

FORM PTO-1594 (Rev. 6-93) OMB No. 0651-0011 (exp. 4/9)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

Tab settings 000

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party
SOUTH CONE, INC.

- Individual(s)
 - General Partnership
 - Corporation-State DE
 - Other _____
- Association
 - Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

DYMAS FUNDING COMPANY, LLC

Internal Address: _____

Street Address : ONE NORTH FRANKLIN, Suite 3500

City: CHICAGO State: IL Zip: 60606

Individual(s) citizenship _____

Association _____

General Partnership _____

Limited Partnership _____

Corporation State DE

If assignee is not domiciled in the United States, a designation is attached: Yes No
(Designations must be a separate document from assignment)

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: DECEMBER 20, 2004

4. Application number(s) or trademark

A. Trademark Application No.(s)

B. Trademark Registration

PLEASE SEE ATTACHED

Additional numbers attached? **NO**

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

Attn: Penelope J.A. Agodoa
Federal Research Company, LLC
1030 15th Street, NW, Suite 920
Washington, DC 20005
202.783.2700

Street Address: _____

City: _____ Stat _____ Zip: _____

6. Total number of applications and registrations **34**

7. Total fee (37 CFR 3.41) \$ **865.00**

8. Deposit account number:

50-3155

(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.

RAKHEE VERMA
Name of Person


Signature

JANUARY 4, 2005
Date

Total number of pages, including cover sheet, attachments, and document: **6**

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

CH \$865.00 603155 78481420

SCHEDULE IA TO SECURITY AGREEMENT (TRADEMARKS)
Registered United States Trademarks

Country	Trademark	Class	Appl. No.	Filing Date	Reg. No.	Reg. Date	Owner
United States of America	AUTHENTIC REEF BRAZIL SURF SANDALS & DESIGN	25	74-022,498	25-Jan-1990	1,671,171	07-Jan-1992	South Cone, Inc.
United States of America	CONVERTIBLE	25	74/714729	14-Aug-1995	2177729	04-Aug-1998	South Cone, Inc.
United States of America	FLOWER LOGO	25	75/683775	16-Apr-1999	2418358	02-Jan-2001	South Cone, Inc.
United States of America	GEM LOGO	25	75/571259	17-Oct-1998	2,411,212	05-Dec-2000	South Cone, Inc.
United States of America	HAAKEN	25	75/216224	20-Dec-1996	2,157,737	12-May-1998	South Cone, Inc.
United States of America	LIFE IS TOO SHORT, DON'T WASTE IT, GO SURFING	16	75/143373	01-Aug-1996	2,129,970	20-Jan-1998	South Cone, Inc.
United States of America	LIFE IS TOO SHORT, DON'T WASTE IT, GO SURFING	25	75/143374	01-Aug-1996	2,189,767	15-Sep-1998	South Cone, Inc.
United States of America	PERSUEDER	25	74/615504	27-Dec-1994	2,182,589	18-Aug-1998	South Cone, Inc.
United States of America	R.B. KLAU	25	75/204,144	25-Nov-1996	2,164,694	09-Jun-1998	South Cone, Inc.
United States of America	RI REEF ONE & DESIGN	25	75/558649	24-Sep-1998	2,411,196	05-Dec-2000	South Cone, Inc.
United States of America	RB DEALER	25	75/311071	17-Jun-1997	2,250,292	01-Jun-1999	South Cone, Inc.
United States of America	RB SLIDE	25	75/204145	25-Nov-1996	2,207,536	01-Dec-1998	South Cone, Inc.
United States of America	REEF	25	75/741136	01-Jul-1999	2,418,438	02-Jan-2001	South Cone, Inc.
United States of America	REEF	25	75/380476	28-Oct-1997	2,244,373	11-May-1999	South Cone, Inc.
United States of America	REEF	3	75/982080	22-Apr-1999	2,579,774	11-Jun-2002	South Cone, Inc.
United States of America	REEF	41	75/411129	29-Dec-1997	2,280,009	21-Sep-1999	South Cone, Inc.
United States of America	REEF (SPEED LOGO)	25	75/559112	24-Sep-1998	2,315,934	08-Feb-2000	South Cone, Inc.
United States of America	REEF BRAZIL & DESIGN	18	74/634218	14-Feb-1995	1,953,107	30-Jan-1996	South Cone, Inc.
United States of America	REEF BRAZIL & DESIGN	25	74/084938		1,693,142	09-Jun-1992	South Cone, Inc.
United States of America	REEF BRAZIL CLASSIC	25	75/979246	29-Dec-1997	2,354,140	30-May-2000	South Cone, Inc.
United States of America	REEF BRAZIL CLASSIC	41	75/412034	29-Dec-1997	2,354,028	30-May-2000	South Cone, Inc.
United States of America	REEF BRAZIL GIRL	25	75/250785	01-Mar-1997	2,177,592	28-Jul-1998	South Cone, Inc.
United States of America	REEF GIRL	25	75/250783	01-Mar-1997	2,177,591	28-Jul-1998	South Cone, Inc.
United States of America	REEF OIL (Stylized)	3	73/242494	11-Dec-1979	1,166,023	25-Aug-1981	South Cone, Inc.
United States of America	REEF ONE	35	75/559101	24-Sep-1998	2,270,861	17-Aug-1999	South Cone, Inc.
United States of America	REEF USA	25	75/377284	22-Oct-1997	2,291,470	09-Nov-1999	South Cone, Inc.
United States of America	STRIPED SANDAL DESIGN	25	73/676,362	02-Jan-1990	1,575,081	02-Jan-1990	South Cone, Inc.
United States of America	STYLIZED REEF	25	75/356173	12-Sep-1997	2,286,269	12-Oct-1999	South Cone, Inc.
United States of America	SUMBAWA	25	75/229698	22-Jan-1997	2,157,756	12-May-1998	South Cone, Inc.
United States of America	SUN DESIGN	25	76/047099	13-May-2000	2,438,659	27-Mar-2001	South Cone, Inc.

Country	Trademark	Class	Appl. No.	Filing Date	Reg. No.	Reg. Date	Owner
America United States of America	SUN DESIGN	25	74/648676	20-Mar-1995	2,022,550	10-Dec-1996	South Cone, Inc.
America United States of America	THE CHOB & DESIGN	25	75/143398	01-Aug-1996	2179169	04-Aug-1998	South Cone, Inc.
America United States of America	THE REEF @ TODOS	9, 25, 41	75/711212	13-Nov-1998	2,574,164	28-May-2002	South Cone, Inc.
America United States of America	REEF	14	75/805746	22-Sep-1999	2,889,411	28-Sep-2004	South Cone, Inc.
America United States of America	REEF (SPEED LOGO)	14	75/805747	22-Sep-1999	2,889,412	28-Sep-2004	South Cone, Inc.
America United States of America	REEF	3	78/228240	20-Mar-2003	2,895,321	19-Oct-2004	South Cone, Inc.

SCHEDULE IA TO SECURITY AGREEMENT (TRADEMARKS)
Pending United States Trademark Applications

Country	Trademark	Class	Appl. No.	Filing Date	Reg. No.	Reg. Date	Owner
United States of America	OVAL ICON Design	9	78/481420	10-Sep-2004	N/A	N/A	South Cone, Inc.
United States of America	PLANET REEF	9	78/398342	08-Apr-2004	N/A	N/A	South Cone, Inc.
United States of America	PLANET REEF	25	78/397553	07-Apr-2004	N/A	N/A	South Cone, Inc.
United States of America	RECIPE	25	76/464680	06-Nov-2002	N/A	N/A	South Cone, Inc.
United States of America	REEF	3	78/228248	20-Mar-2003	N/A	N/A	South Cone, Inc.
United States of America	REEF	30	76/428120	26-Jun-2002	N/A	N/A	South Cone, Inc.
United States of America	REEF	32	76/428114	27-Jun-2002	N/A	N/A	South Cone, Inc.
United States of America	REEF	33	76/428116	27-Jun-2002	N/A	N/A	South Cone, Inc.
United States of America	REEF	35	78/227144	18-Mar-2003	N/A	N/A	South Cone, Inc.
United States of America	REEF & Design (Speed Logo)	35	78/227190	18-Mar-2003	N/A	N/A	South Cone, Inc.
United States of America	REEF LOUNGE	35	78/375018	26-Feb-2004	N/A	N/A	South Cone, Inc.
United States of America	REEFSHOP	35	78/227192	18-Mar-2003	N/A	N/A	South Cone, Inc.
United States of America	Wave Logo Design	25	78/481411	10-Sep-2004	N/A	N/A	South Cone, Inc.

EXECUTION COPY

SECURITY AGREEMENT
TRADEMARKS

WHEREAS, South Cone, Inc., a California corporation (the "Grantor") owns the trademark and service marks registrations and applications listed on the annexed Schedule 1A (the "Trademarks") ;

WHEREAS, the Grantor, has entered into a Security Agreement, dated December 20, 2004 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), in favor of Dymas Funding Company, LLC, in its capacity as Collateral Agent for certain lenders (the "Grantee"):


WHEREAS, pursuant to the Security Agreement, the Grantor has granted to the Grantee for the benefit of the Grantee and the lenders a continuing security interest in all right, title and interest of the Grantor in, to and under the Trademarks, together with, among other things, the good-will of the business symbolized by the Trademarks and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof and any and all damages arising from past, present and future violations thereof (the "Collateral"), to secure the prompt and complete payment, performance and observance of the Obligations (as defined in the Security Agreement); and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby pledge and grant to the Grantee for the benefit of the Grantee and the lenders a continuing security interest in the Collateral to secure the prompt and complete payment, performance and observance of the Obligations.

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Grantee with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, the Grantor has caused this Assignment to be duly executed by its officer thereunto duly authorized as of December 20, 2004.

SOUTH CONE, INC., a California corporation

By: 
Name: MARK POFF
Its : VP + ASST. Secretary

SCHEDULE 1A TO SECURITY AGREEMENT (INTELLECTUAL PROPERTY)

Trademarks and Trademark Applications
Owned by South Cone Inc.

(See Attached)