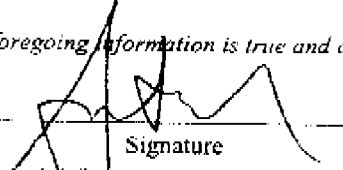


Form PTO-1594 (Rev. 03-01) OMB No. 0651-0027 (exp. 5-31-2002) Tab settings: → → → ▼ ▼ ▼ ▼ ▼ ▼ ▼ ▼		RECORDATION FORM COVER SHEET TRADEMARKS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.					
1. Name of conveying party(ies): <b>Rue De France, Inc.</b>  <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input checked="" type="checkbox"/> Corporation- <b>Delaware</b> <input type="checkbox"/> Other - Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		2. Name and address of receiving party(ies) Name: <b>The CIT Group/Business Credit, Inc.</b> Internal Address: _____ Street Address: <b>1211 Avenue of the Americas, 22nd Floor</b> City: <b>New York</b> State: <b>NY</b> Zip: <b>10036</b> <input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____  <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <b>New York</b> <input type="checkbox"/> Other _____  If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No			
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 Execution Date: <b>July 2, 2003</b>		4. Application number(s) or registration number(s): A. Trademark Application No.(s) <b>74/292,300; 76/163,468</b> Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B. Trademark Registration No.(s) <b>1,789,451</b>			
5. Name and address of party to whom correspondence concerning document should be mailed: Name: <b>Santo Manna, Esq.</b> Internal Address: <b>Schulte Roth &amp; Zabel LLP</b>  Street Address: <b>919 Third Avenue</b>  City: <b>New York</b> State: <b>N.Y.</b> Zip: <b>10022</b>		6. Total number of applications and registrations involved: <b>3</b> 7. Total fee (37 CFR 3.41)..... \$ <b>90.00</b> <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: <b>500675 - Schulte Roth &amp; Zabel LLP</b> (Attach duplicate copy of this page if paying by deposit account)			
DO NOT USE THIS SPACE					
9. Statement and signature. <i>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.</i> <b>Santo Manna, Esq.</b> Name of Person Signing		 Signature		<b>September 5, 2003</b> Date	
Total number of pages including cover sheet, attachments, and document: <b>8</b>		Visit documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231			

**FORM OF SHORT FORM OF TRADEMARK SECURITY AGREEMENT**

**TRADEMARK SECURITY AGREEMENT**, dated as of July 2, 2003, by RUE DE FRANCE, INC. (the "*Grantor*") in favor of The CIT Group/Business Credit, Inc. ("CIT"), as agent for the Secured Parties (as defined in the Financing Agreement referred to below) (in such capacity, the "*Agent*").

**WITNESSETH:**

WHEREAS, pursuant to the Financing Agreement, dated as of July 2, 2003 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Financing Agreement*"), by and among the Grantor, LILLIAN VERNON CORPORATION ("*LVC*"), LILLIAN VERNON INTERNATIONAL LTD. ("*LVIL*"), LVC RETAIL CORPORATION ("*LVC Retail*"), THE CORPORATE SOLUTION, INC. ("*TCST*") and, together with LVC, LVIL, LVC Retail and the Grantor, the foregoing collectively, the "*Borrowers*"), LVC HOLDINGS L.L.C. (the "*Parent*"), CIT and each of the other financial institutions party thereto as Lenders, and the Agent, the Lenders and the Issuing Bank have severally agreed to make extensions of credit to the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, each Borrower is party to a Guaranty pursuant to which it has guaranteed the Obligations of each other Borrower and the Parent is party to a Guaranty pursuant to which it has guaranteed the Obligations of all Borrowers; and

WHEREAS, all the Borrowers (including the Grantor) and the Parent are party to a Pledge and Security Agreement of even date herewith in favor of the Agent (the "*Security Agreement*") pursuant to which the Grantor is required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the Issuing Bank and the Agent to enter into the Financing Agreement and to induce the Lenders and the Issuing Bank to make their respective extensions of credit to the Borrowers thereunder, the Grantor hereby agrees with the Agent as follows:

***Section 1. Defined Terms***

Unless otherwise defined herein, terms defined in the Financing Agreement or in the Security Agreement and used herein have the meaning given to them in the Financing Agreement or the Security Agreement.

***Grant of Security Interest in Trademark Collateral***

The Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of such Grantor, hereby collaterally assigns, conveys, mortgages, pledges, hypothecates and transfers to the Agent for the benefit of the Secured Parties, and grants to the Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the "*Trademark Collateral*");

- (a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on *Schedule I* hereto;

**FORM OF SHORT FORM OF TRADEMARK SECURITY AGREEMENT**

- (b) all reissues, continuations or extensions of the foregoing;
- (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and
- (d) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

***Security Agreement***

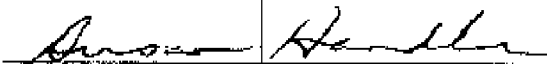
The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Agent pursuant to the Security Agreement and the Grantor hereby acknowledges and affirms that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[SIGNATURE PAGES FOLLOW]

WHEREOF, each Grantor has caused this Trademark Security Agreement to be duly authorized offer as of the date first set forth above.

Very truly yours,

RUE DE FRANCE, INC.  
*as Grantor*

By:   
Name: SUSAN HANDLER  
Title: SECRETARY

**ACKNOWLEDGEMENT OF GRANTOR**

STATE OF New York )  
COUNTY OF New York ) ss.


On this 2 day of July, 2003 before me personally appeared Susan Handler, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Rue de France, Inc. who being by me duly sworn did depose and say that he is an authorized officer of said corporation or other organization, as the case may be, that the said instrument was signed on behalf of said corporation or other organization, as the case may be, as authorized by its Board of Directors (or equivalent management body) and that he acknowledged said instrument to be the free act and deed of said corporation or other organization, as the case may be.

Jennifer Bedoya  
Notary Public

NOTARY PUBLIC  
Notary Public, State of New York  
No. 0188478185  
Qualified in New York County  
Commission Expires July 29, 2006

ACCEPTED AND AGREED  
as of the date first above written:

THE CIT GROUP/BUSINESS CREDIT, INC.,  
*as Agent*

By   
Name: *Christopher J. Esposito*  
Title: *Vice President*

FROM 12125935955 SCHULTE ROTH & ZABEL

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**Rue de France, Inc. — Trademarks**

079055-0034-06227-NY02.2284831.1

06/30/03 6:31 AM

**TRADEMARK**  
**REEL: 002743 FRAME: 0603**

Mark Country	Client	Atty	Case No	Status/First Use	Registration Number/Date	Next Renewal Date
RUE DE FRANCE United States	LILVE	eas	T002289	Registered 02/28/82	1789451 08/24/93	08/24/03
Owner:	Rue de France, Inc.					
Agent:						
Application No:	74/292300			Affidavit of Use: 08/24/98		
Filing Date:	07/09/02			Filed?	yes	
Last Update:	12/30/02			Date Last Renewed:		
Classes: 24, 26 and 42						
Goods: cl 24 - home decoration accessories, namely, curtains and fabrics cl 26 - lace yardage cl 42 - retail store services specializing in the sale of home decorative accessories						
Remarks:						

THE WELL DRESSED WINDOW				
United States	LIVLE	eas	T002955	Pending
Owner: Rue de France, Inc.				
Agent:				
Application No: 76/163468				Affidavit of Use:
Filing Date: 11/09/00				Filed?
Last Update: 09/13/02				Date Last Renewed:
Classes: 24				
Goods: curtains				
Remarks:				