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Form PTO-1594
(Rev. 03/01)
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RE: 7



102085900

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Chocolates A La Carte, Inc.
(a California corporation)

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

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

2. Name and address of receiving party(ies)

Name: **Manufacturers Bank**

Internal

Address:

Street Address: **515 South Flower Street, 5th Floor**

City: **Los Angeles** State: **CA** Zip: **90071**

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

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: **February 21, 2002**

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

A. Trademark Application No.(s)
76/205,048

B. Trademark Registration No.(s)
1,684,779

Additional number(s) attached Yes No

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

Name: **Sandra Lee Montgomery**

Internal Address:

Street Address: **Jeffer, Mangels, Butler & Marmaro LLP,**

2121 Avenue of the Stars, Tenth Floor

City: **Los Angeles** State: **CA** Zip: **90067**

6. Total number of applications and registrations involved: 17

7. Total fee (37 CFR 3.41).....\$ **440.00**

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

10-0440

(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.

Sandra Lee Montgomery

Name of Person Signing

Signature

February 26, 2002

Date

Total number of pages including cover sheet, attachments, and document: 15

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

TRADEMARK
REEL: 002502 FRAME: 0798



Continuation of Recordation Form Cover Sheet for Trademarks

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

76/196,008

1,689,471

75/896,365

1,698,210

75/896,366

1,937,979

1,946,668

2,077,999

2,094,653

2,130,666


2,219,552

2,225,715

2,250,156

2,361,191

2,365,521

CHOCOLATES A LA CARTE Plus Design chocolates a la carte	United States	1,698,210	June 30, 1992	Registered - Section 8 & 15 accepted and acknowledged
CHOCOLATIONS	United States	1,937,979	November 28, 1995	Registered
A CHOCOLATE SENSATION	United States	1,946,668	January 9, 1996	Registered
CHOCOLATIONS	United States	2,077,999	July 8, 1997	Registered
QUALITY AND TASTE THAT GO BEYOND TRADITIONAL DEFINITIONS	United States	2,094,653	September 9, 1997	Registered
CHOCOLATES A LA CARTE	United States	2,130,666	January 20, 1998	Registered
PASTRIES A LA CARTE	United States	2,219,552	January 19, 1999	Registered
RENA	United States	2,225,715	February 23, 1999	Registered
DESSERTS A LA CARTE	United States	2,250,156	June 1, 1999	Registered
VAN DER MEER Plus Design 	United States	2,361,191	June 27, 2000	Registered
THE RESOURCE FOR CHOCOLATE SENSATIONS	United States	2,365,521	July 11, 2000	Registered



SECURITY AGREEMENT IN TRADEMARKS

This Security Agreement in Trademarks (this "Agreement") is made as of February 21, 2002, between CHOCOLATES A LA CARTE, INC., a California corporation ("Grantor"), and MANUFACTURERS BANK ("Secured Party")

RECITALS

A. Secured Party has provided and may continue to provide financing to Grantor pursuant to that certain Amended and Restated Loan and Security Agreement dated as of July 6, 2000 herewith between Secured Party and Grantor (as it may be amended from time to time, the "Loan Agreement"). Pursuant to the Loan Agreement, Grantor has granted to Secured Party a security interest in all of Grantor's present and future assets, including all of Grantor's present and future general intangibles and the "Trademarks" (as defined below), to secure all of its present and future indebtedness, liabilities, guaranties and other obligations to Secured Party.

B. To supplement Secured Party's rights in the Trademarks, Grantor is executing and delivering this Agreement

NOW, THEREFORE, for valuable consideration, Grantor agrees as follows:

23. Assignment. To secure the complete and timely payment and performance of all "Obligations" (as defined in the Loan Agreement), and without limiting any other security interest Grantor has granted to Secured Party, Grantor hereby grants, assigns, and conveys to Secured Party a security interest in Grantor's entire right, title, and interest in and to all of the following, now owned and hereafter acquired (collectively, the "Collateral"):

- (a) Registered Trademarks and Applications for Trademark Registrations. All of Grantor's present and future United States registered trademarks and trademark registrations, including, without limitation, the registered trademarks listed in Schedule A to this Agreement and all of Grantor's present and future applications for trademark registrations (collectively, the "Registered Trademarks"), any and all royalties, payments, and other amounts payable to Grantor in connection with the Registered Trademarks, all re-issues, divisions, continuations, renewals, extensions and continuations-in-part of the Registered Trademarks, the right (but not the obligation) to recover for all past, present, and future infringements of the Registered Trademarks, together with the goodwill and assets of the business to which each of the Trademarks relate (the "Associated Goodwill"), and all other rights of every kind whatsoever accruing thereunder or pertaining thereto.
- (b) Unregistered Trademarks. All of Grantor's present and future trademarks which are not registered in the United States Patent and Trademark Office (the "Unregistered Trademarks"), whether now owned or hereafter acquired, including without limitation the Unregistered Trademarks listed in Schedule B to this Agreement, any and all royalties, payments, and other amounts payable to Grantor in connection with the Unregistered Trademarks, all re-issues, divisions, continuations, renewals, extensions and continuations-in-part of the Unregistered Trademarks, the right (but not the obligation) to recover for all past, present, and future infringements of the Unregistered Trademarks, and all other rights of every kind whatsoever accruing thereunder or pertaining thereto. The Registered

Trademarks and the Unregistered Trademarks collectively are referred to herein as the "Trademarks"

- (c) Goodwill. All goodwill and assets of the business to which each of the Trademarks relate (the "Associated Goodwill").
- (d) Licenses. All of Grantor's right, title and interest in and to any and all present and future license agreements with respect to the Trademarks, including without limitation the license agreements listed in Schedule C to this Agreement (the "Licenses").
- (e) Accounts Receivable. All present and future accounts, accounts receivable and other rights to payment arising from, in connection with or relating to the Trademarks.
- (f) Proceeds. All cash and non-cash proceeds of any and all of the foregoing (the "Proceeds").

24. Representations. Grantor represents and warrants that:

- (a) Each of the Trademarks is valid and enforceable (except to the extent that the Unregistered Trademarks must be registered to be enforced);
- (b) Except for the security interest granted hereby and the non-exclusive licenses granted to Grantor's licensees with respect to the Trademarks in the ordinary course of business of Grantor, Grantor is (and upon creation of all future Trademarks, will be) the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the Trademarks and other Collateral, free and clear of any liens, charges, or encumbrances.
- (c) There is no pending claim that the use of any of the Trademarks does or may infringe upon or violate the rights of any third person nor does Grantor have knowledge of any pending or threatened infringement of any of the Trademarks by any third person.
- (d) Listed on Schedules A and B are all Trademarks owned by Grantor, in which Grantor has an interest, or which are used in Grantor's business.
- (e) Listed on Schedule C are all Licenses to which Grantor is a party.
- (f) Each employee, agent and/or independent contractor who has participated in the creation of the property constituting the Collateral has either executed an assignment of his or her rights of authorship to Grantor or is an employee of Grantor acting within the scope of his or her employment and was such an employee at the time of said creation.
- (g) All of Grantor's present and future software, computer programs and other works of authorship subject to United States trademark protection, the sale, licensing or other disposition of which results in royalties receivable, license fees receivable, accounts receivable or other sums owing to Grantor (collectively, "Receivables").

have been and shall be registered with the United States Patent and Trademark Office prior to the date Grantor requests or accepts any loan from Secured Party with respect to such Receivables and prior to the date Grantor includes any such Receivables in any accounts receivable aging, borrowing base report or certificate or other similar report provided to Secured Party, and Grantor shall provide to Secured Party copies of all such registrations promptly upon the receipt of the same.

- (h) Grantor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks.
- (i) Grantor has used, and its permitted licensees and sublicensees have used, and will continue to use for the duration of this Agreement, consistent standards of quality in its provision of services and manufacture of products sold under the Trademarks, which standards shall be at least equivalent to the standards used by Grantor as of the date of this Agreement, and Grantor will make or permit no change with respect thereto without the prior written consent of Secured Party.

25. Covenants. Until all of the Obligations have been satisfied in full and the Loan Agreement has terminated

- (a) Grantor shall not grant a security interest in any of the Trademarks or other Collateral to any other person and shall not enter into any agreement or take any action that is inconsistent with Grantor's obligations hereunder or Grantor's other Obligations or would impair Secured Party's rights, under this Agreement or otherwise, without Secured Party's prior written consent.
- (b) Grantor shall use its best efforts to preserve and defend Grantor's rights in the Trademarks unless Grantor, with the concurrence of Secured Party (which shall not be unreasonably withheld), reasonably determines that a Trademark is not worth preserving or defending.
- (c) Grantor shall not, directly or indirectly, sell, assign, lease, transfer, abandon or otherwise dispose of any Trademarks to any other Person (except as permitted by Section 26 below).


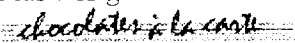

26. License Rights. Grantor may license or sublicense the Trademarks only in the ordinary course of business and only on a non-exclusive basis, and only to the extent of Grantor's rights and subject to Secured Party's security interest and Grantor's obligations under this Agreement.

27. Secured Party May Supplement. Grantor authorizes Secured Party to modify this Agreement by amending Schedule A or B to include any future trademarks to be included in the Trademarks. Grantor shall from time to time (but not less frequently than once per month) update the lists of Registered Trademarks and Unregistered Trademarks on Schedules A and B and lists of License Agreements on Schedule C as Grantor obtains or acquires trademarks or grants or obtains licenses in the future. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A or B or C shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Trademarks, whether or not listed on Schedule A or B and all license agreements whether or not listed on Schedule C.



Schedule A
to
Security Agreement in Trademarks

Registered Trademarks

Mark	Country	Application No.	Filing Date	Status
CHOCOLATES A LA CARTE Plus Design 	Canada	1,097,896	March 29, 2001	Pending
CHOCOLATES A LA CARTE Plus Design 	Canada	1,008,774	March 15, 1999	Pending
TDS EXPRESS	United States	76/205,048	February 5, 2001	Pending
VALENCIA CUVÉE	United States	76/196,008	January 16, 2001	Pending
CHOCOLATES A LA CARTE Plus Design 	United States	75/896,365	January 13, 2000	Published
RENA Plus Design 	United States	75/896,366	January 13, 2000	Published
CHOCOLATES A LA CARTE Plus Design	European Community	1,114,644	October 2, 2000	Registered – effective as of March 23, 1999
CHOCOLATES A LA CARTE	Mexico	636,694	December 13, 1999	Registered
CREATE A CHOCOLATE SENSATION	United States	1,684,779	April 28, 1992	Registered – Section 8 & 15 accepted and acknowledged
Miscellaneous Design 	United States	1,689,471	May 26, 1992	Registered – Section 8 & 15 accepted and acknowledged

28. Default. Upon an Event of Default (as defined in the Loan Agreement) that is continuing Secured Party shall have, in addition to all of its other rights and remedies under the Loan Agreement, all rights and remedies of a secured party under the California Uniform Commercial Code (as in effect from time to time) or other applicable law, including without limitation, the right to contact all persons obligated to Grantor on any Collateral or Proceeds and to instruct such persons to deliver all Collateral and/or Proceeds directly to Secured Party. It is agreed that public or private sales, for cash or on credit, to a wholesaler or retailer or investor, or user of property of the types subject to this Agreement, or public auction, are all commercially reasonable since differences in the sales prices generally realized in the different kinds of sales are ordinarily offset by the differences in the costs and credit risks of such sales. While an Event of Default exists and is continuing: (a) Grantor will deliver to Secured Party from time to time, as requested by Secured Party, current lists of all Collateral and Proceeds; (b) Grantor will not dispose of any of the Collateral or Proceeds except on terms approved by Secured Party; (c) at Secured Party's request, Grantor will assemble and deliver all Collateral and Proceeds, and books and records pertaining thereto, to Secured Party at a reasonably convenient place designated by Secured Party; and (d) Secured Party may, without notice to Grantor, enter onto Grantor's premises and take possession of the Collateral.

29. Fees and Expenses. On demand by Secured Party, without limiting any of the terms of the Loan Agreement, Grantor shall pay all reasonable fees, costs, and expenses (including without limitation reasonable attorneys' fees and legal expenses) incurred by Secured Party in connection with (a) preparing this Agreement and all other documents relating to this Agreement, (b) consummating this transaction, (c) filing or recording any documents (including all taxes in connection therewith) in public offices; and (d) paying or discharging any taxes, counsel fees, maintenance fees, encumbrances, or other amounts in connection with protecting, maintaining, or preserving the Trademarks or the Associated Goodwill or defending or prosecuting any actions or proceedings arising out of or related to the Trademarks or the Associated Goodwill.

30. Secured Party's Rights. In the event that Grantor fails to use its best efforts to preserve and defend Grantor's rights in the Trademarks and the Associated Goodwill (except as permitted by Section 25(c) hereof) within a reasonable period of time after learning of the existence of any actual or threatened infringement thereof, upon ten (10) business days prior written notice to Grantor, Secured Party shall have the right, but shall in no way be obligated to, bring suit or take any other action, in its own name or in Grantor's name, to enforce or preserve Secured Party's or Grantor's rights in the Trademarks and the Associated Goodwill. Grantor shall at the request of Secured Party and at Grantor's expense do any lawful acts and execute any documents requested by Secured Party to assist with such enforcement. In the event Grantor has not taken action to enforce or preserve Secured Party's and Grantor's rights in the Trademarks and the Associated Goodwill and Secured Party thereupon takes such action, Grantor, upon demand, shall promptly reimburse and indemnify Secured Party for all costs and expenses incurred in the exercise of Secured Party's or Grantor's rights under this Section 30.

31. No Waiver. No course of dealing between Grantor and Secured Party, nor any failure to exercise nor any delay in exercising, on the part of Secured Party, any right, power, or privilege under this Agreement or under the Loan Agreement or any other agreement, shall operate as a waiver. No single or partial exercise of any right, power, or privilege under this Agreement or under the Loan Agreement or any other agreement by Secured Party shall preclude

any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege by Secured Party

32. Rights Are Cumulative All of Secured Party's rights and remedies with respect to the Trademarks, Associated Goodwill and other Collateral whether established by this Agreement, the Loan Agreement, or any other documents or agreements, or by law shall be cumulative and may be exercised concurrently or in any order.

33. Patent and Trademark Office At the request of Secured Party, Grantor shall execute any further documents necessary or appropriate to create and perfect Secured Party's security interest in the Trademarks, including without limitation any documents for filing with the United States Patent and Trademark Office and/or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Trademarks with the United States Patent and Trademark Office or in any other location or office as Secured Party shall select, at the expense of Grantor. Notwithstanding the foregoing, prior to the occurrence and continuation of an Event of Default, Secured Party shall take no action which will effect a present assignment of the Trademarks to Secured Party.

34. Indemnity Grantor shall protect, defend, indemnify, and hold harmless Secured Party and Secured Party's assigns from all liabilities, losses, and costs (including without limitation reasonable attorneys' fees) incurred or imposed on Secured Party relating to the matters in this Agreement, including, without limitation, in connection with Secured Party's defense of any infringement action brought by a third party against Secured Party.

35. Severability 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.

36. Amendments; Entire Agreement This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 27 of this Agreement. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Loan Agreement. This Agreement, any supplements hereto, and any instruments or documents delivered or to be delivered in connection herewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

37. Further Assurances At Secured Party's request, Grantor shall execute and deliver to Secured Party any further instruments or documentation, and perform any acts, that may be reasonably necessary or appropriate to implement this Agreement, the Loan Agreement or any other agreement, and the documents relating thereto, including without limitation any instrument or documentation reasonably necessary or appropriate to create, maintain, perfect, or effectuate Secured Party's security interests in the Trademarks, Associated Goodwill or other Collateral.

38. Release. At such time as Grantor shall completely satisfy all of the Obligations and the Loan Agreement shall be terminated, Secured Party shall execute and deliver to Grantor all assignments and other instruments as may be reasonably necessary or proper to terminate Secured Party's security interest in the Trademarks, Associated Goodwill and other Collateral, subject to any disposition of the Trademarks, Associated Goodwill and other Collateral which may have been made by Secured Party pursuant to this Agreement. For the purpose of this Agreement, the Obligations shall be deemed to continue if Grantor enters into any bankruptcy or similar proceeding at a time when any amount paid to Secured Party could be ordered to be repaid as a preference or pursuant to a similar theory, and shall continue until it is finally determined that no such repayment can be ordered.

39. True and Lawful Attorney. Grantor hereby appoints Secured Party as Grantor's true and lawful attorney, with full power of substitution, to do any or all of the following, in the name, place and stead of Grantor: (a) execute an abstract of this Agreement or any other document describing Secured Party's interest in the Trademarks and Associated Goodwill, for filing with the United States Patent and Trademark Office or in any other location or office selected by Secured Party; (b) execute any modification of this Agreement pursuant to Section 27 of this Agreement, and (c) following an Event of Default (as defined in the Loan Agreement) that is continuing execute any assignments, notices or transfer documents for purposes of transferring title or right to receive any of the Trademarks, Associated Goodwill or other Collateral to any person, including without limitation Secured Party.

40. Successors. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties; provided that Grantor may not transfer any of the Collateral or any rights hereunder, without the prior written consent of Secured Party, except as specifically permitted hereby.

41. Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of California, excluding its conflict of law rules to the extent such rules would apply the law of another jurisdiction, and the United States.

42. Service of Process. Grantor irrevocably consents and submits to the non-exclusive jurisdiction of the State and Federal Courts located within the State of California 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 with or related or incidental to the dealings of the parties hereto 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, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Grantor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Grantor or its property). Grantor 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 above on the signature pages hereof and service so made shall be deemed to be completed three (3) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Grantor in any other manner provided under the rules of any such courts. Within thirty (30) days after

such service, Grantor shall appear in answer to such process, failing which Grantor shall be deemed in default and judgment may be entered by Secured Party against Grantor for the amount of the claim and other relief requested.

43 **WAIVER OF JURY TRIAL. GRANTOR 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 THE PARTIES HERETO 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. GRANTOR 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 GRANTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.**

44. Notices. All notices, requests and demands hereunder shall be in writing and (a) made to Secured Party or Grantor at their respective addresses set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) 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

If to Secured Party:

Manufacturers Bank
135 East Ninth Street
Los Angeles, CA 90015
Attention: Thomas Cowan,
Senior Vice President
Facsimile: 213.489.6253
Telephone: 213.489.8767

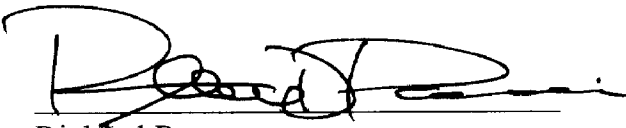
If to Grantor:

Chocolates a la Carte, Inc.
28455 Livingston Avenue
Valencia, CA 91355
Attention: Richard Pocrass,
Chief Executive Officer
Facsimile: 661.257.4999
Telephone: 661.257.3700

WITNESS the execution hereof as of the date first written above.

Grantor:

CHOCOLATES A LA CARTE, INC.

By: 
Name: Richard Pocrass
Title: Chief Executive Officer

Accepted.

Secured Party:


MANUFACTURERS BANK

By: _____
Name: _____
Title: _____

WITNESS the execution hereof as of the date first written above.

Grantor:


CHOCOLATES A LA CARTE, INC.

By: 
Name: Richard Pocrass
Title: Chief Executive Officer

Accepted.

Secured Party:

MANUFACTURERS BANK

By: 
Name: NEWELL HOPPER
Title: VICE PRESIDENT

Schedule B
to
Security Agreement in Trademarks

Unregistered Trademarks
[None]

Schedule C
to
Security Agreement in Trademarks

License Agreements
[None]