

07-07-2004

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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): L. Powell Company

- 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: January 1, 2004

2. Name and address of receiving party(ies)

Name: Jim Goergen

Internal

Address:

Street Address: 40004 N. Majesty Trail

City: Anthem State: AZ Zip: 85086

Individual(s) citizenship United States

Association

General Partnership

Limited Partnership

Corporation-State

Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 76/520050

B. Trademark Registration No.(s)

1,339,088 2,179,543 2,255,957 2,588,041 1,340,512 2,272,183 2,639,509

Additional number(s) attached Yes No

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

Name: Barbara Alder

Internal Address: Paul, Hastings, et al.

Street Address: 695 Town Center Drive, 17th Fl.

City: Costa Mesa State: CA Zip: 92626

6. Total number of applications and registrations involved: 8

7. Total fee (37 CFR 3.41) \$ 215.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Barbara Alder

Name of Person Signing

Signature

Signature

7/1/04

Date

Total number of pages including cover sheet, attachments, and document: 9

07/08/2004 LHWELLER 00000011 76520050

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

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TRADEMARK REEL: 003003 FRAME: 0512

**FIRST AMENDMENT TO
SECURITY INTEREST IN TRADEMARKS**

This First Amendment to Security Interest in Trademarks (this "Amendment") is made and entered into as of January 1, 2004, by L. Powell Company, a California corporation ("Grantor").

WHEREAS, that certain Security Interest in Trademarks attached hereto as Exhibit A was entered into as of December 22, 2003 (the "Security Agreement") by Grantor in favor of the secured parties identified in the Security Agreement; and

WHEREAS, Grantor desires to amend the Security Agreement to add additional parties as secured parties;

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and agreement contained herein, Grantor hereby agrees as follows:

1. Additional Secured Parties. Exhibit I of the Security Agreement is hereby amended by adding Jim Goergen and Sean Slack as secured parties to the Security Agreement.
2. Other Terms and Conditions. All other terms and conditions of the Security Agreement remain in full force and effect.
3. Miscellaneous Provisions. This Amendment shall be governed by and construed under the laws of the State of California without regard to the conflict of laws principles thereof. This Amendment shall benefit and bind the successors, assigns, heirs, executors and administrators of Grantor.

IN WITNESS WHEREOF, Grantor has caused this Security Agreement to be duly executed as of January 1, 2004.

"GRANTOR"

**L. Powell Company, a California
corporation**

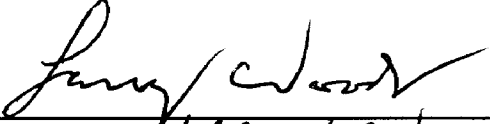
By: 
Name: Larry Wood
Title: CEO

EXHIBIT A

SECURITY INTEREST IN TRADEMARKS

SECURITY INTEREST IN TRADEMARKS

L. Powell Company, a California corporation ("*Grantor*"), with its principal place of business and mailing address at 8631 Hayden Place, Culver City, California 90232-1408, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, grants to the Lenders (as listed on Exhibit I hereto) (together with their successors and assigns, "*Secured Party*"), a continuing security interest in the following property:

- (i) Each trademark, trademark registration and trademark application listed on **Schedule A** hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each such trademark, trademark registration and trademark application; and
- (ii) All proceeds of the foregoing, including without limitation any claim by Grantor against third parties for damages (to the extent not effectively prohibited by an applicable and legally enforceable license agreement) by reason of past, present or future infringement of any trademark or trademark registration listed in **Schedule A** hereto or by reason of injury to the goodwill associated with any such trademark or trademark registration or trademark license, in each case together with the right to sue for and collect said damages:

to secure performance of all Obligations of the Grantor as set out in that certain Subordinated Loan and Security Agreement, dated as of December 22, 2003, by and between Grantor and Secured Party and that certain Subordinated Intellectual Property Security Agreement dated as of December 22, 2003, by and between Grantor and Secured Party (collectively, the "*Agreements*"). The Lenders' security interests in the property as set forth in Sections (i) and (ii) herein are subordinate to the security interests in the same collateral which Grantor has granted to Wells Fargo Foothill, Inc. ("*Foothill*"); said subordination is fully described in the Subordination Agreement, dated as of December 22, 2003, by and between the Lenders and Foothill.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interests in the trademarks, trademark registrations and trademark applications made and granted hereby are more fully set forth in the Agreements, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

All terms defined in the Agreements, whether by reference or otherwise, when used herein, shall have their respective meanings set forth therein, unless the context requires otherwise.

IN WITNESS WHEREOF, Grantor has caused this Security Interest in
Trademarks to be duly executed as of December 22 2003.

Grantor:

L. POWELL COMPANY, a California
corporation

By: 

Name: LARRY WOODS

Title: CFO

Schedule A to

SECURITY INTEREST IN TRADEMARKS

Trademarks

TRADEMARKS AND TRADEMARK APPLICATIONS

The following is a list of trademarks owned or applied for by L. Powell Company:

<u>TRADEMARK</u>	<u>Owner</u>	<u>Status in Trademark Office</u>	<u>Federal Serial Number</u>	<u>Registration Date</u>
"PC The Powell Collection" and Logo	L. Powell Company	Issued	1,339,088	June 4, 1985
"PC Powell" and the Company Logo	L. Powell Company	Issued	1,340,512	June 11, 1985
Stylized PC Design	L. Powell Company	Issued - (Taiwan)	269465	January 1, 1985
"Powell and Stylized PC Design"	L. Powell Company	Issued - (Taiwan)	Class 73-266008	April 13, 1985
"Powell and Stylized PC Design"	L. Powell Company	Issued - (Taiwan)	Class 98-272851	February 1, 1985
"Cheval Jewelry Wardrobe"	L. Powell Company	Issued	2,179,543	August 4, 1998
"Generations for the 21st Century, a division of Powell" and design	L. Powell Company	Issued	2,272,183	August 24, 1999
"Generations for the 21st Century"	L. Powell Company	Issued	2,255,957	June 22, 1999
"POWELL"	L. Powell Company	Issued	2,639,509	October 22, 2002
"FOR MEMORIES WORTH SAVING"	L. Powell Company	Issued	2,588,041	July 2, 2002
The Kitchen Butler	L. Powell Company	Pending	76-520050	Pending

Exhibit I

Windward Capital Partners II, L.P.

Windward Capital LP II, LLC

Albion Mezzanine Partners, L.P.

Bill Benton

Larry Woods

Powell Living Trust Dated September 17, 1986