

Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)  
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):  
  
SANDBERG & SIKORSKI CORPORATION  
  
☐ Individual(s)                      ☐ Association  
☐ General Partnership              ☐ Limited Partnership  
☒ Corporation-State  
☐ Other \_\_\_\_\_  
  
Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:  
  
☐ Assignment                      ☐ Merger  
☒ Security Agreement              ☐ Change of Name  
☐ Other \_\_\_\_\_  
  
Execution Date: FEBRUARY 27, 2001

2. Name and address of receiving party(ies)  
Name: FLEET PRECIOUS METALS INC. & FLEET NATIONAL BANK  
Internal  
Address: \_\_\_\_\_  
  
Street Address: 111 WESTMINSTER STREET  
City: PROVIDENCE State: RI Zip: 02903  
  
☐ Individual(s) citizenship \_\_\_\_\_  
☐ Association \_\_\_\_\_  
☐ General Partnership \_\_\_\_\_  
☐ Limited Partnership \_\_\_\_\_  
☒ Corporation-State RHODE ISLAND  
☐ 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) 78/414,243  
AND OTHERS  
  
Additional number(s) attached ☒ Yes ☐ No


B. Trademark Registration No.(s) 1,559,760,  
1,801,525 AND OTHERS

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: ANNA ERENBURG  
  
Internal Address: \_\_\_\_\_  
  
  
  
Street Address: GOTTLIEB, RACKMAN & REISMAN  
270 MADISON AVENUE  
  
City: NEW YORK State: NY Zip: 10016

6. Total number of applications and registrations involved: 37  
  
7. Total fee (37 CFR 3.41).....\$ 940.00  
☐ Enclosed  
☒ Authorized to be charged to deposit account  
  
8. Deposit account number:  
07-1730 GOTTLIEB, RACKMAN & REISMAN P.C.

DO NOT USE THIS SPACE

9. Signature.  
  
ANNA ERENBURG  
Name of Person Signing

  
Signature

JUNE 17, 2004  
Date

Total number of pages including cover sheet, attachments, and document: 12

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

CH \$940.00 071730 78414243

**EXHIBIT A TO THE COLLATERAL SECURITY AGREEMENT**  
**(U.S. INTELLECTUAL PROPERTY OF RECORD)**

<b>MARK</b>	<b>REG. NO.</b>	<b>REG. DATE</b>
EMBRACEABLES	1,559,760	October 10, 1989
A MOTHER'S HEART	1,801,525	October 26, 1993
BEAUTIFUL BEGINNINGS	1,727,441	October 27, 1992
THE BRIDE AND GROOM COLLECTION	1,829,353	April 5, 1994
CONTOUR COLLECTION	1,842,883	July 5, 1994
S & S	1,411,245	September 30, 1986
A. JAFFE	1,858,530	October 18, 1994
S S Design	1,889,803	April 18, 1995
FAMILY HEART	2,242,058	April 27, 1999
BRIDAL WORKS	2,207,195	December 1, 1998
CUSHION FIT	2,219,615	January 19, 1999
LOVE PEACE	2,255,996	June 22, 1999
A PERFECT CUT	2,643,119	October 29, 2002
A (Stylized)	2,580,096	June 11, 2002
A FLAWLESS DIAMOND AS PRECIOUS AS TRUE FRIENDSHIP	2,738,515	July 15, 2003
A FLAWLESS DIAMOND FOR THE PERFECT DAD	2,748,331	August 5, 2003
A FLAWLESS DIAMOND FOR THE PERFECT MOM	2,698,624	March 18, 2003
CAPTURE THE MOMENT	2,705,269	April 8, 2003

EMBRACEABLES EMRACE YOUR PROMISE & Design	2,728,853	June 24, 2003
GUIDING LIGHT	2,237,076	April 6, 1999
LANGUAGE OF LOVE	2,236,216	January 20, 1998
LANGUAGE OF LUXURY	2,707,809	April 15, 2003
QUINTETTE	2,716,475	May 13, 2003
THE GROOM'S CHOICE	2,327,290	March 7, 2000
THE PRICELESS COLLECTION	2,778,403	October 28, 2003
WHERE YOUR LOVE IS SET FOR LIFE	2,478,602	August 14, 2001
WITH THIS RING	2,698,647	March 18, 2003

<u>MARK</u>	<u>APP. SERIAL NO.</u>	<u>FILING DATE</u>
A (Stylized) and Design	78/414,243	May 6, 2004
"Diamond"	78/414,232	May 6, 2004
"Diamond"	78/417,627	May 12, 2004
DIAMONDS ARE A GIRL'S BEST FRIEND	78/366,026	February 11, 2004
GUINEVERE	78/326,579	November 12, 2003
HERE, THERE AND EVERYWHERE	75/837,223	November 1, 1999
Ring Design	78/360,137	January 30, 2004
PINK	78/386,695	March 18, 2004
SOME JEWELRY SPEAKS LOUDER THAN WORDS	78/719,868	May 17, 2004
TEARS OF JOY	76/529,319	July 14, 2003

**EXHIBIT A TO THE COLLATERAL SECURITY AGREEMENT**  
**(NON-U.S. INTELLECTUAL PROPERTY)**

<u>MARK</u>	<u>COUNTRY</u>	<u>REG. NO.</u>	<u>REG. DATE</u>
A (Stylized)	Canada	579,209	April 8, 2003
A (Stylized)	European Union	2,099,398	June 17, 2002
A. JAFFE	European Union	866,866	October 22, 1999
A. JAFFE CRAFTSMAN SINCE 1892	Canada	576,438	February 26, 2003
SAS	Canada	600,917	January 29, 2004

### COLLATERAL SECURITY AGREEMENT

This Collateral Security Agreement is made effective as of February 27, 2001 (the "Effective Date"), by and among FLEET PRECIOUS METALS INC., a Rhode Island corporation ("FPM") and FLEET NATIONAL BANK, a national banking association (the "Bank"), both with offices at 111 Westminster Street, Providence, Rhode Island 02903 (FPM and the Bank may be hereinafter referred to, individually as a "Lender" and, jointly, as "Lenders"), and SANDBERG & SIKORSKI CORPORATION, a New York corporation with its principal address at 37 West 26<sup>th</sup> Street, New York, New York 10010 ("Borrower").

WHEREAS, Borrower has incurred obligations to Lenders. As used in this Collateral Security Agreement, "Obligations" means (i) the due and punctual payment of that certain Amended and Restated Line of Credit Note of the Borrower dated as of February 27, 2001 issued to FPM in the maximum principal amount of Sixteen Million Dollars (\$16,000,000), as the same may be amended from time to time (as the same may be amended, restated or replaced from time to time, the "Line of Credit Note"), (ii) the due and punctual payment of that certain Amended and Restated Term Promissory Note of the Borrower dated as of February 27, 2001 issued to FPM in the original principal amount of Two Hundred Forty-Nine Thousand Three Hundred Thirty-Three and 19/100 Dollars (\$249,333.19) (as the same may be amended, restated or replaced from time to time, the "Term Note"), (iii) the payment and performance of all the obligations of the Borrower contained herein and in that certain Second Amended and Restated Loan and Consignment Agreement dated as of February 27, 2001 by and between the Borrower and the Lenders (as the same may be amended, restated or replaced from time to time, the "Loan and Consignment Agreement"), and (iv) all other future advances to Borrower by Lenders, or either of them, and all other indebtedness, liabilities and obligations of Borrower to Lenders and each of them, of every kind and description, whether direct, indirect or contingent, now or hereafter existing, due or to become due, and howsoever arising, incurred or evidenced;

WHEREAS, Lenders and Borrower desire to secure, in the manner provided herein, Borrower's Obligations to Lenders under the above enumerated documents and agreements by Borrower granting to Lenders a security interest in Borrower's trademarks, servicemarks and tradenames specified in Exhibit A attached hereto, and goodwill associated therewith (all of the foregoing collectively referred to as "Intellectual Property");

"Of Record" means recorded in the U.S. Patent and Trademark Office.

NOW, THEREFORE, in consideration of the promises and agreements herein and Lenders' execution simultaneously herewith of an Assignment Agreement assigning to Borrower the Intellectual Property, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lenders hereby agree as follows:

1. To secure the complete and timely payment and satisfaction of the Obligations, Borrower hereby grants, assigns and conveys to Lenders a first priority security interest in the Intellectual Property, all its proceeds (such as, by way of example, license royalties and proceeds of infringement suits), right to sue for past, present and future infringements, and all re-issues, divisions, continuations, extensions and renewals of the said Intellectual Property.
2. Borrower covenants and warrants that:
  - a. Exhibit A hereto correctly describes all Borrower's live trademarks, trademark applications, servicemarks and tradenames Of Record;
  - b. To the best of Borrower's knowledge, the Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;
  - c. Borrower is the sole and exclusive owner Of Record of the entire and unencumbered right, title and interest in and to the Intellectual Property, free and clear of any liens, charges and encumbrances Of Record; and
  - d. Borrower has the unqualified right to enter into this Agreement and perform its terms.
3. Except as specifically set forth in Paragraph 2, Borrower does not warrant that the Intellectual Property might not be declared invalid if challenged in court, and does not warrant that no other person has rights to use the Intellectual Property.
4. Borrower hereby covenants and agrees with the Lenders that the Borrower
  - a. shall take such action as is reasonably necessary to protect the Intellectual Property against all claims and demands of all persons at any time claiming any interest therein;
  - b. shall promptly pay any and all taxes, assessments and governmental charges upon the Intellectual Property.
5. Borrower agrees that until the Obligations shall have been paid and performed in full, Borrower will not, without Lenders' prior written consent, enter into any agreement which is inconsistent with Borrower's Obligations under this Collateral Security Agreement, including, without limitation, any license which grants to any person or entity, other than Lenders, rights to or interests in any Intellectual Property.

Notwithstanding the foregoing, Borrower may enter into agreements, and make or grant assignments and licenses of the Intellectual Property in the ordinary course of Borrower's business.

6. In the event that Borrower shall be in default of any of its Obligations under the aforementioned agreements, Lenders shall have, in addition to the full rights and remedies under this Collateral Security Agreement and the aforementioned agreements, the rights and remedies allowed by law and under the Uniform Commercial Code as enacted in any jurisdiction in which the Intellectual Property may be located and, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Borrower, all of which are hereby expressly waived, and without advertisement, Lenders may sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Intellectual Property, or any interest which Borrower may have therein. Lenders shall, after deducting from the proceeds of sale or other disposition of the Intellectual Property all expenses (including all reasonable expenses for brokers' fees and legal services), apply the residue of such proceeds toward the payment of the Obligations in accordance with the terms of the aforementioned agreements. Notice of any sale or other disposition of the Intellectual Property shall be given to Borrower at least five (5) days before the time of any intended public or private sale or other disposition of the Intellectual Property is to be made, which Borrower here agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lenders may purchase the whole or any part of the Intellectual Property sold, free from any right of redemption on the part of Borrower, which right is hereby waived and released.
7. Notwithstanding anything to the contrary herein or in any agreement between or Borrower and the Lenders, if Borrower shall be in default of any of its Obligations under the aforementioned agreements, in addition to any and all other rights and remedies that Lenders may have under any other agreements or at law, the Borrower hereby irrevocably constitutes and appoints FPM and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of Borrower and in the name of Borrower or FPM's own name or the name of FPM's designee, all acts of said attorney being hereby ratified and confirmed, except to the extent any of the same constitute gross negligence or willful misconduct, such power being coupled with an interest is irrevocable, upon default of any of its Obligations and the continuance thereof:
  - a. to convey to the Lenders or any purchaser any or all of the Intellectual Property, together with the goodwill of the business represented thereby, and to execute and file or cause to be filed any and all

assignments and other documents and instruments that may be necessary or desirable to accomplish the purposes of such conveyance;

- b. to collect proceeds from the Intellectual Property (including, by way of example, license, royalties and proceeds of infringement suits);
  - c. convey in any bona fide transactions to a purchaser goods utilizing any of the Intellectual Property; and
  - d. to make payment or discharge taxes or liens levied or placed upon or threatened against any goods utilizing the Intellectual Property the legality or validity thereof and the amounts necessary to discharge the same to be determined by FPM, in its sole discretion, and such payments made by FPM to become the obligations of Borrower to the Lenders, due and payable immediately, without demand.
8. At such time as Borrower shall completely satisfy all the Obligations, Lenders shall execute and deliver to Borrower all deeds, assignments and any other instruments as may be necessary or proper to release the Intellectual Property from any and all liens, charges, encumbrances, and security interests placed thereon by this Collateral Security Agreement.
9. Borrower shall, at its own expense, have the duty to diligently maintain and renew the Intellectual Property until the Obligations shall have been paid in full, provided such Intellectual Property is in use at the applicable time.
10. Borrower agrees that until the Obligations have been satisfied in full, Borrower will execute further security agreements to the Lenders, of like tenor to this Agreement, granting a security interest in and lien upon any and all trademarks and trademark applications and any licenses of any trademarks that Borrower shall effect, acquire or make application for and which shall be Of Record, so as to confirm and perfect the Lenders' interest therein.
11. No course of dealing between Borrower and Lenders nor any failure to exercise no any delay in exercising, on the part of Lenders, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other further exercise thereof or the exercise of any other right, power or privilege.
12. All of Lenders' rights and remedies with respect to the Intellectual Property whether established here or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.



13. The provisions of this Collateral Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Collateral Security Agreement in any jurisdiction.
14. This Collateral Security Agreement is subject to modification only by a writing signed by the parties.
15. The benefits and burdens of this Collateral Security Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
16. This validity and interpretation of the Collateral Security Agreement and the rights and obligations of the parties shall be governed by and construed in accordance with the laws of the State of Rhode Island.

IN WITNESS WHEREOF, Borrower and Lenders have caused this Collateral Security Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

FLEET NATIONAL BANK

By: *Steven R. Noack*  
 Name: STEVEN R. NOACK  
 Title: VICE PRESIDENT

State of Rhode Island  
 County of Providence

#### ACKNOWLEDGEMENT

On this day 16 day of June, 2004, before me personally appeared the above-named Steven R. Noack and the VP and \_\_\_\_\_ respectively, of Fleet National Bank, to me known and known by me to be the parties executing the foregoing instrument, and, being duly sworn, they acknowledged said instrument, by them executed, to be their free act and deed in their capacities, and the free act and deed of Fleet National Bank.

*Diane L. Haley*  
 NOTARY PUBLIC

FLEET PRECIOUS METALS INC.

By: Steven R. Noack

Name: \_\_\_\_\_  
Title: **STEVEN R. NOACK**  
**VICE PRESIDENT**

State of Rhode Island  
County of Providence

ACKNOWLEDGEMENT

On this day 16 day of June, 2004, before me personally appeared the above-named Steven R. Noack and \_\_\_\_\_ the VP and \_\_\_\_\_, respectively, of Fleet Precious Metals Inc., to me known and known by me to be the parties executing the foregoing instrument, and, being duly sworn, they acknowledged said instrument, by them executed, to be their free act and deed in their capacities, and the free act and deed of Fleet Precious Metals Inc.

Deanne L. Haley  
NOTARY PUBLIC

SANDBERG & SIKORSKI CORPORATION

By:

*Samuel Sandberg*

Name:

SAMUEL SANDBERG

Title:

SECRETARY/TREASURER

State of

NY )

County of

NY )

ACKNOWLEDGEMENT

On this day 16 day of June, 2004, before me personally appeared the above-named SAMUEL SANDBERG the SECRETARY/TREASURER of Sandberg & Sikorski Corporation, to me known and known by me to be the party executing the foregoing instrument, and, being duly sworn, he/she acknowledged said instrument, by him to be his free act and deed in his said capacity, and the free act and deed of Sandberg & Sikorski Corporation.

*Teresa Pizzurro*  
NOTARY PUBLIC

TERESA PIZZURRO  
COMMISSIONER OF DEEDS  
CITY OF NEW YORK NO. 5-1300  
CERTIFICATE FILED IN RICHMOND  
COMMISSION EXPIRES 7/1/04