

FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027

National Corporate Research, LTD  
225 W. 34th St., Suite 910  
New York, N.Y. 10122  
(800) 221-0102 (212) 947-7200

08-22-2002



102199418

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

*82202*

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment
- Merger  Change of Name
- Other Amended Security Interest

Effective Date  
Month Day Year  
7/1/02

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name CANDIES, INC.

Formerly

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

Receiving Party

Mark if additional names of receiving parties attached

Name The CIT Group/Commercial Services, Inc.

DBA/AKA/TA

Composed of

Address (line 1) 1211 Avenue of the Americas

Address (line 2) 21<sup>st</sup> Floor

Address (line 3) New York New York 10036  
City State/Country Zip Code

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

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

08/23/2002 6TOM11 00000053 75711558

FOR OFFICE USE ONLY

01 FC:481 40.00 OP  
02 FC:482 1050.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s) SEE ATTACHED Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties** Enter the total number of properties involved.

# 43

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed  Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

James R. Need

Name of Person Signing

J. Wood V.P.

Signature

8-5-00

Date Signed

Country: Turkey		Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
ID	Mark								
5254	CANDIE'S (STYLIZED)	3, 9, 25	CANDIE'S, INC.	99717216	10/20/1999				No

Country: United Arab Emirates		Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
ID	Mark								
410	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	30607	3/31/1999	23531	2/5/2000		No
5145	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	33464	10/25/1999	24545	10/25/1999		No

Country: United Kingdom		Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
ID	Mark								
435	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	2103900	6/28/1996	2103900	6/28/1996		No
5512	CANDIE'S (STYLIZED)	18	CANDIE'S, INC.	2226952	3/23/2000	2226952	3/23/2000		No
5998	CRA YONS	25	CANDIE'S, INC.	1112830	4/18/1979	1112830	4/18/1979		No

Country: United States		Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
ID	Mark								
47921	ANYWHERE YOU DARE	3	CANDIE'S, INC.	75711558	5/21/1999			3/7/2000	No
474	BAR HOP	3	CANDIE'S, INC.	75676811	4/7/1999	2474173	7/31/2001	3/21/2000	Yes
466	BODY SLIP	3	CANDIE'S, INC.	75676810	4/7/1999	2488422	9/11/2001	4/11/2000	Yes
4786	C & DESIGN	14	CANDIE'S, INC.	75699118	5/6/1999	2525675	1/1/2002	4/18/2000	Yes
6290	C & DESIGN	3, 9, 18, 25	CANDIE'S, INC.	75980656	5/6/1999	2480934	8/21/2001	4/18/2000	Yes
464	C (STYLIZED)	25	CANDIE'S, INC.	73379150	8/9/1992	1354168	8/13/1985		No
6429	C (STYLIZED)	9	CANDIE'S, INC.	76289741	7/24/2001			6/11/2002	Yes
436	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	73155005	1/11/1978	1157373	6/9/1981		No
438	CANDIE'S (BLOCK)	16	CANDIE'S, INC.	73312796	6/1/1981	1197875	6/15/1982		No
440	CANDIE'S (BLOCK)	7, 9, 11, 20	CANDIE'S, INC.	73554188	8/19/1985	1429009	2/17/1987		No
443	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	73306783	4/21/1981	1199658	6/29/1982		No
444	CANDIE'S (BLOCK)	18	CANDIE'S, INC.	73541329	6/4/1985	1378107	1/14/1986		No
445	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	73423155	4/25/1983	1291227	8/21/1994		No
4678	CANDIE'S (BLOCK)	14	CANDIE'S, INC.	75704302	5/13/1999	2494814	10/2/2001	5/16/2000	Yes
5541	CANDIE'S (BLOCK)	35	CANDIE'S, INC.	76067132	6/8/2000				No
414	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	73213391	4/27/1979	1206758	8/31/1982		No
415	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	73335241	11/2/1981	1255032	10/25/1983		No
416	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	73335244	11/2/1981	1217393	11/23/1982		No
420	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	73335242	11/2/1981	1240430	5/31/1983		No
437	CANDIE'S (STYLIZED)	18, 25	CANDIE'S, INC.	73206403	3/7/1979	1154885	5/19/1981		No
5935	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	76159600	11/6/2000				No
6430	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	76289740	7/24/2001				Yes
6238	CANDIE'S GIRL	9	CANDIE'S, INC.	76231958	3/29/2001				Yes
6609	CANDIE'S STREET & Design	25	CANDIE'S, INC.	76301264	8/16/2001			2/5/2002	Yes

6306	CANDIE'S CURVES	25	CANDIE'S, INC.	76270564	6/13/2001				Yes
6308	CANDIE'S DREAMS	25	CANDIE'S, INC.	76270565	6/13/2001				Yes
6322	CANDIE'S SWIM	25	CANDIE'S, INC.	76270566	6/13/2001				Yes
455	CRAYONS	25	CANDIE'S, INC.	73320689	6/22/1979	1211630	10/5/1982		No
456	CRAYONS	10	CANDIE'S, INC.	73479870	5/10/1984	1423964	1/6/1987		No
457	CRAYONS	18	CANDIE'S, INC.	73479871	5/10/1984	1385233	3/4/1986		No
458	CRAYONS	11	CANDIE'S, INC.	73632531	11/26/1986	1447357	7/14/1987		No
460	CRAYONS	25	CANDIE'S, INC.	73632527	11/26/1986	1453290	8/18/1987		No
6154	CRAYONS	25	CANDIE'S, INC.	76195554	1/19/2001				Yes
467	DOWNHILL RAZOR	3	CANDIE'S, INC.	75676704	4/7/1999			3/7/2000	Yes
475	KEEP YOUR COOL	3	CANDIE'S, INC.	75677063	4/7/1999	2458143	6/5/2001	7/11/2000	Yes
476	LUCKY STIFF	3	CANDIE'S, INC.	75677061	4/7/1999	2491235	9/18/2001	12/5/2000	Yes
5100	MANE SQUEEZE	3	CANDIE'S, INC.	75820676	10/12/1999			3/13/2001	Yes
5156	MANE TRAIN	3	CANDIE'S, INC.	75852027	11/18/1999	2450207	5/8/2001	10/10/2000	Yes
469	MIST YOU BABY	3	CANDIE'S, INC.	75676809	4/7/1999	2427493	2/6/2001	3/14/2000	Yes
470	MOTION POTION	3	CANDIE'S, INC.	75676706	4/7/1999	2427492	2/6/2001	3/14/2000	Yes
453	SUGAR BABIES	25	CANDIE'S, INC.	73384884	9/13/1982	1282561	6/19/1984		No
473	TAKE A POWDER	3	CANDIE'S, INC.	75677065	4/7/1999	2424031	1/23/2001	3/14/2000	Yes
5971	WHAT THE GEL	3	CANDIE'S, INC.	76282920	7/10/2001			3/26/2002	Yes

Country: Uruguay									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
411	CANDIE'S (STYLIZED)	2, 3, 6, 7, 8, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26	CANDIE'S, INC.	167453	7/9/1979	236750	4/7/1980		No

Country: Venezuela									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
441	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	12103-97	6/11/1997				No
417	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	98-014717	8/6/1998				No

Country: Vietnam									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
5183	CANDIE'S (STYLIZED)	3, 18, 25	CANDIE'S, INC.	N993613	11/23/1999	36292	11/23/1999		No

**AMENDED AND RESTATED GRANT OF SECURITY INTEREST  
IN PATENTS, TRADEMARKS AND LICENSES**

THIS AMENDED AND RESTATED GRANT OF SECURITY INTEREST IN PATENTS, TRADEMARKS AND LICENSES (herein the "Amended and Restated Grant") made as of this 1<sup>st</sup> day of July, 2002, by **CANDIE'S, INC.**, a Delaware corporation, with its principal place of business at 400 Columbus Avenue, Valhalla, NY 10595 (herein the "Company"), and **THE CIT GROUP/COMMERCIAL SERVICES, INC.**, a New York corporation, with offices at 1211 Avenue of the Americas, New York, NY 10036 (herein "CIT"). This Amended and Restated Grant shall amend, replace and supersede in its entirety the Grant of Security Interest in Patents, Trademarks and Licenses between the Company and CIT, dated January 23, 2002, as supplemented and amended (the "Prior Grant"). This Amended and Restated Grant is intended to set forth the terms and provisions pursuant to which the Company has granted to CIT a lien upon and security interest in the Intellectual Property Collateral (as defined below).

This Amended and Restated Grant shall in no way be construed to, nor shall it affect, modify, diminish or break the continuity of our lien upon and/or security interest granted pursuant to the Prior Grant in all of Intellectual Property Collateral, which security interest is hereby ratified and confirmed by this agreement as provided below.

**W I T N E S E T H:**

WHEREAS, the Company and CIT are parties to certain factoring and/or financing agreements including but not limited to a certain Amended and Restated Notification Factoring Agreement dated as of the date hereof, pursuant to which CIT may make certain loan and advances to the Company, all as further set forth therein as the same may be amended, restated or replaced from time to time (herein collectively, the "Agreement"), which Agreement provides (i) for CIT to purchase, at its discretion certain accounts receivable of the Company and/or make certain loans, advances and extensions of credit, all to or for the benefit and account of the Company, and (ii) for the grant by the Company to CIT, as collateral security therefor, a security interest in certain of the Company's assets, including, without limitation, its trademarks, trademark applications and/or registrations, tradenames, goodwill and licenses, and, if applicable, any patents, patent applications and/or registrations, all as more fully set forth herein and in the Agreement;

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Company agrees as follows:

1. **Definitions.** Capitalized terms used herein and defined in the Agreement shall have the meanings set forth therein unless otherwise specifically defined herein.
2. **Grant of Security Interest.** To secure the payment of the "Obligations" (as defined in the Agreement), the Company hereby grants to CIT a security interest, effective immediately, in all of the Company's right, title and interest in and to all of the following described property, whether now owned or hereafter acquired (collectively herein the "Intellectual Property Collateral"):
  - (i) Trademarks, trademark registrations, recordings and/or applications, tradenames, trade styles, service marks, prints and labels on which any of the foregoing have or may appear, designs, general intangibles pertaining to any of the foregoing, including, without limitation, the trademarks and applications, if any, listed on **Schedule B** attached hereto and made a part hereof, and any and all reissues and/or renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademark Collateral");
  - (ii) Patents and patent applications and/or registrations together with the inventions and improvements described and claimed therein including, without limitation, the patents and applications, if any, listed on **Schedule A**, attached hereto and made a part hereof, and any and all reissues and renewals thereof and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patent Collateral");
  - (iii) Any license agreement in which the Company is or becomes licensed to use any patents and/or trademarks owned by a third party including, without limitation, the licenses, if any, listed on **Schedule C** attached hereto and made a part hereof (all of the foregoing are sometimes referred to herein individually and/or collectively as the "License Collateral");
  - (iv) The goodwill of the Company's business connected with and symbolized by the Intellectual Property Collateral;
  - (v) Any and all of the Company's rights and interests in any of the foregoing as they relate to the Company's Accounts, Inventory, Equipment and General Intangibles (as such terms are defined in the Agreement), or any collateral bearing any of the foregoing, including without limitation the right to sell Inventory, goods and property bearing or covered by any of the foregoing Intellectual Property; and

(vi) All cash and non-cash proceeds, royalties and income of the foregoing, including without limitation any amounts obtained pursuant to any infringement action.

3. **CIT' Rights.** Upon the occurrence of any Event of Default hereunder, CIT shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal laws. CIT will give the Company reasonable notice of the time and place of any public sale of the Intellectual Property Collateral or the time after which any private sale of the Intellectual Property Collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the address of the Company set forth above at least ten (10) days before the date of such sale or disposition. In addition to the foregoing and all other rights and remedies of CIT upon the occurrence of any Event of Default hereunder, CIT shall thereupon have the immediate right to transfer to itself or to sell, assign and transfer to any other person all right, title and interest in and to all or any part of the Intellectual Property Collateral. A formal irrevocable power of attorney (in the form annexed hereto) exercisable upon the occurrence of an Event of Default hereunder, is being executed and delivered by the Company to CIT concurrently with this agreement to enable such rights to be carried out. The Company agrees that, in the event CIT exercises its rights hereunder and/or pursuant to said power of attorney in accordance with its terms, after written notification of such exercise from CIT to the Company, the Company shall never thereafter, without the prior written authorization of the owner or owners of such Intellectual Property Collateral, use any of such Intellectual Property Collateral. The condition of the foregoing provision is such that unless and until there occurs an Event of Default under this agreement, the Company shall continue to own and use the Intellectual Property Collateral in the operation of its business as it may determine (unless such use is otherwise specifically prohibited hereunder) and to enjoy the benefits, royalties and profits therefrom provided, however, that from and after the occurrence of an Event of Default such right will, upon the exercise by CIT of the rights provided by this agreement, be revoked and the right of the Company to enjoy the uses, benefits, royalties and profits of said Intellectual Property Collateral will wholly cease, whereupon CIT or its transferee(s) shall be entitled to all of the Company's right, title and interest in and to the Intellectual Property Collateral hereby so assigned. This agreement will not operate to place upon CIT any duty or responsibility to maintain the Intellectual Property Collateral.

4. **Fees.** The Company will pay all filing fees with respect to the security interest created hereby which CIT may deem necessary or advisable in order to perfect and maintain the perfection of its security interest in the Intellectual Property Collateral.

5. **Representations and Warranties.** The Company represents and warrants: that the Company lawfully possesses and owns the Intellectual Property Collateral and that except for the security interest granted hereby, the Intellectual Property Collateral will be kept free from all liens, security interests, claims and encumbrances whatsoever (other than licensing agreements specifically permitted hereunder); that the Company has not made or given any prior assignment, transfer or security interest in the Intellectual Property Collateral or any of the proceeds thereof; that the Intellectual Property Collateral is and will continue to be, in all respects, in full force and effect; and that there are no known infringements of the Intellectual Property Collateral. The Company agrees not to take any action inconsistent with the terms and intent hereof, provided that the Company may enter into licensing agreements in the ordinary course of its business on fair and reasonable terms, provided further that no Event of Default (as defined herein below) has occurred and that any such agreement does not adversely effect CIT' rights and interests hereunder. The Company hereby further agrees to provide notice to CIT of any hereafter acquired Intellectual Property Collateral, provided that any such Collateral shall be automatically subject to the terms hereof and provided that the Company shall take any such additional action as CIT shall reasonably request with respect thereto.
6. **Application of Proceeds.** The proceeds of any sale, transfer or disposition of the Intellectual Property Collateral shall be applied first to all costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses and court costs, incurred by CIT in connection with such sale and the exercise of CIT' rights and remedies hereunder and under the Agreement; next, such proceeds shall be applied to the payment, in whole or in part, of the Obligations due CIT in such order as CIT may elect; and the balance, if any, shall be paid to the Company or as a court of competent jurisdiction may direct.
7. **Defense of Claims.** The Company will defend at its own cost and expense any action, claim or proceeding affecting the Intellectual Property Collateral or the interest of CIT therein. The Company agrees to reimburse CIT for all costs and expenses incurred by CIT in defending any such action, claim or proceeding.
8. **Rights Cumulative.** This Amended and Restated Grant shall be in addition to the Agreement and shall not be deemed to affect, modify or limit the Agreement or any rights that CIT has under the Agreement. The Company agrees to execute and deliver to CIT (at the Company's expense) any further documentation or papers necessary to carry out the intent or purpose of this agreement including, but not limited to, financing statements under the Uniform Commercial Code.



9. **Construction and Invalidity.** Any provisions hereof contrary to, prohibited by or invalid under any laws or regulations shall be inapplicable and deemed omitted here from, but shall not invalidate the remaining provisions hereof.
10. **CHOICE OF LAW.** THE COMPANY AGREES THAT THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AMENDED AND RESTATED GRANT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THIS AMENDED AND RESTATED GRANT TOGETHER WITH THE AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE COMPANY AND CIT WITH RESPECT TO THE INTELLECTUAL PROPERTY COLLATERAL, CAN ONLY BE CHANGED OR MODIFIED IN WRITING AND SHALL BIND AND BENEFIT THE COMPANY, CIT AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS. THE COMPANY AND CIT EACH HEREBY EXPRESSLY WAIVES ANY RIGHT OF TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER. THE COMPANY AND CIT EACH CONSENT TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, CITY OF NEW YORK AND STATE OF NEW YORK TO HEAR AND DETERMINE ANY AND ALL MATTERS ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.
11. **Events of Default.** Any of the following constitutes an Event of Default under this agreement:
- (i) The Company fails to perform or observe any agreement, covenant or condition required under this agreement;
  - (ii) Any warranty or representation made by Company, in this Amended and Restated Grant shall be or becomes false or misleading in any material respect; or
  - (iii) The occurrence of any Event of Default under the Agreement which is not waived in writing by CIT.
12. **Notices.** The Company covenants and agrees that, with respect to the Intellectual Property Collateral, it will give CIT written notice in the manner provided in the Agreement of:
- (i) any claim by a third party that the Company has infringed on the rights of a third party;
  - (ii) any suspected infringement by a third party on the rights of the Company; or

(iii) any Intellectual Property Collateral created, arising or acquired by the Company after the date hereof.

13. **Further Assurances.** The Company will take any such action as CIT may reasonably require to further confirm or protect CIT's rights under this agreement in the Intellectual Property Collateral. In furtherance thereof, the Company hereby grants to CIT a power of attorney coupled with an interest which shall be irrevocable during the term of this agreement to execute any documentation or take any action in the Company's behalf required to effectuate the terms, provisions and conditions of this agreement.
14. **Termination.** This agreement shall terminate upon termination of the Agreement and full, final and indefeasible payment in cash of all Obligations of the Company thereunder. Upon the Company's request, CIT shall within a reasonable time after any such termination execute and deliver to the Company (at the Company's expense) such documents and instruments as are reasonably necessary to evidence such termination and release of the security interest granted herein on any applicable public record.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amended and Restated Grant as of the 1<sup>st</sup> day of July, 2002.

CANDIE'S, INC.

By: [Signature]  
Title: EVP

Agreed and Accepted this 001  
1<sup>st</sup> day of July, 2002

THE CIT GROUP/COMMERCIAL SERVICES, INC.

By: [Signature]  
Title: SVP

## IRREVOCABLE POWER OF ATTORNEY

**CANDIE'S, INC.**, with offices at 400 Columbus Avenue, Valhalla, NY 10595, (hereinafter referred to as the "Company"), hereby grants to **THE CIT GROUP/COMMERCIAL SERVICES, INC.**, a New York corporation, with offices at 1211 Avenue of the Americas, New York, NY 10036 (hereinafter referred to as "CIT"), the exclusive Irrevocable Power of Attorney to transfer to CIT or to any designee of CIT all Intellectual Property Collateral listed on the Schedules attached to the Amended and Restated Grant of Security Interest in Patents, Trademarks and Licenses (the "Amended and Restated Grant"), dated as of the date hereof, between the Company and CIT including, without limitation, all patents, patent applications and/or registrations, trademarks, trademark applications and/or registrations, and licenses together with the goodwill of the business connected with or symbolized by such Intellectual Property Collateral and the Company's entire inventory of labels and decals bearing any trademarks not affixed to its products, and the right to operate and control, sell, assign, and transfer the business under those trademarks under the following terms and conditions:

1. The Power of Attorney granted hereunder shall be effective as of the date hereof and shall last for as long as any now existing or hereafter arising Obligations (as defined in the Agreement) are outstanding;

2. The Power of Attorney granted herein shall be irrevocable throughout the duration of its life as specified in Paragraph 1 hereinabove;

3. The Power of Attorney granted herein shall only be exercisable by CIT after the occurrence of an Event of Default under the Agreement between CIT and the Company; and

4. CIT shall give the Company ten (10) days prior written notice of the exercise of this power, and the waiver by CIT of any particular Event of Default as set forth in Paragraph 3 hereinabove shall have no force or effect unless in writing and signed by an authorized officer of CIT. Even then such waiver shall not constitute or be considered a waiver of any other Event of Default then existing or thereafter arising whether similar or not.

IN WITNESS WHEREOF, the Company has caused this Power of Attorney to be executed as of the 1st day of July, 2002.

**CANDIE'S, INC.**

By:  
Title:

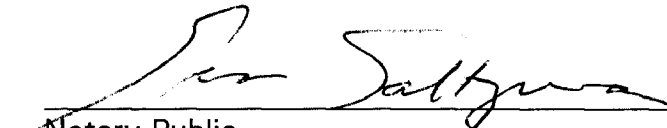
  
EVP

STATE OF *New York* )

COUNTY OF *New York* )

On *August 2*, 2002, before me, the undersigned, a notary public in and for said State, personally appeared *Richard G. Danderbin* known to me to be the *Executive Vice President* of, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws and a resolution of its board of directors.

WITNESS my hand and official seal.

  
Notary Public

**ELSA SALTZMAN**  
Notary Public, State of New York  
No. 4967228  
Qualified in Nassau County  
Certificate filed in New York County  
Commission Expires May 29, 20 *06*

**SCHEDULE C TO GRANT OF SECURITY INTEREST IN PATENTS,  
TRADEMARKS AND LICENSES**

between

**CANDIE'S, INC.**

and

**THE CIT GROUP/Commercial Services, INC.**

**U.S. LICENSES**

SEE ATTACHED SCHEDULE ANNEXED HERETO

**FOREIGN LICENSES**

SEE ATTACHED SCHEDULE ANNEXED HERETO

Candie's Apparel License Term Sheet between Candie's, Inc. and Gadzooks, Inc., effective October 1, 2001.

License Agreement between Michael Caruso & Co., Inc. and Innovo, Inc., March 26, 2001

License Agreement between Candie's, Inc. and K&K Creative Marketing Associates, effective November 1, 2001

Fragrance and Beauty Products License Agreement between Candie's, Inc. and Liz Claiborne Cosmetics, Inc., July 15, 1998

License Agreement between Michael Caruso & Co., Inc. and Mayime Brothers, Inc., January 1, 2001

License Agreement between Candie's, Inc. and Motorola, Inc., July 20, 2001

License Agreement between Candie's, Inc. and Skagen Designs, Ltd., October 30, 2000

License Agreement among Candie's, Inc., Michael Caruso & Co., Inc. and Trebbianno L.L.C., March 2000, amended, April 2001

License Agreement between Michael Caruso & Co., Inc. and Unzipped Apparel LLC, October 7, 1998

Agreement between Candie's, Inc. and Viva Optique, Inc., November 13, 1998

**SCHEDULE A TO GRANT OF SECURITY INTEREST IN PATENTS,  
TRADEMARKS AND LICENSES**

**between**

**CANDIE'S, INC.**

**and**

**THE CIT GROUP/COMMERCIAL SERVICES, INC.**

**U.S. PATENTS**

**N O N E**

**FOREIGN PATENTS**

**N O N E**



**SCHEDULE B TO GRANT OF SECURITY INTEREST IN PATENTS,  
TRADEMARKS AND LICENSES**

between

**CANDIE'S, INC.**

and

**THE CIT GROUP/Commercial Services, INC.**

**U.S. TRADEMARKS**

**SEE ATTACHED SCHEDULE ANNEXED HERETO**

**FOREIGN TRADEMARKS**

**SEE ATTACHED SCHEDULE ANNEXED HERETO**

Country:		Argentina	
ID	Mark	Intl Classes	Reg. Owner
366	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.
367	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.
5080	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
2,166,369	7/30/1998	1,760,011	11/7/1999
2,133,774	2/26/1998		
2,243,721	9/29/1999	1,832,147	6/4/2001
Allow. Dt	TTU		
	No		
	No		
	No		

Country:		Aruba	
ID	Mark	Intl Classes	Reg. Owner
4971	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
990416.13	4/16/1999	2034T	2/8/2000
Allow. Dt	TTU		
	No		

Country:		Australia	
ID	Mark	Intl Classes	Reg. Owner
5081	CANDIE'S (STYLIZED)	9, 18	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
806603	9/9/1999	806603	9/9/1999
Allow. Dt	TTU		
	No		

Country:		Bahamas	
ID	Mark	Intl Classes	Reg. Owner
4381	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
21588	4/21/1999		
Allow. Dt	TTU		
	No		

Country:		Bahrain	
ID	Mark	Intl Classes	Reg. Owner
369	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
597/99	4/18/1999	25468	4/18/1999
Allow. Dt	TTU		
	No		

Country:		Benelux	
ID	Mark	Intl Classes	Reg. Owner
368	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
627430	11/23/1978	355784	11/23/1978
Allow. Dt	TTU		
	No		

Country:		Bermuda	
ID	Mark	Intl Classes	Reg. Owner
4380	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
30640	4/23/1999	30,640	7/10/2000
Allow. Dt	TTU		
	No		

Country:		Bolivia	
ID	Mark	Intl Classes	Reg. Owner
370	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
06139	5/11/1998		
Allow. Dt	TTU		
	No		

Country:		Brazil	
ID	Mark	Intl Classes	Reg. Owner
371	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.
372	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.
5189	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.
App. #	App. Dt	Reg. #	Reg. Dt
820,836,141	8/12/1998	820,836,141	4/3/2001
820030929	8/22/1997		
821,699,547	10/7/1999		
Allow. Dt	TTU		
	No		
	No		
	No		



381	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	85152	3/3/1998				No
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Country: European Union									
ID	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
380	CANDIE'S (STYLIZED)	3, 14, 18, 25	CANDIE'S, INC.	673533	11/12/1997	673533	11/12/1997		No
5097	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	1312396	9/17/1999	1312396	9/17/1999		No

Country: Hong Kong									
ID	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
5844	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	1427/81	8/19/1980	1427/81	8/19/1980		No
383	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	659/98	1/20/1998	2381/2001	1/20/1998		No
5065	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	12458/99	9/10/1999	12970/2000	9/10/1999		No
5066	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	12459/99	9/10/1999	6252/2000	9/10/1999		No
5845	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	1428/81	8/19/1980	1428/81	8/19/1980		No

Country: Hungary									
ID	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
426	CANDIE'S (BLOCK)	25	CANDIE'S, INC.		3/17/1981	122912	10/23/1981		No
5061	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	M99 04248	9/10/1999	162 940	12/12/2000		No

Country: Indonesia									
ID	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
385	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	D97 12511	6/26/1997	414386	4/6/1998		No
5060	CANDIE'S (STYLIZED)	18	CANDIE'S, INC.	D99 16131	9/13/1999	463177	9/13/1999		No

Country: Israel									
ID	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
427	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	5285T	9/10/1981	5285T	12/30/1984		No
386	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	118178	2/27/1998	118178	2/27/1998		No
387	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	120941	7/14/1998	120941	7/14/1998		No
5124	CANDIE'S (STYLIZED)	18	CANDIE'S, INC.	130733	9/13/1999	130733	9/13/1999		No

Country: Italy									
ID	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
428	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	8107234	3/8/1988	517,952	11/24/1989		No
442	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	8234682	7/30/1982	412,504	3/10/1986		No

Country: Japan									
ID	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
429	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	61-20983	3/5/1986	2664130	5/31/1994		No
388	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	H10-066189	8/5/1998	4564334	4/26/2002		No
5125	CANDIE'S (STYLIZED)	9, 18, 25	CANDIE'S, INC.	11-83482	9/14/1999	4544696	2/22/2002		No

450	CANDIE'S WITH KATAKANA	25	CANDIE'S, INC.	62-59206	4/10/1987	2250909	7/30/1990	No
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Country: Kuwait									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
431	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	43166	5/19/1999				No
390	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	42916	4/18/1999				No

Country: Lebanon									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
391	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	96-01-0151619	11/9/1998				No

Country: Macao									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
393	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	003046	1/21/1998	N/003046	7/3/1998		No

Country: Malaysia									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
392	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	96-12835	10/22/1996				No
5072	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	99/08990	9/14/1999	99008990	9/14/1999		No
5073	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	99/08989	9/14/1999				No

Country: Mexico									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
394	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	322842	2/17/1998	650270	2/17/1998		No
395	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.	343669	8/14/1998	591155	10/27/1998		No
419	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	362602	2/3/1999	650294	2/3/1999		No
4664	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	374233	5/6/1999	650299	5/6/1999		No
4739	CANDIE'S (STYLIZED)	18	CANDIE'S, INC.	375654	5/18/1999				No

Country: Netherlands Antilles									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
4563	CANDIE'S (STYLIZED)	3	CANDIE'S, INC.		4/19/1999	21562	6/23/1999		No

Country: New Zealand									
ID	Mark	Incl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU
6291	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	133157	6/27/1980	133157	6/27/1980		No
5056	CANDIE'S (STYLIZED)	9	CANDIE'S, INC.	316007	9/9/1999	316007	9/9/1999		No
5057	CANDIE'S (STYLIZED)	14	CANDIE'S, INC.	316008	9/9/1999	316008	9/9/1999		No
5058	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	316010	9/9/1999	316010	9/9/1999		No
5059	CANDIE'S (STYLIZED)	18	CANDIE'S, INC.	316009	9/9/1999	316009	9/9/1999		No



Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
Singapore	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	6353/97	5/30/1997				No
		3	CANDIE'S, INC.	S/7923/98	8/6/1998				No
		9	CANDIE'S, INC.	T99/10191G	9/15/1999	T99/10191G	9/15/1999		No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
Slovak Republic	CANDIE'S (STYLIZED)	18, 25	CANDIE'S, INC.	App. # POZ 0339-1997	1/30/1997				No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
South Africa	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	App. #	10/3/1980	80/6494	10/3/1980		No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
South Korea	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	84-14399	9/21/1984	125267	4/22/1986		No
		18	CANDIE'S, INC.	40-1999-35583	9/21/1999	487195	2/7/2001		No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
Spain	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	2.057.367/7	11/12/1996	2.057.367	11/12/1996		No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
Sweden	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	97-06186	7/1/1997	341 330	10/20/2000		No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
Switzerland	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	00297/1998	1/16/1998	452.201	1/16/1998		No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
Taiwan	CANDIE'S (BLOCK)	25	CANDIE'S, INC.	App. #	App. Dt	145324	12/16/1980		No
		25	CANDIE'S, INC.			146222	1/1/1981		No
		25	CANDIE'S, INC.			145325	12/15/1980		No
		25	CANDIE'S, INC.			146223	1/1/1981		No

Country:	Mark	Intl Classes	Reg. Owner	App. #	App. Dt	Reg. #	Reg. Dt	Allow. Dt	ITU No
Thailand	CANDIE'S (STYLIZED)	25	CANDIE'S, INC.	345313	10/2/1997				No