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U.S. Department of Commerce
Patent and Trademark OfficeRECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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

1. Name of conveying party(ies):

Aria Industries, Inc.

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partners
☒ Corporation - State NY
☐ Other _____

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

2. Name and Address of receiving party(ies)

Name: GMAC COMMERCIAL FINANCE LLC

Address: 1290 Avenue of the Americas, New York, NY
10104

3. Nature of conveyance:

☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: APRIL 23, 2003☐ Individual(s) citizenship

☐ Association
☐ General Partnership
☐ Limited Partnership
☐ Corporation State _____

☒ Other Limited Liability Corporation

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)

B. Trademark Registration No.(s) 2556155 and 2520963Additional numbers attached? ☐ Yes ☒ No

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

Kieran G. Doyle, Esq.

Cowan, Liebowitz & Latman, P.C.
1133 Avenue of the Americas
New York, NY 10036-67996. Total number of applications and registrations involved: 27. Total fee (37 CFR 3.41)..... \$ 65.00☐ Enclosed☒ Any deficiency is authorized to be charged to☒ Deposit Account No. 03-34158. Deposit Account No. 03-3415

(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.

Kieran G. Doyle, Esq.

Name of Person Signing

Signature

May 13, 2003

Date

Total number of pages including cover sheet, attachments, and document: 11

Mail to: U.S. Patent and Trademark Office, Office of Public Records, Crystal Gateway 4, Room 335, Washington, DC 20231

TRADEMARK SECURITY AGREEMENT

AGREEMENT made as of the ⁴⁶³23 day of April, 2003, between ARIS INDUSTRIES, INC. having its chief executive office at 475 Fifth Avenue, New York, New York 10017 ("Debtor"), and GMAC COMMERCIAL FINANCE LLC, having an office at 1290 Avenue of the Americas, New York, New York 10104 ("Secured Party").

463 7th Ave., New York NY 10018
JL
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A. SECURITY INTEREST.

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Schedule A annexed hereto and made a part hereof; and

WHEREAS, Secured Party has entered into certain financing arrangements with Debtor pursuant to that certain Series A Junior Secured Note Agreement dated June 30, 1993 (the "Note Agreement") between Secured Party, successor by merger with GMAC Commercial Credit LLC, which was formerly known as BNY Factoring LLC, as successor by merger with BNY Financial Corporation, and Debtor, formerly known as The Mercade Group, Inc.; the Series A Junior Secured Note issued pursuant to the Note Agreement by Debtor in favor of Secured Party dated June 30, 1993 in the original principal amount of \$7,000,000 (the "Note") and various documents delivered in connection therewith (all of the foregoing, together with this Agreement, as the same may now exist or may hereafter be amended, modified, renewed, extended or supplemented, are collectively referred to herein as the "Agreements").

NOW, THEREFORE, in consideration of the financial accommodations provided by Secured Party, as of the Effective Date (as defined herein) Debtor hereby grants to Secured Party a security interest in: (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: all of Debtor's trademarks, trade names, trade styles and service marks; all prints and labels on which said trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof, in all cases with respect to those trademarks, terms, design and applications described in Schedule A hereto (the "Trademarks"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and (c) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Trademarks, or any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

B. OBLIGATIONS SECURED.

The security interests granted to Secured Party in this Agreement shall secure the prompt and indefeasible payment and performance of all now existing and future obligations, liabilities and indebtedness of Debtor to Secured Party of every kind, nature and description, direct or indirect, absolute or contingent, whether arising under this Agreement, the other Agreements, or any other agreement, document or instrument or by operation of law or otherwise, including, without limitation, "Obligations" as defined in and limited pursuant to the Note Agreement (all the foregoing hereinafter referred to as "Obligations").

C. WARRANTIES AND COVENANTS.

Debtor hereby covenants, represents and warrants, all of such covenants, representations and warranties being continuing in nature so long as any of the Obligations are outstanding, that:

1. Debtor will pay and perform all of the Obligations according to their terms.
2. All of the existing Collateral is valid and subsisting in full force and effect to Debtor's knowledge, and Debtor owns sole, full, and clear title thereto, and has the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting and registered trademarks, including without limitation the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests, or encumbrances of any nature whatsoever except the security interests granted hereunder, and the encumbrances and licenses, if any, which are specifically described in Schedule B hereto.
3. Except as permitted or required by the Intercreditor Agreement, Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating thereto, except to Secured Party, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party (not to be unreasonably withheld or delayed). For all purposes hereof, the term "Intercreditor Agreement" shall mean that certain Intercreditor and Subordination Agreement entered into as of April __, 2003, among the Secured Party, The CIT Group/Commercial Services, Inc., in its separate capacities as agent for certain lenders and as factor (the "CIT"), acknowledged by the Debtor, Europe Craft Imports, Inc. and XOXO Clothing Company Incorporated, pertaining to certain rights and priorities among Secured Party and CIT in respect of certain assets of such acknowledging parties.
4. Debtor will, at Debtor's expense, perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to file one or more financing statements (or similar documents) with respect to the Collateral. Debtor further authorizes Secured Party to

have this or any other similar Security Agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

5. Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Power of Attorney in the form of Exhibit 1 annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder.* * Notwithstanding anything herein or therein to the contrary, the Secured Party agrees that it shall not exercise the rights granted to it pursuant to the Power of Attorney unless and until the event of Default has occurred and is continuing.

6. Secured Party may, in its sole discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder including but not limited to, all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed a borrowing by Debtor from Secured Party, and shall be payable on demand together with interest at the rate set forth in the Agreements and shall be part of the Obligations secured hereby.

7. As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedule A annexed hereto.

8. Debtor shall notify Secured Party in writing of the filing of any application for the registration of a Trademark or Patent with the United States Patent and Trademark Office or any similar office or agency in the United States or any state therein within thirty (30) days of such filing. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents, and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Trademark.

9. Debtor has not abandoned any of the Trademarks material to the conduct of the business and Debtor will not do any act, nor omit to do any act, whereby such material Trademarks may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. Debtor shall notify Secured Party immediately if Debtor knows or has reason to know of any reason why any application, registration, or recording related to such Trademarks may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable.

10. Debtor will render any assistance, as Secured Party may determine is reasonably necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

11. Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause

confusion with any Trademark or of any use by any person of any other process or product which infringes upon any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

12. Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labelling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof), unless any such claim, suit, loss, damage or expense arises from the gross negligence or willful misconduct of Secured Party.

13. In any action or proceeding instituted by Secured Party in connection with any matters arising at any time out of or with respect to this Agreement, Debtor will not interpose any counterclaim of any nature.

14. Debtor will maintain the quality of the products associated with the Trademarks at a level consistent with the quality at the time of this Agreement. Debtor will not materially change the quality of the products associated with the Trademarks without the Secured Party's prior written consent. Debtor hereby grants to Secured Party the right to visit Debtor's plants and facilities which manufacture or store products sold under any of the Trademarks and to inspect the products and quality-control records relating thereto at any time during regular business hours and upon reasonable prior written notice to Debtor.

D. EVENTS OF DEFAULT.

All Obligations shall, at Secured Party's option, become immediately due and payable without notice of demand upon the occurrence of any of the following events of default ("Events of Default"):

1. Debtor fails to pay or perform any Obligations when due.
2. Debtor defaults in the observance or performance of any agreements, covenants or conditions contained herein or in any of the Agreements or in any other document or instrument referred to herein or therein (and following the expiration of any cure periods with respect thereto).
3. Any present or future representation or warranty made by or on behalf of the Debtor, whether contained herein or in any of the other Agreements or in any other document or instrument referred to herein or therein in connection with any of the transactions contemplated herein or therein, shall be false or incorrect in any material respect.
4. Any other event of default pursuant to the Agreements shall have occurred, including, but not limited to, any event of default under the Guaranty (and following the expiration of any cure periods with respect thereto).

E. RIGHTS AND REMEDIES.

Upon the occurrence of any such Event of Default and at any time thereafter, in addition to all other rights and remedies of Secured Party, whether provided under law, the Agreements or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder.

1. Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any affiliate of Debtor.

2. Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion deem appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

3. Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Debtor with ten (10) days prior written notice of any proposed disposition of the Collateral. Secured Party shall have the power to buy the Collateral. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition. In any such event, Debtor shall be liable for any deficiency.

4. In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph B.3 hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in subparagraph C.5 hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees.

5. Secured Party may apply the proceeds actually received from any such license, assignment, sale, or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its sole discretion determine. Debtor shall remain liable to Secured Party for any expenses or obligations

remaining unpaid after the application of such proceeds, and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at the rate set forth in the Agreements.

6. In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Debtor shall supply to Secured Party or Secured Party's designee Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Agreements, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

F. MISCELLANEOUS.

1. Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

2. All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been duly given or made: if by hand, immediately upon delivery; if by telecopy (fax), telex or telegram, immediately upon receipt; if by any overnight delivery service, one day after dispatch; and if mailed by certified mail, return receipt requested, for five (5) days after mailing. All notices, requests and demands are to be given or made to the respective parties at the following addresses (or to such other addresses as either party may designate by notice in accordance with the provisions of this paragraph):

If to Debtor:

ARIS INDUSTRIES, INC.
475 Fifth Avenue
New York, New York 10017
Attn: _____

If to Secured Party:

GMAC COMMERCIAL FINANCE LLC
1290 Avenue of the Americas
New York, New York 10104
Attn: Mr. Frank Imperato
Senior Vice President

3. In the event any term or provision of this Agreement conflicts with any term or provision of the Agreements, the term or provision of the Agreements shall control.

4. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

5. This Agreement shall be binding upon and for the benefit of the parties hereto and their respective legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

6. The security interest granted to Secured Party shall terminate and the Secured Party shall take all necessary action to release the liens granted hereby and recordings made in connection therewith, at Debtor's sole expense, upon termination of the Agreements and indefeasible payment in full to Secured Party of all Obligations thereunder.

7. The validity, interpretation and effect of this Agreement shall be governed by the laws of the United States of America and the laws of the State of New York. Debtor hereby irrevocably submits and consents to the nonexclusive jurisdiction of the State and Federal Courts located in the State of New York any other State where any Collateral is located with respect to any action or proceeding arising out of this Agreement, the Obligations, or any matter arising therefrom or relating thereto. In any such action or proceeding, Debtor waives personal service of the summons and complaint or other process and papers therein and agrees that the service thereof may be made by mail directed to Debtor at its chief executive office set forth herein or other address thereof of which Secured Party has received notice as provided herein, service to be deemed complete five (5) days after mailing, or as permitted under the rules of either of said Courts. Any such action or proceeding commenced by Debtor against Secured Party will be litigated only in a Federal Court located in the Southern District of New York, or a New York State Court located in New York County and Debtor waives any objection based on forum non conveniens and any objection to venue in connection therewith.

8. THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT WHETHER ARISING OUT OF, UNDER OR BY REASON OF THIS AGREEMENT, THE OTHER AGREEMENTS OR ANY MATTER OR PROCEEDING RELATING THERETO.

9. This Agreement shall become effective on the date (such date, the "Effective Date") on which: (a) each of the parties hereto has duly executed a counterpart hereof, and (b) the Intercreditor Agreement has been duly executed and delivered by each party thereto.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

ARIS INDUSTRIES, INC.

By:

Paul Specter

Title:

CFO

GMAC COMMERCIAL FINANCE LLC

By:

John F. Lyggett

Title:

VP

211727

8

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

On this 23 day of April, 2003, before me personally came
Paul A. Specter, to me known, who being duly sworn, did depose and say,
that he is the CEO of ARIS INDUSTRIES, INC., which executed the
foregoing instrument; and that he signed his name thereto by order of the Board of Directors of
said corporation.

Eugenia H. Hunt
Notary Public

EUGENIA H. HUNT
NOTARY PUBLIC, State of New York
No. 41-488579
Qualified in Queens County
Commission Expires December 13, 2006

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

On this 23 day of April, 2003, before me personally came
John R. Fitzpatrick, to me known, who being duly sworn, did depose and say,
that he is the EV of GMAC COMMERCIAL FINANCE LLC, which
executed the foregoing instrument; and that he signed his name thereto with the authorization of
such limited liability company.

Eugenia H. Hunt
Notary Public

EUGENIA H. HUNT
NOTARY PUBLIC, State of New York
No. 41-488579
Qualified in Queens County
Commission Expires December 13, 2006

EXHIBIT 1SPECIAL POWER OF ATTORNEY

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

KNOW ALL MEN BY THESE PRESENTS, that ARIS INDUSTRIES, INC., having an office at 475 Fifth Avenue, New York, New York 10017 (hereinafter "Debtor"), hereby appoints and constitutes GMAC COMMERCIAL FINANCE LLC, ("Secured Party"), and each officer thereof, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instruments of assignment, or other papers which Secured Party, in its sole discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all of right, title, and interest of Debtor in and to any trademarks or patents and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its sole discretion, deems necessary or advisable to further the purposes described in paragraph 1 hereof.

This Power of Attorney, being a power coupled with an interest, is made pursuant to a Trademark Security Agreement between Debtor and Secured Party dated of even date herewith (the "Security Agreement") and may not be revoked until indefeasible payment in full of all Debtor's "Obligations", as such term is defined in the Security Agreement.

Dated as of April __, 2003

ARIS INDUSTRIES, INC.

By: _____

Title: _____

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STATE OF NEW YORK)

)ss.:

COUNTY OF NEW YORK)

On this ____ day of April 2003, before me personally came
_____, to me known, who being duly sworn, did depose and say,
that he is the _____ of ARIS INDUSTRIES, INC., the corporation described
in and which executed the foregoing instrument; and that he signed his name therein by order of
the Board of Directors of said corporation.

Notary Public

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COWAN, LIEBOWITZ & LATMAN

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PAGE 15/19

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GMACCC LEGAL

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SCHEDULE A
to
TRADEMARK SECURITY AGREEMENT

Trademarks and Applications

	Serial Number	Reg. Number	Word Mark
1	78054044	2456155	FRAGILE BY XOXO
2	75852372	2520963	FRAGILE

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COWAN, LIEBOWITZ & LATMAN

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SCHEDULE B
to
TRADEMARK SECURITY AGREEMENT
Permitted Encumbrances and Licenses

None.

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13