

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
L'Koral Incorporated		12/30/2004	CORPORATION: CALIFORNIA

RECEIVING PARTY DATA

Name:	Avenue Special Situations Fund III, LP, as Administrative Agent
Street Address:	535 Madison Avenue
Internal Address:	14th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10022
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

PROPERTY NUMBERS Total: 35

Property Type	Number	Word Mark
Serial Number:	78521445	
Serial Number:	78471381	NEXT ERA
Serial Number:	78428268	7 FOR ALL MANKIND
Serial Number:	78428263	FOR ALL MANKIND
Serial Number:	78412409	LAROK
Serial Number:	78326487	DO'S AND DON'TS
Serial Number:	78326485	HERITAGE BY NEXT ERA
Serial Number:	78337365	I'D LOVE TO
Serial Number:	78331563	TREASURES BY NEXT ERA
Serial Number:	78331551	UNDER MY SPELL
Serial Number:	78272388	FOR ALL MANKIND
Serial Number:	78238552	
Serial Number:	78238548	

OP \$890.00 78521445

Serial Number:	78202794	FREEDOM BY NEXT ERA
Serial Number:	78202785	PEACE ON EARTH BY NEXT ERA
Serial Number:	76521638	NEOTONE FOR THE BODY YOU OWN
Serial Number:	76460329	NEOTONE
Serial Number:	76460328	NEO TONE
Serial Number:	76460327	NEO TONE
Serial Number:	76460326	NEOTONE
Serial Number:	76343822	J JAYA
Serial Number:	76341287	JAYA
Serial Number:	76333111	7 FOR ALL MANKIND
Serial Number:	76333011	
Serial Number:	76332328	FOR ALL MANKIND
Serial Number:	76330171	7 FOR ALL MANKIND
Serial Number:	76320287	SEVEN FOR ALL MANKIND
Serial Number:	75983026	SEVEN FOR ALL MANKIND
Serial Number:	75983009	7 FOR ALL MANKIND
Serial Number:	75983008	7 FOR ALL MANKIND
Serial Number:	75982990	FOR ALL MANKIND
Serial Number:	75982867	
Serial Number:	75588023	CARGO-T WD SPORTSWEAR
Serial Number:	75588003	WD SPORTSWEAR
Serial Number:	74462357	MANKIND

CORRESPONDENCE DATA

Fax Number: (312)701-7711
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 3127017237
Email: cdore@mayerbrownrowe.com
Correspondent Name: Christopher H. Dore
Address Line 1: 190 S. LaSalle St.
Address Line 2: Mayer Brown Rowe & Maw LLP
Address Line 4: Chicago, ILLINOIS 60603

NAME OF SUBMITTER:	Christopher Dore
Signature:	/Christopher Dore/
Date:	01/10/2005

Total Attachments: 8

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TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of December 30, 2004 (this "Agreement"), is made between L'KORAL INCORPORATED, a California corporation (the "Grantor"), in favor of AVENUE SPECIAL SITUATIONS FUND III, LP, as administrative agent (together with its successor(s) thereto in such capacity, the "Administrative Agent") for each of the Secured Parties.

WITNESSETH:

WHEREAS, pursuant to a Credit Agreement, dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among the Grantor, as the Borrower, the Lenders and the Administrative Agent, the Lenders have extended Commitments to make Loans to the Grantor;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Borrower Pledge and Security Agreement, dated as of December 30, 2004 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (e) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Administrative Agent a continuing security interest in all of the Trademark Collateral (as defined below) to secure all Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of each Secured Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement or Credit Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby pledges, hypothecates, charges, mortgages and delivers to the Administrative Agent, for its benefit and the ratable benefit of each other Secured Party, and hereby grants to the Administrative Agent, for its benefit and the ratable benefit of each other Secured Party, a continuing security interest in all of the following property, whether now or hereafter existing or acquired by the Grantor (the "Trademark Collateral"):

- (a) (i) all of its trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification

marks, collective marks, logos and other source or business identifiers, and all goodwill of the business associated therewith, now existing or hereafter adopted or acquired including those referred to in Item A of Schedule I hereto, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any other country or political subdivision thereof or otherwise, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing (collectively referred to as the "Trademark");

(b) all Trademark licenses for the grant by or to the Grantor of any right to use any Trademark, including each Trademark license referred to in Item B of Schedule I hereto;

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b);

(d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Administrative Agent in the Trademark Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Administrative Agent for its benefit and the ratable benefit of each other Secured Party under the Security Agreement. The Security Agreement (and all rights and remedies of the Administrative Agent and each Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Trademark Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Trademark Collateral (in the case of clause (i)) or (B) all Trademark Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Administrative Agent will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Trademark Collateral held by the Administrative Agent hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

* * * * *

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by Authorized Officer as of the date first above written.

L'KORAL INCORPORATED

By: 

Name: Peter J. Koral
Title: Chief Executive Officer

AVENUE SPECIAL SITUATIONS FUND III, LP,
as Administrative Agent

By: Avenue Capital Partners III, LLC,
Its General Partner

By: GL Partners III, LLC,
Its Managing Member

By: _____

Name: Sonia Gardner
Title: Managing Member

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by Authorized Officer as of the date first above written.

L'KORAL INCORPORATED

By: _____

Name:

Title:

AVENUE SPECIAL SITUATIONS FUND III, LP,
as Administrative Agent

By: Avenue Capital Partners III, LLC,
Its General Partner

By: GL Partners III, LLC,
Its Managing Member

By: _____

Name: Sonia Gardner

Title: Managing Member

SCHEDULE I
to Trademark Security Agreement

Item A. Trademarks

See attached.

Item B. Trademark Licenses

<u>Country or</u> <u>Territory</u>	<u>Trademark</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective</u> <u>Date</u>	<u>Expiration</u> <u>Date</u>
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None.

L'KORAL INCORPORATED
DOMESTIC TRADEMARKS

<u>Registration/Application Number</u>	<u>Mark</u>
78-521445	(Design only)
78-471381	NEXT ERA
78-428268	7 FOR ALL MANKIND
78-428263	FOR ALL MANKIND
78-412409	LAROK
78-326487	DO'S AND DON'TS
78-326485	HERITAGE BY NEXT ERA
78-337365	I'D LOVE TO
78-331563	TREASURES BY NEXT ERA
78-331551	UNDER MY SPELL
78-272388	FOR ALL MANKIND
78-238552	(Design Only)
78-238548	(Design Only)
78-202794	FREEDOM BY NEXT ERA
78-202785	PEACE ON EARTH BY NEXT ERA
76-521638	NEOTONE FOR THE BODY YOU OWN
76-460329	NEOTONE
76-460328	NEO TONE (and Design)
76-460327	NEO TONE (and Design)
76-460326	NEOTONE
76-343822	J JAYA (and Design)

<u>Registration/Application Number</u>	<u>Mark</u>
76-341287	JAYA
76-333111	7 FOR ALL MANKIND (Stylized)
76-333011	(Design Only)
76-332328	FOR ALL MANKIND
76-330171	7 FOR ALL MANKIND
76-320287	SEVEN FOR ALL MANKIND
75-983026	SEVEN FOR ALL MANKIND
75-983009	7 FOR ALL MANKIND (Stylized)
75-983008	7 FOR ALL MANKIND
75-982990	FOR ALL MANKIND
75-982867	(Design Only)
75-588023	CARGO-T WD SPORTSWEAR
75-588003	WD SPORTSWEAR
74-462357	MANKIND