

03-26-2003



Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

102400123

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

<p>1. Name of conveying party(ies): A.P. Products Ltd. 3-20-03 a New York corporation</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: <u>Société Générale, S.A.</u> Internal Address: <u>Génova 26, 28004 Madrid SPAIN</u> Street Address: _____ City: _____ State: _____ Zip: _____</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation-State _____ <input checked="" type="checkbox"/> Other <u>corporation of Spain</u></p> <p><small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</small></p>
<p>3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date: <u>June 12, 2002</u></p>	


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FINANCE SECTION

<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s) _____ _____</p>	<p>B. Trademark Registration No.(s) <u>1986047</u> _____</p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Carol Mirando, Esq.</u> Internal Address: <u>Colomer U.S.A., Inc.</u> <u>P.O. Box 37557</u> <u>Jacksonville, FL 32236</u> Street Address: <u>One Independent Drive, #2206</u> City: <u>Jacksonville</u> State: <u>FL</u> Zip: <u>32202</u></p>	<p>6. Total number of applications and registrations involved: 1</p> <p>7. Total fee (37 CFR 3.41).....\$ <u>40.00</u></p> <p><input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: <u>50-2269</u></p>
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DO NOT USE THIS SPACE

9. Signature.

Carol Mirando, Esq.  MARCH 19, 2003
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 26

03/25/2003 ECOOPER 00000227 502269 1986047
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Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002699 FRAME: 0178

SPECIAL POWER OF ATTORNEY

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

ss: 1986047

KNOW ALL MEN BY THESE PRESENTS, that COLOMER U.S.A., INC., a corporation formed under the laws of Delaware, with its principal office at 625 Madison Avenue, New York, NY 10022 (hereafter called "Borrower"), pursuant to a Trademark Security Agreement, dated the date hereof (as amended, modified, restated or supplemented from time to time, the "Security Agreement"), hereby appoints and constitutes SOCIÉTÉ GÉNÉRALE, S.A., with offices at Génova 26, 28004 Madrid, Spain (hereafter called the " Agent"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Borrower:

Assigning, selling or otherwise disposing of all right, title and interest of Borrower in and to the Trademarks listed on Schedule A of the Security Agreement, and including those trademarks which are added to the same subsequent hereto and all registrations and recordings thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, and to execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose; To execute any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as Collateral Agent may in its sole discretion determine.

This power of attorney is made pursuant to the Security Agreement between Borrower and Agent and may not be revoked until the payment in full of all Obligations as defined in such Security Agreement.

Date: June 12, 2002

COLOMER U.S.A., INC.

By: Vincent Bova
Name: Vincent Bova
Title: Senior Vice President and Chief Financial Officer

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

ss:

On this 12th day of June, 2002, personally came Vincent Bova, to me known, who being by me duly sworn, did depose and say that he is the Senior Vice President and Chief Financial Officer of COLOMER U.S.A., INC., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Rosemary T. Sullivan
NOTARY PUBLIC

My Commission expires:

[Seal]

ROSEMARY T. SULLIVAN
Notary Public, State of New York
No. 01SU4773573
Qualified in Queens County
Commission Expires November 30, 20 02

TRADEMARK
REEL: 002699 FRAME: 0179

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT IS ENTERED INTO WITH THE BENEFIT OF AND SUBJECT TO THE TERMS OF AN INTERCREDITOR DEED DATED JUNE 12, 2002.

THIS TRADEMARK SECURITY AGREEMENT (this "Security Agreement"), is made and entered into as of June 12, 2002 by each of the parties listed under the heading "Companies" on the signature pages Hereof, which are referred to Herein individually as a Company and collectively as the "Companies", in favor of SOCIÉTÉ GÉNÉRALE, S.A., as agent, and for the ratable benefit of the Banks (as defined below) (the "Agent"). Capitalized terms used Herein without definition shall have the meanings given to such terms in the Credit Agreement (as Hereinafter defined).

W I T N E S S E T H:

WHEREAS, The Colomer Group Participations, S.L. ("TCGP"), The Colomer Group Spain, S.L. ("Colomer Spain"), Colomer Beauty and Professional Products, S.L. ("Colomer Beauty"), Colomer U.S.A., Inc. ("Colomer USA", and collectively with TCGP, Colomer Spain and Colomer Beauty, the "Borrowers"), certain other affiliates of Colomer USA, the financial institutions from time to time parties thereto (the "Banks") and the Agent, in its various capacities set forth therein, have entered into that certain Senior Credit Agreement, dated as of the date Hereof (as the same may be amended from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, certain companies and/or intercompany debtors, the entities named in the Schedules thereto as Senior Creditors, the Lenders, the Hedging Banks, the Subordinated Hedge Providers, the Investor Lenders, the Investor Loan Guarantors, the Intercompany Debtors, the Intercompany Creditors and Société Générale (each as defined therein) have entered into an Intercreditor Deed (the "Intercreditor Deed") dated as of June 12, 2002;

WHEREAS, the proceeds of the Advances (as defined in the Credit Agreement) under the Credit Agreement will be used for the purposes set forth in the Credit Agreement;

WHEREAS, pursuant to Clause 26 of the Credit Agreement, the Companies have provided a guaranty (the "Guaranty"), pursuant to which the Companies have agreed to guaranty, *inter alia*, the Secured Obligations;

WHEREAS, the Borrowers and the Companies share an identity of interests as members of a combined group of companies, and each Company will derive substantial direct and indirect benefits from the extensions of credit under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and in order to induce the Banks and the Agent to enter into the Credit Agreement and to make Advances to the Borrowers, the Companies hereby agree with the Agent, for the Agent and for the ratable benefit of the Banks

and the Hedging Banks (the Agent, the Banks and the Hedging Banks being collectively referred to Herein as the "Secured Creditors"), as follows:

SECTION 1. DEFINITIONS. Unless otherwise defined Herein, each capitalized term used Herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement.

(a) "Associated Goodwill" shall mean all goodwill of each Company and its business, products and services appurtenant to, associated with or symbolized by the Trademarks and the use thereof.

(b) "Collateral" shall have the meaning assigned to it in Section 6 of this Security Agreement.

(c) "Hereof," "Herein" and "Hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(d) "Uniform Commercial Code" shall mean the Uniform Commercial Code, as in effect from time to time in any applicable jurisdiction.

(e) "Use" shall mean, with respect to any Trademark, all uses of such Trademark by, for, or in connection with the Companies or their business, or for the direct or indirect benefit of the Companies or their businesses, including all such uses by the Companies themselves, by any of the affiliates of the Companies, or by any franchisee, licensee or contractor of the Companies.

All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

SECTION 2. INCORPORATION OF PREMISES. The premises set forth above are incorporated into this Agreement by this reference hereto and are made a part Hereof.

SECTION 3. INCORPORATION OF THE CREDIT AGREEMENT. The Credit Agreement and the terms and provisions thereof are hereby incorporated Herein in their entirety by this reference thereto.

SECTION 4. CREATION OF SECURITY INTEREST. Each Company hereby grants to the Agent, for the benefit of the Secured Creditors, a continuing security interest in all of such Company's right, title and interest in and to the collateral of such Company described in Section 6 Hereof (the "Collateral") in order to secure the prompt and complete payment and performance of (a) all Senior Debt (as such term is defined in the Intercreditor Deed), (b) all Hedging Liabilities (as such term is defined in the Intercreditor Deed), and (c) all of the obligations and liabilities now or hereafter existing under this Security Agreement (the Senior Debt, Hedging Liabilities, and all obligations and liabilities under this Security Agreement collectively referred to as the "Secured Obligations").

SECTION 5. CONDITIONAL ASSIGNMENT. In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Collateral provided in Section 4 each Company grants, assigns, transfers, conveys and sets over to the Agent, for the benefit of the Banks and the Agent, such Company's entire right, title and interest in and to the Collateral; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default and the written demand of the Agent at any time during such continuance, or (ii) upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Credit Agreement and applicable law (including the transfer or other disposition of the Collateral by such Company to the Agent or its nominee in lieu of foreclosure). In addition, the Companies have executed in blank and delivered to the Agent assignments of the Trademarks in substantially the form of Schedule C hereto (the "Assignment of Trademarks"). The Borrower hereby authorizes the Agent to complete as assignee and record with the U.S. Patent and Trademark Office the Assignment of Trademarks only upon the occurrence and during the continuance of an Event of Default and the written demand of the Agent at any time during such continuance and the proper exercise of the Agent's remedies under this Security Agreement.

SECTION 6. COLLATERAL. To secure the complete and timely payment, performance and satisfaction of all of the Secured Obligations, each Company hereby grants to Agent, for the benefit of the Secured Creditors, a continuing security interest in, Encumbrance on, and to the extent necessary to grant a security interest or Encumbrance against, a collateral assignment of, and right of set off against, all of such Company's right, title, and interest in or to the following property, regardless of where located, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law the entire right, title and interest of the Companies in and to the trademarks listed in Schedule A hereto (the "Trademarks"), and in and to any and all registrations and applications appurtenant thereto, including, without limitation, all renewals thereof, all proceeds of infringement suits relating thereto, the rights to sue for past, present and future infringements and all rights corresponding thereto in the United States and the Associated Goodwill of each of the businesses to which the Trademarks relate. The foregoing, together with all other property in which the Agent, for the benefit of the Secured Creditors, may at any time be granted an Encumbrance, is Herein collectively referred to as the "Collateral."

SECTION 7. REPRESENTATIONS, WARRANTIES AND COVENANTS. Each Company makes all of the representations and warranties, and agrees to comply with all of the obligations, requirements and restrictions in the covenants and agreements, contained in the Credit Agreement to the extent such representations and warranties refer to, or such covenants and agreements are applicable (whether directly or as a result of the Borrowers having agreed to cause such Company to comply therewith) to such Company, including, but not limited to, all of the representations and warranties contained in Section 20.24 (Intellectual Property), and all of the covenants and agreements contained in Section 24.14 of the Credit Agreement.

SECTION 8. RIGHT TO PERFORM OR CURE.

(a) Upon the occurrence and continuance of an Event of Default, the Agent shall have the right at any time to make any payments and do any other acts that the Agent may deem necessary to protect its security interests in the Collateral, including, without

limitation, the right to pay any registration, renewal, or other fees, and pay, purchase, contest, or compromise any Encumbrances which, in the judgment of the Agent, appears to be prior to or superior to the security interests granted Hereunder, and appear in and defend any action or proceeding purporting to affect its security interests in, and/or the value of, the Collateral. Each Company hereby agrees, jointly and severally, to reimburse the Agent for all payments made and expenses incurred under this Security Agreement including all reasonable out-of-pocket costs and expenses, and reasonable attorneys' fees and expenses, including, without limitation, any such attorneys' fees and expenses for acts taken to protect its security interests in the Collateral, which amounts shall be secured under this Security Agreement, and bear interest at the Enforcement Rate, and agrees it shall be bound by any payment made or act taken by the Agent Hereunder. The Agent may make all such payments according to any bill, statement or estimate received without inquiring into the accuracy of such bill, statement or estimate or title or claim thereof. Any payment made or other action taken by the Agent under this Section 8 shall be without prejudice to any right to assert an Event of Default Hereunder and to proceed thereafter as Herein provided. The Agent shall have no obligations to make any of the foregoing payments or perform any of the foregoing acts.

(b) Each Company shall promptly (but in no event later than ten (10) Business Days) after its receipt of the request of the Agent therefor, deliver to the Agent any certificates of registration issued with respect to any Trademarks included in such Company's Collateral, or copies of any file histories and other documents related to or otherwise in connection with any Trademarks included in such Collateral, which in any such case came into the possession of such Company.

(c) Each Company shall, at the sole cost and expense of the Companies and upon the Agent's request, which shall be no more than once in any year during which there is no Event of Default that is continuing, provide the Agent with appraisals (or updates thereof) of any or all of the Collateral and prepared on a basis, satisfactory to the Agent, provided, however, that any market research reports or surveys of comparable intellectual property owned by third parties generated by any independent consulting firm, based on Agent's request, shall be provided at the sole cost and expense of Agent. Upon the request of any Company, the Agent will provide such Company with copies of any such market research report or any survey generated by such independent consulting firm and the cost of generating such report or survey shall be divided by such Company and the Agent at the Agent's discretion.

(d) Subject to the provisions of Section 24.12 of the Credit Agreement, each Company hereby grants to Agent and the Banks the right to inspect the products and quality control relating to the Intellectual Property. Such Company shall use its best efforts with respect to any and all reasonable acts required by Agent and Banks to ensure such Company's compliance with Section 8(b) above. From and after the occurrence of an Event of Default, Borrowers agree that Agent, or a conservator appointed by Agent, shall have the right to establish such reasonable additional product quality controls as Agent or such conservator, in its reasonable judgment, consistent with industry standards, may deem necessary to assure maintenance of the quality of products sold by the Companies under the Trademarks.

SECTION 9. ROYALTIES. The Companies hereby agree that the use by Agent of the Intellectual Property as authorized Hereunder in connection with the exercise of its remedies

under Section 13 or pursuant to the Credit Agreement shall be coextensive with each Company's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Agent to any Company.

SECTION 10. COLLECTIONS. In the event the Borrowers or the Companies indefeasibly repay in full all of the Secured Obligations (other than indemnity and similar obligations not due and payable), upon termination of this Security Agreement or after acceleration by the Agent, any amounts in excess of the amount necessary to pay the Secured Obligations indefeasibly in full shall be returned to the Companies one (1) Business Day after the Agent's unconditional and final collection of such funds.

SECTION 11. THE SECURED CREDITORS' RIGHTS, DUTIES AND LIABILITIES. Each of the Companies assumes all responsibility and liability arising from or relating to the use, sale, or other disposition of the Collateral except for liability resulting from a Secured Creditor's or any of its respective attorneys' willful misconduct, gross negligence, or bad faith. Neither a Secured Creditor nor any of its respective officers, directors, employees, and agents shall be liable or responsible in any way for the safekeeping of any of the Collateral except to the extent of such Secured Creditor's willful misconduct, gross negligence, or bad faith with respect thereto, or for any loss or damage thereto, or for any diminution in the value thereof, or for any act of default of any forwarding agency or other person whomsoever, all of which shall be at sole risk. The Secured Obligations shall not be affected by any failure of the Agent to take any steps to perfect its Encumbrances or to collect or realize upon the Collateral, nor shall loss of or damage to the Collateral release any Company or any Borrower from any of the Secured Obligations. The Agent may (but shall not be required to), without notice to or consent from any Company or any Borrower, sue upon or otherwise collect, extend the time for payment of, modify or amend the terms of, compromise or settle for cash, credit, or otherwise upon any terms, grant other indulgences, extensions, renewals, compositions, or releases, and take or omit to take any other action with respect to the Collateral, any security therefor, any agreement relating thereto, any insurance applicable thereto, or any Person liable directly or indirectly in connection with any of the foregoing, without discharging or otherwise affecting the liability of any Company or any Borrower for the Secured Obligations or under the Credit Agreement or this Security Agreement or any other agreement now or hereafter existing between the Agent and/or any Bank, on the one hand, and any of the Companies or any of the Borrowers, on the other hand.

SECTION 12. MISCELLANEOUS PROVISIONS.

12.1. Notices. All notices and correspondences to any party Hereunder shall be given in the manner prescribed by Section 40 of the Credit Agreement, and shall be sent to each party hereto to its address or facsimile number set forth in Schedule B Hereof, as such address and facsimile number may be changed by like notice, and shall be deemed given in accordance with Section 40 of the Credit Agreement.

12.2. Headings. The headings of the several sections and subsections of this Security Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Security Agreement.

12.3. Severability. In case any provision in or obligations under this Security Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, or enforceability of the remaining provisions or obligations, or of such provision or obligations in any other jurisdiction, shall not in any way be affected or impaired thereby.

12.4. Amendments, Waivers and Consents. Any amendment or waiver of, and any consent to any departure from, any provision of this Security Agreement, shall be effective only if made or given in compliance with all of the terms and provisions of Section 42 of the Credit Agreement.

12.5. Interpretation of Agreement. Time is of the essence in each provision of this Security Agreement of which time is an element. All terms not defined Herein or in the Credit Agreement shall have the meaning set forth in the applicable Uniform Commercial Code. To the extent a term or provision of this Security Agreement conflicts with the Credit Agreement and is not dealt with Herein with more specificity, the Credit Agreement shall control with respect to the subject matter of such term or provision. Acceptance of or acquiescence in a course of performance rendered under this Security Agreement shall not be relevant in determining the meaning of this Security Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

12.6. Continuing Security Interest; Transfer of Commitments. This Security Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full (including after the Final Maturity Date) of the Secured Obligations (other than indemnity and similar obligations not due and payable) and the termination of the Commitments, (ii) be binding upon the Companies and their respective successors, and permitted assigns, and (iii) inure, together with the rights and remedies of the Agent Hereunder, to the benefit of the Secured Creditors and their respective successors, transferees, and assigns. Without limiting the generality of clause (iii) above, any Bank may, except as limited by the express terms of the Credit Agreement, assign or otherwise transfer its Commitments to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Bank Herein or otherwise.

12.7. Reinstatement. To the extent permitted by law, this Security Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by any Bank or the Agent in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by such Bank or the Agent upon the insolvency, bankruptcy, dissolution, liquidation, or reorganization of any Company or upon the appointment of any receiver, intervenor, conservator, trustee, or similar official for any Company or any substantial part of its assets, or otherwise, all as though such payments had not been made.

12.8. Survival of Provisions. All representations, warranties and covenants of the Companies contained Herein shall survive the execution and delivery of this Security Agreement, and shall terminate only upon the full and final payment and performance by the Borrowers of the Secured Obligations (other than indemnity and similar obligations not due and payable) and termination of the Commitments.

12.9. Power of Attorney.

(a) Each Company hereby irrevocably authorizes and appoints the Agent, or any Person or agent the Agent may designate, as such Company's attorney-in-fact, at such Company's cost and expense, to exercise, subject to the limitations set forth below, all of the following powers, each of which being coupled with an interest, shall be irrevocable until all of the Secured Obligations have been paid and satisfied in full upon the occurrence and during the continuance of an Event of Default, to receive, take, endorse, sign, assign, and deliver, all in the name of the Banks, the Agent, or such Company, any and all checks, notes, drafts, and other documents or instruments relating to the Collateral.

(b) In addition to all of the powers granted to the Agent pursuant to (a) above, each Company hereby appoints and constitutes the Agent as its attorney-in-fact to exercise all of the following powers upon and at any time after the occurrence and during the continuance of an Event of Default: (i) collection of proceeds of any of such Company's Collateral, (ii) conveyance of any item of such Company's Collateral to any purchaser thereof, (iii) giving of any notices or recording any Encumbrances, and (iv) making of any payments or taking any acts under Section 8(a) Hereof. The Agent's authority Hereunder shall include, without limitation, the authority to endorse and negotiate, for the Agent's own account, any checks or instruments in the name of each Company, execute and give receipt for any certificate of registration or ownership or any document, transfer title to any item of any Company's Collateral, sign any Company's name on all documents deemed necessary or appropriate to preserve, protect, or perfect the security interest in such Company's Collateral and to file the same, prepare, file, and sign such Company's name on any notice of Encumbrance, assignment, or satisfaction of Encumbrance or similar document in connection with any Collateral of such Company and prepare, file, and sign such Company's name on a proof of claim in bankruptcy or similar document against any Party with respect to the Trademarks relating to such Company, and to take any other actions arising from or incident to the powers granted to the Agent in this Security Agreement.

(c) The power of attorney contained in this Section 12.9 is coupled with an interest and is irrevocable by the Companies. Each Company hereby ratifies all that the Agent shall lawfully do or cause to be done by virtue of this Section 12.9.

(d) Notwithstanding the foregoing, Borrower further agrees to execute any additional documents which Agent may require in order to confirm this power of attorney, or which Agent may deem necessary to enforce any of its rights contained in this Security Agreement, and shall take such other steps as may be required under the applicable laws of the United States or other foreign jurisdictions and as are necessary in order to perfect the security interest of the Agent in the Collateral granted hereunder including, without limitation, the execution of any further documents necessary to perfect the security interests in the U.S. Patent and Trademark Office as may be determined by Agent during the term of this Security Agreement or until payment in full of the Secured Obligations. Concurrently with the execution and delivery Hereof, Borrower will execute and deliver to Agent, in the form of Schedule D hereto, such number of original Powers of Attorney as Agent deems reasonably necessary for the implementation of this Section 12.9.

12.10. Setoff. Subject to any limitations contained in the Credit Agreement and applicable law, the Agent and each Bank are hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by the Agent or such Bank to or for the credit or the account of any of the Companies against any and all of the Security Obligations of the Companies now or hereafter existing under this Security Agreement.

12.11. Authority of the Agent.

(a) The Agent shall have and be entitled to exercise all powers Hereunder which are specifically granted to the Agent by the terms Hereof, together with such powers as are reasonably incident thereto. The Agent may perform any of its duties Hereunder or in connection with the Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Neither the Agent nor any director, officer, employee, attorney, or agent of the Agent shall be liable to any Company for any action taken or omitted to be taken by it or them Hereunder, except for its or their own gross negligence or willful misconduct, nor shall the Agent be responsible for the validity, effectiveness, or sufficiency of this Security Agreement or of any document or security furnished pursuant hereto. The Agent and its directors, officers, employees, attorneys, and agents shall be entitled to rely on any communication, instrument, or document reasonably believed by it or them to be genuine and correct, and to have been signed or sent by the proper Person or Persons. The Companies jointly and severally agree to indemnify and hold harmless the Agent and any other Person from and against any and all costs, expenses (including reasonable fees, expenses, and disbursements of attorneys and paralegals), claims, and Secured Obligations incurred by the Agent or such Person Hereunder, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of the Agent or such Person.

(b) Each Company acknowledges that the rights and responsibilities of the Agent under this Security Agreement with respect to any action taken by the Agent or the exercise or nonexercise by the Agent of any option, right, request, judgment, or other right or remedy provided for Herein or resulting or arising out of this Security Agreement shall, as between the Banks and the Agent, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Agent and each Company, the Agent shall be conclusively presumed to be acting as agent for the Secured Creditors with full and valid authority so to act or refrain from acting, and no Company shall be obligated or entitled to make any inquiry respecting such authority.

12.12. Release; Termination of Agreement. Subject to the provisions of Section 12.6 and Section 12.7 Hereof, this Security Agreement shall terminate upon receipt by the Agent of evidence satisfactory to it of the indefeasible payment in full of the Secured Obligations (other than indemnification and similar contingent obligations not due and payable) and the termination of the Commitments, or the release of the Companies by the Banks or the Agent, whichever shall occur first. At such time, the Agent shall, at the request and expense of the Companies, reassign and redeliver to the Companies all of the Collateral Hereunder which has not been sold, disposed of, retained or applied by the Agent in accordance with the terms Hereof. Such reassignment and redelivery shall be without warranty by or recourse to the Agent, except as to the absence of any

prior assignments by the Agent of its interest in the Collateral, and shall be at the sole and joint and several expense of the Companies.

12.13. No Waiver. The failure of the Agent to exercise any right or to seek any remedy provided for in this section, and the acceptance by the Agent of any partial or delinquent performance by the Borrower of any of its obligations under the Credit Agreement or this Security Agreement, shall not constitute a waiver by the Agent of any of its rights or remedies hereunder or of its right thereafter to enforce this Security Agreement strictly in accordance with its terms. No waiver of any rights of the Agent, or modification of any term of this Security Agreement, shall be enforceable unless in writing and signed by an authorized representative of each of the parties hereto.

12.14. Counterparts. This Security Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which shall together constitute one and the same agreement.

12.15. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL; WAIVER OF DAMAGES.

(a) THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS SECURITY AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND ANY DISPUTE ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THE COMPANIES AND THE AGENT IN CONNECTION WITH THIS SECURITY AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS (AS OPPOSED TO THE CONFLICT OF LAWS PROVISIONS) AND DECISIONS OF THE STATE OF NEW YORK.

(b) THE COMPANIES AND THE AGENT AGREE THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK, NEW YORK SHALL HAVE THE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ALL DISPUTES BETWEEN THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS SECURITY AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH OF THE COMPANIES WAIVES IN ALL DISPUTES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF ANY COURT DESCRIBED ABOVE CONSIDERING THE DISPUTE INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS.

(c) WITHOUT LIMITING THE FOREGOING, EACH OF THE COMPANIES AGREES THAT THE AGENT SHALL HAVE THE RIGHT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO PROCEED AGAINST SUCH COMPANY OR ITS PROPERTY IN A COURT IN ANY LOCATION REASONABLY SELECTED IN GOOD FAITH TO ENABLE THE AGENT TO REALIZE ON SUCH PROPERTY, OR TO ENFORCE

A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE AGENT. EACH OF THE COMPANIES WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE AGENT HAS COMMENCED A PROCEEDING DESCRIBED IN THIS PARAGRAPH INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS.

(d) THE COMPANIES AND THE AGENT EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS SECURITY AGREEMENT. INSTEAD, ANY DISPUTES RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

(e) EACH OF THE COMPANIES HEREBY IRREVOCABLY DESIGNATES CT CORPORATION, 111 EIGHTH AVENUE, 13TH FLOOR, NEW YORK, NY 10011, AS THE DESIGNEE, APPOINTEE, AND AGENT OF SUCH COMPANY TO RECEIVE, FOR AND ON BEHALF OF SUCH COMPANY, SERVICE OF PROCESS IN SUCH RESPECTIVE JURISDICTIONS IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT. IT IS UNDERSTOOD THAT A NOTICE AND A COPY OF SUCH PROCESS SERVED ON SUCH AGENT WILL BE PROMPTLY FORWARDED BY MAIL TO EACH OF THE COMPANIES AT ITS ADDRESS SET FORTH IN SCHEDULE B HERETO, BUT THE FAILURE OF ANY COMPANY TO RECEIVE SUCH NOTICE AND COPY SHALL NOT AFFECT IN ANY WAY THE SERVICE OF SUCH PROCESS. EACH OF THE COMPANIES FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH COMPANY AT ITS SAID ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE THREE (3) BUSINESS DAYS AFTER SUCH MAILING.

(f) NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE AGENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OF THE COMPANIES IN ANY OTHER JURISDICTION.

(g) EACH OF THE COMPANIES (A) AGREES THAT THE AGENT SHALL NOT HAVE ANY LIABILITY TO THE COMPANIES (WHETHER SOUNDING IN TORT, CONTRACT, OR OTHERWISE) FOR LOSSES SUFFERED BY ANY COMPANY IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO, THE TRANSACTIONS CONTEMPLATED AND THE RELATIONSHIPS ESTABLISHED BY THIS SECURITY AGREEMENT OR ANY OF THE OTHER FINANCE DOCUMENTS, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, UNLESS SUCH LOSSES WERE THE RESULT OF ACTS OR OMISSIONS ON THE PART OF THE AGENT CONSTITUTING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (B) WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM

AGAINST THE AGENT (WHETHER SOUNDING IN TORT, CONTRACT, OR OTHERWISE), EXCEPT A CLAIM BASED UPON GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WHETHER OR NOT SUCH DAMAGES ARE RELATED TO A CLAIM THAT IS SUBJECT TO THE WAIVER EFFECTED ABOVE AND WHETHER OR NOT SUCH WAIVER IS EFFECTIVE, THE AGENT SHALL NOT HAVE ANY LIABILITY WITH RESPECT TO, AND EACH OF THE COMPANIES HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES SUFFERED BY ANY COMPANY IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY RELATED TO THE TRANSACTIONS CONTEMPLATED OR THE RELATIONSHIPS ESTABLISHED BY THIS SECURITY AGREEMENT, ANY OF THE OTHER FINANCE DOCUMENTS, OR ANY OF THE ACQUISITION DOCUMENTS, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HERewith OR THEREWITH, UNLESS SUCH DAMAGES WERE THE RESULT OF ACTS OR OMISSIONS ON THE PART OF THE AGENT CONSTITUTING WILLFUL MISCONDUCT.

(h) EACH OF THE COMPANIES WAIVES THE POSTING OF ANY BOND OTHERWISE REQUIRED OF THE AGENT IN CONNECTION WITH ANY JUDICIAL PROCESS OR PROCEEDING TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE AGENT, OR TO ENFORCE BY SPECIFIC PERFORMANCE, TEMPORARY RESTRAINING ORDER, OR PRELIMINARY OR PERMANENT INJUNCTION THIS SECURITY AGREEMENT, OR ANY OTHER AGREEMENT OR DOCUMENT AMONG THE COMPANIES AND THE AGENT.

SECTION 13. REMEDIES UPON AN EVENT OF DEFAULT.

Upon the occurrence of an Event of Default, the Agent may, without notice to or demand upon any Company, do any one or more of the following:

(a) Exercise any or all of the rights and remedies provided for by the applicable Uniform Commercial Code, specifically including, without limitation, the right to recover the fees and expenses incurred by the Agent in the enforcement of this Security Agreement or in connection with any Company's redemption of its Collateral, including attorneys' fees and expenses;

(b) Require any Company to assemble its Collateral or any part thereof and make it available at one or more places as the Agent may designate and to deliver possession of such Collateral or any part thereof to the Agent, who shall have full right to enter upon any or all of such Company's premises and property to exercise the Agent's rights Hereunder;

(c) Use, manage, operate, and control the Collateral and any Company's business and property to preserve its Collateral or its value, including, without limitation, the rights to take possession of all of such Collateral and to dispose of all or any portion of such Collateral in the ordinary course of such Company's business;

(d) As provided in Section 5 of this Agreement, complete as assignee and record with the U.S. Patent and Trademark Office the Assignment of Trademarks only upon the occurrence and during the continuance of an Event of Default and the written demand of the Agent at any time during such continuance and the proper exercise of the Agent's remedies under this Security Agreement;

(e) Enforce one or more remedies Hereunder, successively or concurrently, and such action shall not operate to estop or prevent the Agent from pursuing any other or further remedy which it may have, and any repossession, retaking, or sale of the Collateral pursuant to the terms Hereof shall not operate to release any Company from its obligations Hereunder;

(f) In connection with any public or private sale under the applicable Uniform Commercial Code, the Agent shall give each Company at least ten days' prior written notice of the time and place of any public sale of such Company's Collateral or of the time after which any private sale or other intended disposition thereof may be made, which shall be deemed to be reasonable notice of such sale or other disposition. Such notice shall be given to such Company in accordance with the provisions of Section 12.1 Hereof;

(g) Proceed by an action or actions at law or in equity to foreclose this Security Agreement and sell the Collateral, or any portion thereof, pursuant to a judgment or decree of a court or courts of competent jurisdiction; and

(h) If the Agent recovers possession of all or any part of the Collateral pursuant to a writ of possession or other judicial process, whether prejudgment or otherwise, the Agent may thereafter retain, sell, or otherwise dispose of such Collateral in accordance with this Security Agreement or the applicable Uniform Commercial Code, and following such retention, sale, or other disposition, the Agent may voluntarily dismiss without prejudice the judicial action in which such writ of possession or other judicial process was issued. Each Company hereby consents to the voluntary dismissal by the Agent of such judicial action, and each Company further consents to the exoneration of any bond that the Agent files in such action.

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Security Agreement to be duly executed and delivered as of the day and year first above written.

The Companies:

COLOMER U.S.A., INC.

By: 

Name: Carlos Colomer Casellas
Title: Chairman

ROUX LABORATORIES, INC.

By: 

Name: Carlos Colomer Casellas
Title: Chairman

A.P. PRODUCTS LTD.

By: 

Name: Carlos Colomer Casellas
Title: President

AMERICAN CREW, INC.

By: 

Name: Carlos Colomer Casellas
Title: Chairman

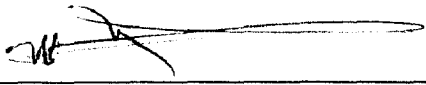
CREATIVE NAIL DESIGN, INC.


By: 

Name: Carlos Colomer Casellas
Title: Chairman


Accepted and Agreed:


THE COLOMER GROUP PARTICIPATIONS, S.L.

By: 
Name: Carlos Colomer Casellas

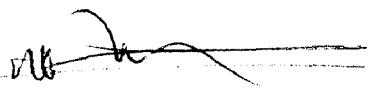
By: 
Name: CVC Directorship 2, S.L.,
represented by
Javier de Jaime Guijarro


THE COLOMER GROUP SPAIN, S.L.

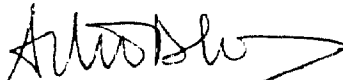
By: 
Name: Bonanova Hair and Beauty Consulting
Group, S.L., represented by
Carlos Colomer Casellas


By: 
Name: CVC Directorship 2, S.L.,
represented by
Javier de Jaime Guijarro

COLOMER BEAUTY AND PROFESSIONAL PRODUCTS, S.L.

By: 
Name: Bonanova Hair and Beauty Consulting
Group, S.L., represented by
Carlos Colomer Casellas

By: 
Name: CVC Directorship 2, S.L.,
represented by
Javier de Jaime Guijarro

By: 
Name: ~~Arturo Alonso Pérez~~

By: 
Name: Gilbert Plá

Trademarks

TRADEMARK	REG. NO.	COUNTRY	OWNER
CREATIVE NAIL DESIGN	1866669	USA	Creative Nail Design, Inc.
C CREATIVE NAIL DESIGN	2220935	USA	Creative Nail Design, Inc.
RETENTION + (Stylized)	2232067	USA	Creative Nail Design, Inc.
SOLARNAIL	2208756	USA	Creative Nail Design, Inc.
SPAMANICURE	2291399	USA	Creative Nail Design, Inc.
SPAPEDICURE	2134214	USA	Creative Nail Design, Inc.
CONTOURS & DESIGN	1493803	USA	Creative Nail Design, Inc.
FABU-LAXER (Stylized)	1304540	USA	Roux Laboratories, Inc.
GINSENG MIRACLE	1986047	USA	A.P. Products LTD.
AMERICAN CREW	2215539	USA	American Crew, Inc.
LOTTABODY	954728	USA	Roux Laboratories, Inc.
MOP	2339212	USA	American Crew, Inc.

Notice Information of Original Companies

Company

Notice Information

Colomer U.S.A., Inc.
Roux Laboratories, Inc.
A.P. Products Ltd.
Creative Nail Design, Inc.
American Crew, Inc.

In each case notice to:
Colomer U.S.A., Inc.

625 Madison Avenue
New York, NY 10022
Telephone: (212) 527-5465
Facsimile: (212) 527-5265
Attention: Mike Powell

With copies in each case to:

The Colomer Group Participations, S.L.
c/o CVC Capital Partners

Hudson House
8-10 Tavistock Street
London WC2E7PP
England
Telephone: 011 44 207 420 4200
Facsimile: 011 44 207 420 4252
Attention: Hardy M. McLain

The Colomer Group Spain, S.L.

Calle Aragon, 499
08013 Barcelona
Spain
Telephone: 011 34 93 344 2000
Facsimile: 011 34 93 344 2100
Attention: Carlos Colomer

Allen & Overy

1221 Avenue of the Americas
New York, NY 10020
Telephone: (212) 610-6300
Facsimile: (212) 610-6399
Attention: Marun Jazbik

Notice Information of Agent

Agent

In each case notice to:
Société Générale, S.A.
C/o Société Générale, Sucursal en España
Attn.: Beatriz Melero

With copies in each case to:
Clifford Chance
Attn: Alicia Docherty

Notice Information

Génova 26
28004 Madrid
Spain
Tel: +34 91 589 3939
Fax: +34 91 589 3978

Paseo de la Castellana, 110
28046 Madrid
Spain
Tel: +34 91 590 7500
Fax: +34 91 590 7575

See attached

See attached

SCHEDULE D