

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Seven Licensing Company, LLC		06/14/2004	LTD LIAB JT ST CO: CALIFORNIA

RECEIVING PARTY DATA	
Name:	Eyal Ben Yosef
Street Address:	c/o Federal Jeans, Inc. 1385 Broadway, 4th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10018
Entity Type:	INDIVIDUAL: UNITED STATES
Name:	Miriam Moussaieff
Street Address:	c/o Federal Jeans, Inc. 1385 Broadway, 4th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10018
Entity Type:	INDIVIDUAL: UNITED STATES

PROPERTY NUMBERS Total: 4		
Property Type	Number	Word Mark
Serial Number:	78238780	SEVEN 7
Serial Number:	78239002	SEVEN 7
Serial Number:	78366543	STUDIO SEVEN 7
Serial Number:	78366538	STUDIO SEVEN

CORRESPONDENCE DATA	
Fax Number:	(516)432-7016
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	516 889-9353

OP \$115.00 78238780

Email: bkrasner@optonline.net
Correspondent Name: Bennett D. Krasner, Esq.
Address Line 1: 1233 Beech St. No. 49
Address Line 4: Atlantic Beach, NEW YORK 11509

NAME OF SUBMITTER:

Bennett D. Krasner, Esq.

Total Attachments: 16

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SECURITY AGREEMENT

AGREEMENT, dated June 14, 2004, between Gerard Guez , having an address at 992 North Alpine Drive, Beverly Hills, CA 90210, Jacqueline Rose, having an address at 992 North Alpine Drive, Beverly Hills, CA 90210, and Seven Licensing Company, LLC, a California limited liability company, having an address at 9000 Sunset Blvd. 16th Floor, Los Angeles, CA 90069 (collectively hereinafter referred to as "Debtor"), and Eyal Ben Yosef and Miriam Moussaieff, each having an address at c/o Federal Jeans, Inc. 1385 Broadway, 4th Floor, New York, New York 10018 (collectively hereinafter referred to as "Secured Party").

WITNESSETH:

WHEREAS, concurrently herewith Secured Party is lending to Debtor the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00), as evidenced by a Promissory Note of even date herewith (the "Note"); and

WHEREAS, in order to induce Secured Party to make said loan, Debtor has agreed to pledge to Secured Party certain property as security for the loan;

NOW THEREFORE, in consideration of Ten Dollars, and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Definitions. The following terms as used in this Agreement shall have the meanings set forth below:

"Collateral" shall mean all of the property set forth in Exhibit A attached hereto and made a part hereof, and all property of the same class or character acquired by Debtor subsequent to the date hereof, and all proceeds thereof, and all substitutions, replacements and accessions thereto.

"Obligations" shall mean all principal and interest due or to become due under the aforesaid Note, and any other indebtedness or liability of Debtor to Secured Party, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

2. Creation of the Security Interest. Debtor hereby grants to Secured Party a security interest in all of the right, title and interest of Debtor in and to the Collateral to secure the full and prompt payment and performance of all of the Obligations.

3. Debtor's Obligations to Pay. Debtor shall pay and perform all of the Obligations of Debtor to Secured Party as the same may become due according to their terms. Debtor shall be liable for, and shall reimburse to Secured Party, all expenses, including reasonable attorneys' fees, incurred or paid in connection with establishing, perfecting, maintaining, protecting or enforcing any of Secured Party's rights and remedies hereunder.

4. Protection of the Collateral. Debtor shall defend the title to the Collateral against all claims and demands whatsoever. Debtor shall keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments, and shall pay all taxes, assessments and fees relating to the Collateral. Upon request by Secured Party, Debtor shall furnish further assurances of title, execute any further instruments and do any other acts necessary to effectuate the purposes and provisions of this Agreement. Debtor shall not sell, exchange, assign, transfer or otherwise dispose of the Collateral, and shall not encumber, hypothecate, mortgage, create a lien on or security interest in the Collateral, without the prior written consent of Secured Party in each instance. The risk of loss of the Collateral at all times shall be borne by Debtor. Debtor shall keep the Collateral in good repair and condition and shall not misuse, abuse or waste the Collateral or allow the Collateral to deteriorate except for normal wear and tear.

The Collateral shall be kept at Debtor's place of business set forth above, except for temporary removal in connection with its ordinary use or unless Debtor shall have obtained the prior written consent of Secured Party for its removal to another location. Secured Party shall have the right to enter upon Debtor's premises at any reasonable time, and from time to time, to inspect the Collateral.

5. Filing and Recording. Debtor, at its own cost and expense, shall execute and deliver to Secured Party any financing statements, and shall procure for Secured Party any other documents, necessary or appropriate to protect the security interest granted to Secured Party hereunder against the rights and interests of third parties, and shall cause the same to be duly recorded and filed in all places necessary to perfect the security interest of Secured Party in the Collateral. In the event that any recording or re-filing thereof (or filing of any statements of continuation or assignment of any financing statement) is required to protect and preserve such security interest, Debtor, at its own cost and expense, shall cause the same to be re-recorded and/or refiled at the time and in the manner requested by Secured Party. Debtor hereby authorizes Secured Party to file or refile any financing statements or continuation statements with respect to the security interest granted pursuant to this Agreement which at any time may be required or appropriate, although the same may have been executed only by Secured Party, and to execute such financing statement on behalf of Debtor. Debtor hereby irrevocably designates Secured Party, its agents, representatives and designees, as agent and attorney-in-fact for Debtor for the aforesaid purposes.

6. Default. The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a default hereunder, whether such occurrence is voluntary or involuntary or comes about or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental authority:

- (a) If Debtor shall default in the payment of any principal or interest due under the Note; or
- (b) If Debtor (or any of the parties which comprise Debtor) shall fail to pay, perform or observe any covenant, agreement, term or provision of this Agreement, or any other agreement or arrangement now or hereafter entered into

between the parties hereto or with respect to any Obligation of Debtor (or any of the parties which comprise Debtor) to Secured Party; or

(c) If any representation, warranty or other statement of fact herein or in any writing, certificate, report or statement at any time furnished to Secured Party pursuant to or in connection with this Agreement or the Note shall be false or misleading in any material respect; or

(d) If Debtor (or any of the parties which comprise Debtor) shall: admit in writing its inability to pay its debts generally as they become due; file a petition for relief under the bankruptcy laws or a petition to take advantage of any insolvency act; make an assignment for the benefit of creditors; commence a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or the whole or any substantial part of its property; file a petition or answer seeking reorganization or arrangement or similar relief under the federal Bankruptcy Laws or any other applicable law or statute of the United States or any state; or if Debtor (or any of the parties which comprise Debtor) shall be adjudged a bankrupt or insolvent, or a court of competent jurisdiction shall enter any order, judgment or decree appointing a receiver, trustee, liquidator or conservator of Debtor (or any of the parties which comprise Debtor) or of the whole or any substantial part of the property of Debtor (or any of the parties which comprise Debtor) or approves a petition filed against Debtor (or any of the parties which comprise Debtor) seeking reorganization or similar relief under the federal Bankruptcy Laws or any other applicable law or statute of the United States or any state; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Debtor (or any of the parties which comprise Debtor) or the whole or any substantial part of its property; or if there is commenced against Debtor (or any of the parties which comprise Debtor) any proceeding for any of the foregoing relief; or if Debtor (or any of the parties which comprise Debtor) by any act indicates its consent to, approval of, or acquiescence in any such proceeding; or

(e) If any creditor of Debtor (or any of the parties which comprise Debtor) for any reason whatsoever hereafter shall accelerate payment in whole or in part of any outstanding obligation owed to it by Debtor (or any of the parties which comprise Debtor) under any agreement or arrangement, or if any judgment against the Debtor (or any of the parties which comprise Debtor) or any execution against any of its property for any amount remains unpaid, unstayed or undischarged for a period in excess of ten days; or

(f) If Debtor (or any of the parties which comprise Debtor) or any guarantor or surety of any Obligation shall die or cease to exist; or

(g) If there occur any reduction in the value of the Collateral or any act of Debtor (or any of the parties which comprise Debtor) which imperils the prospect of the full performance or satisfaction of the Obligations; or

(h) If all or any part of the Collateral shall be sold, transferred or assigned, or shall be further encumbered, hypothecated, mortgaged, or made subject to any other lien or security interest, without the prior written consent of Secured Party.

7. **Rights and Remedies.** Upon the occurrence of an Event of Default, the Obligations shall immediately become due and payable in full without notice or demand. Secured Party shall have all rights and remedies provided by the Uniform Commercial Code in effect in the State of New York and California on the date hereof. In addition to, or in conjunction with, or substitution for such rights and remedies, Secured Party may at any time and from and after the occurrence of an Event of Default hereunder:

(a) with or without notice to Debtor, foreclose the security interest created herein by any available judicial procedure, or take possession of the Collateral, or any portion thereof, with or without judicial process, and enter any premises where the Collateral may be located for the purpose of taking possession of or removing the same, or rendering the same unusable, or disposing of the Collateral on such premises, and Debtor agrees not to resist or interfere therewith;

(b) require Debtor to prepare, assemble or collect the Collateral, at Debtor's own expense, and make the same available to Secured Party at such place as Secured Party may designate, whether at Debtor's premises or elsewhere;

(c) sell, lease or otherwise dispose of all or any part of the Collateral, whether in its then condition or after further preparation, in Debtor's name or in its own name, or in the name of such party as Secured Party may designate, either at public or private sale (at which Secured Party shall have the right to purchase), in lots or in bulk, for cash or for credit, with or without representations or warranties, and upon such other terms as Secured Party, in its sole discretion, may deem advisable; and ten days' written notice of such public sale date or dates after which private sale may occur, or such lesser period of time in the case of an emergency, shall constitute reasonable notice hereunder;

(d) execute and deliver documents of title, certificates of origin, or other evidence of payment, shipment or storage of any Collateral or proceeds on behalf of and in the name of Debtor;

(e) remedy any default by Debtor hereunder, without waiving such default, and any monies expended in so doing shall be chargeable with interest to Debtor and added to the Obligations secured hereby;

(f) apply for an injunction to restrain a breach or threatened breach of this Agreement by Debtor;

(g) demand for and collect, enforce, receive and receipt for any sums or property now or hereafter payable on account of the Collateral; inspect Debtor's books,

records and files and make copies or extracts of same under reasonable procedures acceptable to Secured Party and arrange for verification of any accounts directly with the account debtor or otherwise; in the event of Default, enter into any agreement, compromise or settlement relating to or affecting any Collateral, whether pledged pursuant to this Agreement or any other agreement, including, without limitation, any agreement to deposit or surrender control of all or any part of the Collateral, or to accept other property in exchange for the Collateral which may be either applied to the Obligations or held by Secured Party pursuant to this Agreement; make such payments and perform such acts as Secured Party may deem necessary to preserve and insure the Collateral or its value or Secured Party's security interest, including, without limitation, any action which Debtor shall have agreed to take pursuant to the terms of this Agreement; assign its rights in this Agreement in full or in part; accept new or additional documents, instruments or agreements relative to any Obligations; with respect to any evidence of Obligations or this Agreement or any other security agreement, release, add or substitute any guarantor or third party pledgor, whether such obligor executes the original document or any renewal, extension or modification; (i) now or in the future take additional Collateral as security for any Obligations and exchange, substitute, enforce, waive, subordinate, modify and release in any manner any present or later acquired Collateral or Secured Party's security interest in the Collateral. Secured Party may, but is not obligated to, exercise any authority granted herein at its sole option and any such exercise or failure to exercise shall not decrease the liability of Debtor; and

(h) with or without notice to Debtor, foreclose the security interest created herein by transferring ownership of record in the United States Patent and Trademark Office of the collaterally assigned trademark(s) to Secured Party.

If, after an Event of Default, Secured Party shall foreclose upon the security interest in the Collateral, Debtor shall pay to Secured Party, as compensation for the attorneys' fees of Secured Party, an amount equal to reasonable attorney fees.

8. Cumulative Rights. All rights, remedies and powers granted to Secured Party herein, or in any instrument or document related hereto, or provided or implied by law or in equity shall be cumulative and may be exercised singly or concurrently on any one or more occasions.

9. Debtor's Representations and Warranties. Debtor hereby represents and warrants to Secured Party that:

(a) Debtor is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it may be bound. Neither the execution nor the delivery of this Agreement, nor the consummation of the transactions herein contemplated, nor compliance with the provisions hereof, will violate any law or regulation, or any order or decree of any court of governmental authority, or will conflict with, or result in the breach of, or constitute a default under, any indenture, mortgage, deed or trust, agreement or

other instrument to which Debtor is a party or by which Debtor may be bound, or result in the creation or imposition of any lien, claim or encumbrance upon any property of Debtor.

(b) Debtor has the power to execute, deliver and perform the provisions of this Agreement and all instruments and documents delivered or to be delivered pursuant hereto, and has taken or caused to be taken all necessary or appropriate actions to authorize the execution, delivery and performance of this Agreement and all such instruments and documents.

(c) Debtor is the legal and equitable owner of the Collateral, free and clear of all security interests, liens, claims and encumbrances of every kind and nature. Except as may be set forth in Exhibit A annexed hereto, no financing statement covering the Collateral or its proceeds is on file in any public office and Secured Party's security interest herein granted is and shall be senior to all other security interests and liens.

(d) No default exists, and no event which with notice or the passage of time, or both, would constitute a default under the Collateral by any party thereto, and there are no offsets, claims or defenses against the obligations evidenced by the Collateral, except as may be expressly set forth in Exhibit A annexed hereto.

(e) All information provided by Debtor to Secured Party, including, but not limited to, financial statements or other reports and statements whether oral or written, is and will be correct and true in all material respects taken as a whole and each account and contract right and any document relating thereto represents an undisputed claim or demand for the amount shown due and is not subject to any known defense, offset, counterclaim or any contingency whatsoever

10. Notices. All notices, requests, demands or other communications provided for herein shall be in writing and shall be deemed to have been properly given if sent by Federal Express courier or by registered or certified mail, return receipt requested, with postage prepaid, addressed to the parties at their respective addresses herein above set forth, or at such other addresses as the parties may designate in writing. Each of the parties which comprise Debtor immediately shall notify Secured Party of any change in the address of Debtor or discontinuance of the place of business or residence of Debtor.

11. Modification and Waiver. No modification or waiver of any provision of this Agreement, and no consent by Secured Party to any breach thereof by Debtor, shall be effective unless such modification or waiver shall be in writing and signed by Secured Party, and the same shall then be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing. No course of dealing between Debtor and Secured Party in exercising any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder. All such rights and remedies shall continue unimpaired, notwithstanding any delay, extension of time, renewal, compromise or other indulgence granted with respect to any of the Obligations. Debtor hereby waives all notice of any such delay,

extension of time, renewal, compromise or indulgence, and consents to be bound thereby as fully and effectually as if Debtor expressly had agreed thereto in advance. The aforesaid Note may be negotiated by Secured Party, without releasing Debtor or the Collateral.

12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. Secured Party may assign this Agreement, and if assigned, the assignee shall be entitled, upon notifying Debtor, to the payment and performance of all of the Obligations and agreements of Debtor hereunder and to all of the rights and remedies of Secured Party hereunder, and Debtor will assert no claims or defenses Debtor may have against Secured Party against the assignee. The gender and number used in this Agreement are used for reference term only and shall apply with the same effect whether the parties are masculine, feminine, neuter, singular or plural.

13. Miscellaneous. This Agreement and the documents executed thereunder and the rights and obligations of the parties hereunder and thereunder shall be construed in accordance with and be governed by the laws of the State of New York. Subject to the continuing jurisdiction of the Bankruptcy Court during the pendency of a Chapter 11 Case, any legal action or proceeding with respect to this Agreement or any other Loan Document may be brought in the courts of the State of New York or of the United States for the Southern District of New York, and, by execution and delivery of this Agreement, Debtor hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Nothing herein shall affect the right of Secured Party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against Debtor in any other jurisdiction. The invalidity or unenforceability of any provision of this Agreement shall not effect the validity or enforceability of any other provision of this Agreement. Debtor covenants and agrees to execute and deliver to Secured Party on demand such additional assurances, writings and instruments as may be required by Secured Party for purposes of effectuating the intent of this Agreement. The captions in this Agreement are for convenience only, and shall not be considered in construing this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

In the presence of:

Gerard Guez

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

In the presence of:

[Signature]
[Signature]

[Signature]
Gerard Guez

[Signature]
[Signature]

[Signature]
Jacqueline Rose

SEVEN LICENSING COMPANY, LLC

[Signature]
[Signature]

By [Signature]
Gerard Guez, Manager

Eyal Ben Yosef

Miriam Moussaieff

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

In the presence of:

[Signature]
[Signature]
[Signature]

[Signature]
Gerard Guoz

[Signature]
Jacqueline Rose

SEVEN LICENSING COMPANY, LLC

[Signature]
[Signature]
[Signature]

By [Signature]
Gerard Guoz, Manager

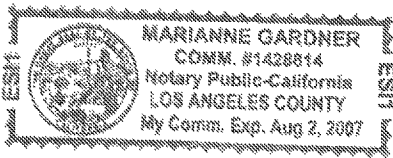
[Signature]
Eyal Ben Yosef

[Signature]
Mina Moussaieff

Ninel Smelyanskaya
Lyubov Sebeva

STATE OF California COUNTY OF Los Angeles

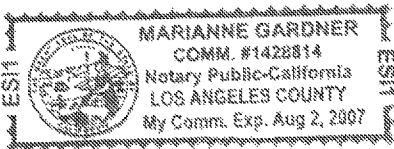
On the 14th day of June, 2004, before me, the undersigned notary public, personally appeared Gerard Guez, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Marianne Gardner
Notary Public
My commission expires on 8-2-2007

STATE OF California COUNTY OF Los Angeles

On the 14th day of June, 2004, before me, the undersigned notary public, personally appeared Jacqueline Rose, ~~personally known to me or~~ proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

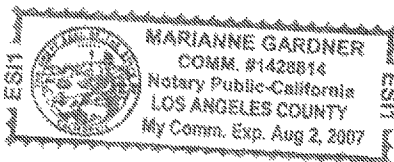


Marianne Gardner
Notary Public
My commission expires on 8-2-2007

Acknowledgment for Seven Licensing Company, LLC:

STATE OF California COUNTY OF Los Angeles, ss.

On the 14th day of June, 2004, before me, the undersigned notary public, personally appeared Gerard Guez, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Marianne Gardner
Notary Public

SECURITY AGREEMENT

dated June __, 2004

among

Gerard Guez
Jacqueline Rose
Seven Licensing Company, LLC

Debtor

and

Eyal Ben Yosef
Miriam Moussaieff

Secured Party

Exhibit A

Contract Rights and Accounts. All of Debtors' right, title and interest in and to any and all contracts, written or oral, expressed or implied, now existing or hereafter entered into or arising, in any manner related to, intellectual property licensing, use, sale, conversion or other disposition of any interest in the Intellectual Property described below, and the Royalties from the licensing of the Intellectual Property or any combination, including any and all deposits, prepaid items, and payments due and to become due thereunder.

Intellectual Property. All of the Debtors' right, title, and interest in and to (i) all trade names, trademarks, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, of Debtor Seven Licensing Company, LLC (hereinafter referred to as "SLC") or any wholly owned subsidiary of SLC; (ii) all registrations, recordings and unregistered uses thereof, and all applications in connection therewith and reissues, extensions or renewals thereof, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office (hereinafter referred to as "USPTO") or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof; (iii) all derivatives thereof; and (iv) all goodwill of the business symbolized thereby. The applicable trademark applications include, without limitation, the USPTO applications for registration of the trademarks "Seven7" (USPTO Serial No. 78238780), the stylized version of "Seven7" (USPTO Serial No. 78239002), "Studio Seven" (USPTO Serial No. 78366538), and "Studio Seven 7" (USPTO Serial No. 78366543).

Other Intangibles. All contract rights, accounts, instruments and general intangibles, as such terms from time to time are defined in the New York Uniform Commercial Code, in any manner related to the use, operation, sale, conversion or other disposition (voluntary or involuntary) of the Debtors and Royalties (including but not limited to Licensing Agreements) including all permits, licenses, insurance policies, rights of action, and other choses in action.

Ownership Interest of Seven Licensing Company LLC. All of Debtors', Jacqueline Rose and/or Gerard Guez, membership interest in and to SLC, including but not limited to any issued and/or outstanding stock.

Proceeds. All proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, the Collateral including, without limitation, all claims of the Debtor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

As used in this Schedule the term "include" is for illustrative purposes only and is always without limitation.

GRANT OF SECURITY INTEREST IN AND
MORTGAGE OF UNITED STATES TRADEMARKS

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Seven Licensing Company, LLC, a California limited liability company with principal offices at 9000 Sunset Blvd. 16th Floor, Los Angeles, CA 90069 (the "Grantor"), hereby assigns, grants and mortgages to Eyal Ben Yosef and Miriam Moussaieff, with principal offices at c/o Federal Jeans, Inc. 1385 Broadway, 4th Floor, New York, New York 10018 (collectively, the "Grantee"), a security interest in all of the Grantor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, together with all proceeds of the Collateral (as such term is defined in Exhibit A of the Security Agreement referred to below) and products of the Marks, and the goodwill of the businesses symbolized by the Marks, and all causes of action arising prior to or after the date hereof for infringement of any of the Marks or unfair competition regarding the same.

This Agreement is entered into to secure the Grantor's full and prompt performance and payment of all the Obligations (as such term is defined in the Security Agreement dated as of June 14, 2004 by and among the Grantor, the Grantee, Gerard Guez and Jacqueline Rose, both having an address at 992 North Alpine Drive, Beverly Hills, CA 90210, and other assignors from time to time party thereto (as amended from time to time, the "Security Agreement")). Upon the occurrence of the Termination Date (as such term is defined in the Security Agreement), the Grantee shall, upon such satisfaction, execute, acknowledge, and deliver to the Grantor such statements, documents or other instruments in writing as may be reasonably requested by Grantor releasing the security interest and mortgage in the Marks granted under this Agreement and the Security Agreement.

This Agreement has been entered into in conjunction with the security interest granted to the Grantee under the Security Agreement. The rights and remedies of the Grantee with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Agreement are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.


The undersigned have executed this Agreement as of the date first above written.

Grantor:

Grantee:

SEVEN LICENSING COMPANY, LLC

By


Gerard Guez, Manager

Eyal Ben Yosef

Miriam Moussaieff

**GRANT OF SECURITY INTEREST IN AND
MORTGAGE OF UNITED STATES TRADEMARKS**

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Seven Licensing Company, LLC, a California limited liability company with principal offices at 9000 Sunset Blvd. 16th Floor, Los Angeles, CA 90069 (the "Grantor"), hereby assigns, grants and mortgages to Eyal Ben Yosel and Miriam Moussaieff, with principal offices at c/o Federal Jeans, Inc. 1385 Broadway, 4th Floor, New York, New York 10018 (collectively, the "Grantee"), a security interest in all of the Grantor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, together with all proceeds of the Collateral (as such term is defined in Exhibit A of the Security Agreement referred to below) and products of the Marks, and the goodwill of the businesses symbolized by the Marks, and all causes of action arising prior to or after the date hereof for infringement of any of the Marks or unfair competition regarding the same.

This Agreement is entered into to secure the Grantor's full and prompt performance and payment of all the Obligations (as such term is defined in the Security Agreement dated as of June 14, 2004 by and among the Grantor, the Grantee, Gerard Guez and Jacqueline Rose, both having an address at 992 North Alpine Drive, Beverly Hills, CA 90210, and other assignors from time to time party thereto (as amended from time to time, the "Security Agreement")). Upon the occurrence of the Termination Date (as such term is defined in the Security Agreement), the Grantee shall, upon such satisfaction, execute, acknowledge, and deliver to the Grantor such statements, documents or other instruments in writing as may be reasonably requested by Grantor releasing the security interest and mortgage in the Marks granted under this Agreement and the Security Agreement.


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The undersigned have executed this Agreement as of the date first above written.

Grantor:

SEVEN LICENSING COMPANY, LLC

By


Gerard Guez, Manager

Grantee:


Eyal Ben Yosel


Miriam Moussaieff

TRADEMARK

REEL: 002875 FRAME: 0608

Exhibit A

<i>Mark</i>	<i>Serial Number</i>	<i>Filed</i>
Seven7	78238780	April 17, 2003
Seven7 (Stylized)	78239002	April 17, 2003
Studio Seven	78366538	February 11, 2004
Studio Seven 7	78366543	February 11, 2004