

01-08-2003



Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

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

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Tab settings

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

1. Name of conveying party(ies):

Smartbargains, Inc.

12-31-02

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 12/20/2002

2. Name and address of receiving party(ies)

Name: Comerica Bank - California

Internal Address: Attn: C. Brooks Hoffman

Street Address: 100 Federal Street, 28th Floor

City: Boston State: MA Zip: 02110

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State California 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) 76091346, 76061930, 76339791

B. Trademark Registration No.(s) 2606658

Additional number(s) attached Yes No

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

Name: Lisa Perusse Billone

Internal Address: Goulston & Storrs, P.C.

Street Address: 400 Atlantic Avenue

City: Boston State: MA Zip: 02110

6. Total number of applications and registrations involved:

4

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

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Lisa Perusse Billone Name of Person Signing

Lisa Perusse Billone Signature

12/24/2002 Date

Total number of pages including cover sheet, attachments, and document: 7

01/07/2003 LMUELLER 00000291 76091346

01 FC:8521 02 FC:8522

40.00 OP 75.00 OP

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

TRADEMARK REEL: 002644 FRAME: 0168

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of December 20, 2002 by and between COMERICA BANK-CALIFORNIA ("Bank") and SMARTBARGAINS, INC., a Delaware corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement).

B. Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in all of Grantor's Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

C. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the other Loan Documents with Bank, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

10 Milk Street, 10th Floor
Boston, Massachusetts 02108

Attn: Chief Financial Officer

SMARTBARGAINS, INC.

By: *Imato S. DeKovelli*

Title: *EVP / CFO / Treasurer*

BANK:

COMERICA BANK-CALIFORNIA

Address of Bank:

Comerica Bank-California
100 Federal Street, 28th Floor
Boston, Massachusetts 02110

Attn: C. Brooks Hoffman and/or Kelly Goodwin

By: *C. Brooks Hoffman*

Title: *Vice President*

EXHIBIT A

Copyrights

Description

None

Registration
Number

Registration
Date

EXHIBIT B

Patents

Description

None

Registration/
Application
Number

Registration/
Application
Date

EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
SMARTBARGAINS.COM for "on-line retail services," in International Class 42	2,606,658	August 13, 2002
SMARTBARGAINS, European Union Community Trademark	1960558	November 17, 2000
Service mark application application with the U.S. Patent and Trademark Office, SMARTBARGAINS for "retail store services, available through the Internet, featuring off-price, close-out liquidation, and marked-down clothing and accessories, jewelry, sporting goods and equipment, home furnishings and décor, electronic goods and toys," in International Class 42.	76061930	June 2, 2000
Service mark application application with the U.S. Patent and Trademark Office, SMARTBARGAINS & Design for "on-line retail services," in International Class 42.	76091346	July 18, 2000
Service mark application application with the U.S. Patent and Trademark Office, THE BARGAIN ALERT for "advertising communications transmitted via e-mail," in International Class 35.	76339791	November 19, 2001

2. The following URLs are registered with VeriSign (formerly, "Network Solutions" and hereinafter "VeriSign") and Register.com in the respective names set forth below. The Company owns the domain names listed below. It is contemplated that registration will be promptly completed for all such names not currently registered in the name of the Company.

The Company owns the following domain names:

Domain Name

Registrar

www.smartbargains.com
www.smartbargains.com
www.smartbargains.org
www.smartbargains.net
www.smart-bargains.com
www.smartbargain.com

VeriSign
VeriSign
VeriSign
VeriSign
VeriSign
VeriSign

www.smartbargains.com

Register.com

www.smartbargainssucks.com
www.smartbargainssucks.net

VeriSign
VeriSign

www.smartbargainsblows.com
www.smartbargainsblows.net

VeriSign
VeriSign

Registration of the following domain names has not been maintained by the Company.

Domain Name

Registrar

www.secretbuyz.com
www.dealsecrets.com
www.secretbuyz.net
www.dealsecrets.net
www.bestbuys.com
www.bargainbetsy.net
www.bargainbetsy.com
www.bargainbetsy.net
www.bargainbetsy.com
www.closeouts-r-us.com

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