunity to participate in any such action, at the Assignor's expense.

10. Power of Attorney; Cumulative Remedies.

(a) The Assignor hereby irrevocably designates, constitutes and appoints the Agent (and all Persons designated by the Agent in its sole and absolute discretion) as the Assignor's true and lawful attorney-in-fact, and to the extent permitted by applicable law authorizes the Agent and any of the Agent's designees, in the Assignor's or the Agent's name, to take any action and execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, if the Assignor fails to take such action or execute such instrument within a reasonable time after the Agent's written request therefor, from and after the occurrence and during the continuation of an Event of Default and the giving by the Agent of notice to the Assignor of the Agent's intention to enforce its rights and claims against the Assignor, including, without limitation, to the extent permitted by applicable law, authorization to (i) endorse the Assignor's name on all applications, documents, papers and instruments necessary or, in the commercially reasonable business judgment of the Agent, desirable, for the Agent in the use of the Trademarks or the Trademark Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Trademark Licenses to anyone in a commercially reasonable manner and on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or, to the extent permitted, under the Trademark Licenses, to anyone in a commercially reasonable manner and on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks or the Trademark Licenses as the Agent, in its commercially reasonable business judgment, deems necessary. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until the Termination Date shall have been terminated. The Assignor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent under the Loan Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

(b) The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction of incorporation of the Assignor. Upon the occurrence and during the continuation of an Event of Default and the election by the Agent to exercise any of its remedies under Section 9-610 of the Uniform Commercial Code with respect to the Trademarks and Trademark Licenses, the Assignor agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Trademark Licenses to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be necessary, in the exercise of the Agent's commercially reasonable judgment, to effect such assignment, conveyance and transfer. All of the Agent's rights and remedies with respect to the Trademarks and the Trademark Licenses, whether established hereby, by the Loan Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. It is hereby expressly agreed that upon the occurrence and during the continuation of an Event of Default, the Agent may exercise any of the rights and remedies provided in this

Agreement and any other of the other Loan Documents, in accordance with the terms hereof and thereof and to the extent permitted by applicable law.

11. Invalidity. If any provision of this Agreement or any of the other Transaction Documents shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement or of the other Transaction Documents that can be given effect without the invalid provision, and this Agreement and the other Transaction Documents shall be construed as if such invalid or unenforceable provisions had never been contained herein.

12. Modification; Entire Agreement; Waiver.

(a) This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by the parties hereto.

(b) This Agreement contains the entire agreement between the Agent and the Assignor pertaining to the subject matter hereof and there are no promises, agreements, conditions, undertakings, warranties or representations, either written or oral, expressed or implied, between the Agent and the Assignor other than as set forth or referenced in this Agreement. The Agent and the Assignor intend this Agreement to be an integration of all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the Agent and the Assignor pertaining to the subject matter hereof.

(c) The Agent shall not by any act (except in accordance with Section 12(a) of this Agreement), any failure to act, or any delay in acting be deemed to have (i) waived any right or remedy under this Agreement or under any of the other Transaction Documents, or (ii) acquiesced in any Event of Default or in any breach of any of the terms and conditions of this Agreement or any of the other Transaction Documents or (iii) affected or diminished any right of the Agent thereafter to demand strict compliance and perform with the terms of this Agreement and the other Transaction Documents. No failure to exercise, nor any delay in exercising, any right, power or privilege of the Agent under this Agreement or under any of the other Transaction Documents shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege of the Agent under this Agreement or under any of the other Transaction Documents shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by, or on behalf of, the Agent of any right or remedy under this Agreement or under any of the other Transaction Documents on any one occasion shall not be construed as a bar to any right or remedy that the Agent would otherwise have on any future occasion.

13. Headings. The headings preceding the text of the sections and subsections in this Agreement are used solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

14. Benefit. This Agreement shall inure to the benefit of , and shall be binding upon the respective successors and permitted assigns of the parties hereto. The Assignor may not assign any of its rights, or delegate any of its duties or obligations under this Agreement without the prior written consent of the Agent.

15. Governing Law. The validity and effect of this Agreement shall be determined by reference to the substantive laws of the State of New York without regard to the principles of conflicts of laws, except to the extent that such other laws may govern the grant and perfection of a security interest in the Collateral.

16. Consent to Jurisdiction: Waivers of Jury Trial.

A. EXCEPT AS PROHIBITED BY LAW, EACH PARTY HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OF THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

B. THE ASSIGNOR IRREVOCABLY SUBMITS AND CONSENTS TO THE JURISDICTION OF ANY NEW JERSEY SUPERIOR COURT OR FEDERAL COURT SITTING IN NEW JERSEY OR OF THE NEW YORK SUPREME COURT OR FEDERAL COURT SITTING IN THE SOUTHERN DISTRICT OF NEW YORK, OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE TRANSACTION DOCUMENTS, AND THE ASSIGNOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK SUPREME OR FEDERAL COURT. THE ASSIGNOR AGREES THAT SERVICE OF COPIES OF ANY SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION MAY BE MADE BY MAILING BY REGISTERED MAIL OR DELIVERING A COPY OF SUCH PROCESS TO THE ASSIGNOR AT THE ASSIGNOR'S ADDRESS AS SPECIFIED IN SECTION 11.6 OF THE LOAN AGREEMENT OR SUCH OTHER ADDRESS AS MAY BE DESIGNATED BY ASSIGNOR AS PROVIDED THEREIN.

17. Notices. All notices or other communications hereunder shall be given in the manner and delivered to the addresses set forth in Section 11.6 of the Loan Agreement.

18. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Relationship of the Parties. The relationship between the Agent and the Assignor is that of creditor and debtor. This Agreement shall not create any rights or options or claims in any entity not a signatory hereof. Under no circumstances is such a relationship to be construed as creating a partnership or joint venture.

20. Further Assurances. From time to time, the Assignor shall execute and deliver to the Agent such additional instruments as the Agent may reasonably request to effectuate the purposes of this Agreement and to assure the Agent as secured party a valid first priority security interest in and Lien on the Trademark Collateral.

21. Default; Cross Default. Any Event of Default which occurs and is continuing shall constitute a default under this Agreement, and any default under this Agreement following

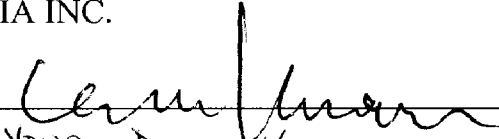
the expiration of any notice and grace period provided with respect to such default, shall constitute a default under each other Transaction Document, and in any such event (unless such default or Event of Default shall have been waived or cured in accordance with the terms of the Loan Agreement), the Agent shall be entitled to exercise its rights and remedies under this Agreement, or as may otherwise be available to the Agent at law or in equity, in such order as the Agent may elect.

22. Recordation of Agreement. The Agent intends to record this Agreement with the United States Patent and Trademark Office.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Assignor has duly executed this Agreement as of the day and year first above written.

K MEDIA INC.

By: 
Name: Young Dae Kwon
Title: President

By its acceptance hereof as of the day and year first above written, the Agent agrees to be bound by the provisions hereof.

CIT LENDING SERVICES CORPORATION

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Assignor has duly executed this Agreement as of the day and year first above written.

K MEDIA INC.

By: _____
Name:
Title:

By its acceptance hereof as of the day and year first above written, the Agent agrees to be bound by the provisions hereof.

CIT LENDING SERVICES CORPORATION

By: Rosemary Abee
Name: Rosemary Abee
Title: VICE PRESIDENT

K Media Inc.

Schedule A

U3632	K MEDIA	Guarantor	76/210690	02/13/01	Promoting the sale of goods and services of others by means of television, radio and print advertising; advertising and marketing services to the Korean American community, in Cl. 35	Pending; resp 1/5/02.
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Schedule B
to
Trademark Collateral Assignment and Security Agreement

None.

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

On the 17th day of December, 2001 before me personally came Young Dae Kwan, to me known, who being by me duly sworn, did depose and say that he is President of K Media Inc., the corporation described in and which executed the foregoing instrument in favor of Agent, and that he signed his name thereto by authority of the board of directors of said corporation.

Allyson Kasetta
Notary Public

ALLYSON M. KASSETTA
Notary Public, State of New York
No. 01KA6063872
Qualified in New York County
Commission Expires Sept. 10, 2005