

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
SC PUBLISHING, INC.		02/04/2005	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	GOLUB CAPITAL INCORPORATED		
Street Address:	551 MADISON AVENUE		
Internal Address:	6TH FLOOR		
City:	NEW YORK		
State/Country:	NEW YORK		
Postal Code:	10022		
Entity Type:	CORPORATION: NEW YORK		
PROPERTY NUMBERS Total: 5			
Property Type	Number	Word Mark	
Registration Number:	1643051	WESTERN SCHOOLS	
Registration Number:	1652660	W	
Registration Number:	1678470	W	
Registration Number:	1699003	WESTERN SCHOOLS	
Registration Number:	2178916	FASTRAX	
CORRESPONDENCE DATA			
Fax Number:	(212)969-2900		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	212 969-3000		
Email:	TRADEMARK@PROSKAUER.COM		
Correspondent Name:	PROSKAUER ROSE, LLP		
Address Line 1:	1585 BROADWAY		
Address Line 4:	NEW YORK, NEW YORK 10036-8299		
NAME OF SUBMITTER:	Yvonne Botchey		

CH \$140.00 1643051

Signature:	/Yvonne Botchey/
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Date:	02/10/2005
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Total Attachments: 16
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TRANCHE B COLLATERAL ASSIGNMENT OF PATENTS AND TRADEMARKS

This COLLATERAL ASSIGNMENT OF PATENTS AND TRADEMARKS (hereinafter referred to as the "Assignment") made this 4th day of February 2005, by and between SPECIALTY CATALOG CORP., a Delaware corporation having its principal place of business at 21 Bristol Drive, South Easton, Massachusetts 02375 (the "Company"), SC CORPORATION, a Delaware corporation having its principal place of business at 21 Bristol Drive, South Easton, Massachusetts 02375 ("SC"), SC LICENSING CORP., a Massachusetts corporation having its principal place of business at 21 Bristol Drive, South Easton, Massachusetts 02375 ("SCL" and together with the Company and SC, the "Credit Parties"), SC PUBLISHING, INC., a Delaware corporation having its principal place of business at 21 Bristol Drive, South Easton, Massachusetts 02375 ("SCP") and ROYAL ADVERTISING & MARKETING, INC., a Massachusetts corporation having its principal place of business at 21 Bristol Drive, South Easton, Massachusetts 02375 ("RAM"), and the Company's direct and indirect subsidiaries from time to time party hereto (each, together with the Credit Parties, SCP and RAM, a "Borrower" and, collectively, the "Obligors"), and GOLUB CAPITAL INCORPORATED, a New York corporation having its chief executive office at 551 Madison Avenue, 6th Floor, New York, New York 10022, as agent for the Tranche B Lenders (in such capacity, the "Tranche B Agent") under (and as defined in) that certain Credit Agreement of even date herewith (as the same may be amended, amended and restated, modified or supplemented from time to time, the "Credit Agreement").

WHEREAS, the Credit Parties have entered into the Credit Agreement, pursuant to and subject to the terms and conditions of which the Tranche B Lenders have agreed to make advances to the Credit Parties and issue letters of credit for the account of the Credit Parties;

WHEREAS, the Obligors have entered into a Tranche B Security Agreement of even date herewith, among the Obligors and the Tranche B Agent (as the same may be amended, amended and restated, modified or supplemented from time to time, the "Tranche B Security Agreement"), pursuant to which the Obligors have granted to the Tranche B Agent a security interest in certain collateral of the Obligors and have agreed to execute and cause to be filed further documents required to be recorded or filed, in order to perfect and maintain the security interests granted under the Tranche B Security Agreement; and

WHEREAS, the Obligors have also agreed to execute and deliver this Assignment and to collaterally assign the Collateral (as hereafter defined) to secure the Credit Parties' obligations under the Credit Agreement, including, without limitation, their obligations under the Revolving Credit Notes (as defined in the Credit Agreement) and the Tranche B Term Notes (as defined in the Credit Agreement) and to place in the public record of the Patent and Trademark Office the collateral assignment granted hereunder;

NOW, THEREFORE, for good and valuable consideration, and to secure the payment and performance of all the Tranche B Obligations (as defined in the Credit Agreement), the parties hereto agree as follows:

Section 1. Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings prescribed therefor in the Credit Agreement, or if not therein defined, in the Tranche B Security Agreement. The following terms, as used herein, shall have the following respective meanings:

“Patent and Trademark Office” means the United States Patent and Trademark Office.

“Patent License” means all agreements, whether written or oral, providing for the grant by the Obligors of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, the agreements described in Schedule I hereto.

“Patents” means all patents and patent applications (including each patent and patent application described on Schedule I hereto), including without limitation, the inventions and improvements described therein, together with the reissues, divisions, continuations, renewals, extensions, and continuations in part thereof.

“Trademark License” means any agreement, whether written or oral, providing for the grant by the Obligors of any right to use any Trademark, including, without limitation, the agreements described in Schedule I hereto.

“Trademarks” means all of the following to the extent owned by the Obligors: all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, now existing or hereafter acquired or adopted, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule I hereto, and all reissues, extensions or renewals thereof.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect in The Commonwealth of Massachusetts.

Section 2. Collateral Assignment. In order to secure the prompt and complete payment and performance of all the Tranche B Obligations, and in furtherance and as confirmation of the security interests granted by the Obligors under the Tranche B Security Agreement, the each Obligor does hereby assign and hypothecate as collateral security to the Tranche B Agent, for the benefit of the Tranche B Lenders, all of the Obligor’s right, title and interest in, to and under the following property, whether presently existing or hereafter arising or acquired, excluding however all Excluded Property (collectively, the “Collateral”):

- (a) all Patents;
- (b) all Patent Licenses;
- (c) all proceeds and products of each Patent and Patent License, including without limitation, all income, royalties, damages and payments now or hereafter due

and/or payable with respect to any Patent or Patent License, including damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world (the property and rights described in clauses (a) through (c), being collectively referred to as the "Patent Collateral");

(d) all Trademarks;

(e) all Trademark Licenses;

(f) all of the goodwill of the business connected with the use of, and symbolized by, each Trademark and Trademark License;

(g) all products and proceeds of each Trademark and Trademark License, including, without limitation, any claim by the Obligors against third parties for past, present or future infringement or dilution of any Trademark, including, without limitation, the Trademarks referred to in Schedule I hereto, and any Trademark licensed under any Trademark License, or for injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License (the property and rights described in clauses (d) through (g) being collectively referred to as the "Trademark Collateral");

(h) inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the business of the Obligors ("Trade Secrets");

(i) to the extent assignable pursuant to their terms (with any required consent), licenses or user or other agreements granted to the Obligors with respect to any of the Patent Collateral, Trademark Collateral and the Trade Secrets, excluding however all Excluded Property (collectively, the "Licensed Rights");

(j) information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, catalogs, computer and automatic machinery software and programs and the like pertaining to the business of the Obligors;

(k) field repair data, sales data, and other information relating to sales or service of products now or hereafter manufactured;

(l) accounting information and all media in which or on which any of the information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data;

(m) causes of action, claims and warranties now or hereafter owned or acquired by the such Obligor in respect of any of the items listed above; and

(n) all proceeds of any of the items described in clauses (a) through (m).

Each of the Tranche B Lenders shall be deemed to hold an equitable interest, proportionate to such Tranche B Lender's Commitment, in the Collateral.

Section 3. Representations and Warranties. As an inducement to the Tranche B Agent to enter into this Assignment, each Obligor makes the following representations and warranties:

(a) Schedule I sets forth a complete and correct list of all registered Patents, registered Trademarks, applications for registration for Patents and Trademarks in which such Obligor has any right, title or interest; said Patents and Trademarks are valid, subsisting, unexpired and in full force and effect, have not been adjudged invalid or unenforceable, in whole or in part, and have not been abandoned; to the best of such Obligor's knowledge, no holding, decision or judgment has been rendered by any governmental authorities which would be reasonably likely to limit, cancel or question the validity of any Patent or Trademark.

(b) The Obligors are the sole beneficial owners of the Collateral, and are duly licensed to use the Licensed Rights, and, except for Permitted Encumbrances, no Encumbrance exists or will exist upon any Collateral at any time except for the collateral assignment thereof in favor of the Tranche B Agent provided for herein, which collateral assignment and security interest constitutes a first priority perfected security interest in all of the Collateral subject only to the Encumbrances granted to the Senior Agent pursuant to the Senior Security Documents.

(c) Except pursuant to Trademark Licenses and Patent Licenses entered into by the Obligors in the ordinary course of business, which are listed in Schedule I, the Obligors own and possess the exclusive right to use, and has done nothing to authorize or enable any other Person to use, the Patents and Trademarks listed on Schedule I.

(d) Except as otherwise disclosed in the Credit Agreement, there is no infringement by others of any material right of such Obligor with respect to any Patent or Trademark listed on Schedule I, such Obligor is not infringing in any respect upon any patent or trademark of any other Person, and no proceedings have been instituted or pending against such Obligor, or to such Obligor's knowledge, threatened, alleging any such violation or seeking to limit, cancel or question the validity of any such Patent or Trademark.

(e) All applications pertaining to the Patents and Trademarks have been duly and properly filed, and all registrations or letters pertaining to such Patents and Trademarks have been properly filed and issued, in all material respects.

Section 4. Defense of Collateral, Etc. The Obligors agree that they will at their expense forever warrant and, at the Tranche B Agent's request, defend the Collateral from any and all claims and demands of any other Person; provided, however, nothing herein shall prevent the Obligors in the exercise of their reasonable business judgment from determining that it is in the best interest of the Obligors to abandon any item of Collateral or to refrain from defending any item of Collateral against such claims or demands (the foregoing prerogative of the Board of Directors of the Obligors is sometimes referred to herein as the "Business Judgment Exception").

The Obligors hereby agree to pay, indemnify, and hold the Tranche B Agent and the Tranche B Lenders harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses of disbursements of any kind or nature whatsoever with respect to the Collateral, including, without limitation, claims of patent or trademark infringement, provided that the Obligors shall have no obligation hereunder to indemnify the Tranche B Agent or any Tranche B Lender to the extent the matter to be indemnified against was caused by the indemnified party's gross negligence or willful misconduct.

Section 5. Continued Use of Patents and Trademarks, Etc. (a) During the term of this Assignment the Obligors shall (i) employ consistent standards of quality in their manufacture of products and delivery of services sold or provided under the Trademarks (and shall do any and all acts reasonably required by the Tranche B Agent to ensure the Obligors' compliance with such standards), (ii) employ the appropriate notice of such Trademarks in connection with its use of such Trademarks, (iii) subject to the Business Judgment Exception, use each Trademark in such a manner as to maintain such Trademark in full force free from any claim or abandonment for non-use and (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Tranche B Agent shall obtain a perfected security interest in such mark pursuant to this Assignment. The Obligors hereby grant to the Tranche B Agent and its employees and agents the right, during regular business hours and upon reasonable notice if no Event of Default has occurred and is occurring, to visit the Obligors' plants and facilities which manufacture, inspect or store products or which provide services sold under any of the Trademarks, and to inspect the products or monitor the services and quality control records relating thereto at reasonable times during regular business hours; provided, however, if an Event of Default has occurred and is ongoing, Tranche B Agent shall have such rights of visitation and inspection at any time and without prior notice. The Obligors confirm their commitment to take any and all actions reasonable required by the Tranche B Agent to ensure the maintenance of quality standards for such products and services.

(b) Subject to the Business Judgment Exception, the Obligors agree to maintain the registration of the Patents and Trademarks listed on Schedule I hereto in full force and effect by taking any action which they believe necessary, through attorneys of their choice, all at its expense. In the event that any Patent or Trademark is infringed by a third Person, so as to have a material adverse effect on the Obligors, or if such infringement gives rise to litigation or to the filing of a claim or notice of opposition with the Patent and Trademark Office, the Obligors shall promptly notify the Tranche B Agent, subject to the Business Judgment Exception, and shall take such actions as may be reasonably required to terminate such infringement. Any damages recovered from the infringing party shall be deemed to be part of the Collateral.

(c) The Obligors shall promptly notify the Tranche B Agent of the institution of, and any adverse determination in, any proceeding in the Patent and Trademark Office or any other foreign or domestic governmental agency, court or body, regarding the Obligors' claim of ownership in any of the Patents or Trademarks.

(d) The Obligors shall promptly notify the Tranche B Agent if it knows, or has reason to know, that any application or registration relating to any Patent or Trademark may become abandoned or of any adverse determination or development, other than non-final determinations

of any such office or court, regarding the Obligors' ownership of any Patent or Trademark or its right to register the same or to keep and maintain the same.

Section 6. No Assignments, Etc. The Obligors shall not, except as otherwise permitted by the Credit Agreement, grant, create or permit to exist any Encumbrance upon the Collateral in favor of any other Person, or assign this Assignment or any rights in the Collateral or the material protected thereby without, in either case, the prior written approval of the Tranche B Agent and such attempted Encumbrance or assignment shall be void ab initio.

Section 7. Continuing Liability. The Obligors hereby expressly agree that, anything herein to the contrary notwithstanding, they shall remain liable under each license, interest and obligation collaterally assigned to the Tranche B Agent hereunder to observe and perform all the conditions and obligations to be observed and performed by the Obligors thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Tranche B Agent shall not have any obligation or liability under any such license, interest or obligation by reason of or arising out of this Assignment or the collateral assignment thereof to the Tranche B Agent or the receipt by the Tranche B Agent of any payment relating to any such license, interest or obligation pursuant hereto, nor shall the Tranche B Agent be required or obligated in any manner to perform or fulfill any of the obligations of the Obligors thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, interest or obligation, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Section 8. New Patents and Trademarks. If, before the Tranche B Obligations shall have been satisfied in full and the Commitments of all of the Tranche B Lenders terminated, the Obligors become entitled to the benefit of (i) any Patent application or Patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent listed on Schedule I or any improvement on any such Patent, or (ii) any new Trademark, registration or application therefore, the Obligors shall give to the Tranche B Agent prompt notice thereof in writing hereof, and shall execute and deliver, and file with the Patent and Trademark Office, a modification of this Assignment amending Schedule I hereto to include such new Patent or Trademark registration or application thereon. Notwithstanding the foregoing, the Obligors hereby irrevocably appoint the Tranche B Agent their true and lawful attorney (such appointment coupled with an interest), with full power of substitution, to execute an amendment of this Assignment on behalf of the Obligors amending Schedule I hereto to include such new Patent or Trademark, registration or application.

Section 9. Retention of Rights. Unless and until an Event of Default shall have occurred and be continuing, but subject to the terms and conditions of this Assignment, the Obligors shall retain the legal and equitable title to the Collateral and shall have the right to use the Collateral in the ordinary course of their business and all goodwill associated with the Trademarks shall accrue to the Obligors as if they had not made the collateral assignment hereunder.

Section 10. Remedies. (a) If an Event of Default under the Credit Agreement has occurred and is continuing the Tranche B Agent may exercise, in addition to all rights and

remedies granted to it in this Assignment and the other Loan Documents, all rights and remedies of a secured party under the Uniform Commercial Code and other applicable law, provided that the Tranche B Agent shall give the Obligors not less than ten (10) Business Days' prior written notice of the time and place of any public sale or of the time after which any private sale or other intended disposition is to be made of any of the Collateral. The Obligors agrees that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the Uniform Commercial Code.

(b) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) the Tranche B Agent may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Tranche B Agent shall in its sole discretion determine, the proceeds of such license or sublicense to be applied to the payment of the Tranche B Obligations;

(ii) the Tranche B Agent may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Obligors in, to and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, and the Obligors hereby release the Tranche B Agent from, and agree to hold the Tranche B Agent free and harmless from and against, any claims arising out of any lawful action so taken or omitted to be taken with respect thereto other than any claims arising by reason of its own gross negligence or willful misconduct; and

(iii) upon request by the Tranche B Agent, the Obligors will execute and deliver to the Tranche B Agent a power of attorney, in addition to and supplemental to that set forth in Sections 12 and 8 hereof, in form and substance reasonably satisfactory to the Tranche B Agent, for the implementation of any lease, assignment, license, sublicense, a grant of option, sale or other disposition of a Patent or a Trademark, provided, however, that in the event of any disposition pursuant to this Section 10, the Obligors shall supply its know how and expertise relating to the manufacture and sale of the products bearing, or services sold utilizing, Trademarks, and its customer lists and other records relating to such Trademarks and to the distribution of said products and sale of such services, to the Tranche B Agent.

Section 11. Grant of License to Use Intangibles. For the purpose of enabling the Tranche B Agent to exercise rights and remedies under Section 10 hereof at such time as the Tranche B Agent shall be lawfully entitled to exercise such rights and remedies and for no other purpose, the Obligors hereby grant to the Tranche B Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Obligors) to use, assign, license or sublicense any of the Collateral, whether now owned or hereafter acquired by the Obligors, and wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. The Tranche B Agent shall have no duty

as to the protection of Collateral or any income thereon, nor as to the preservation or rights against prior parties, nor as to the preservation of any rights pertaining thereto. The Tranche B Agent may exercise its rights with respect to any portion of the Collateral without resorting or regard to other Collateral or sources of reimbursement for liability. Notwithstanding anything contained herein to the contrary, so long as no Event of Default shall have occurred and be continuing, the Borrowers shall be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Collateral in the ordinary course of business of the Borrowers. In furtherance of the foregoing, unless an Event of Default shall have occurred and be continuing, the Tranche B Agent shall from time to time, upon the request of the respective Borrower, execute and deliver any instruments, certificates or other documents, in the form so requested, that such Borrower shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to the first sentence of this Section as to any specific item of Collateral). Further, upon payment in full of all of the Tranche B Obligations and cancellation or termination of the Commitments or earlier expiration of this Assignment or release of the Collateral, the Tranche B Agent shall grant back to the Borrowers the license granted pursuant to the first sentence of this Section.

Section 12. Power of Attorney. The Obligors hereby irrevocably appoint the Tranche B Agent their true and lawful attorney (such appointment coupled with an interest), with full power of substitution, in the name of the Obligors, the Tranche B Agent, or otherwise, for the sole use and benefit of the Tranche B Agent, but at the Obligors' expense, to exercise (to the extent permitted by law), at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

- (a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof;
- (b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;
- (c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Tranche B Agent were the absolute owner thereof;
- (d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided, however, that the Tranche B Agent shall have no duty as to the protection of the Collateral or any income thereon, nor as to the preservation or rights against prior parties, nor as to the preservation of any rights pertaining thereto.

Section 13. Further Assurances. The Obligors will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement, notice or other paper and take any other action that the Tranche B Agent may from time to time reasonably determine to be necessary or desirable in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm or validate the Collateral or to enable the Tranche B

Agent to obtain the full benefits of this Assignment, or to enable the Tranche B Agent to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. At the reasonable request of the Tranche B Agent, the Obligors will use reasonable efforts to obtain the consent of any Person that is necessary or desirable to effect the pledge hereunder of any right, title, claims and benefits now owned or hereafter acquired by any Obligors in and to any Collateral. To the extent permitted by law, the Obligors hereby authorize the Tranche B Agent to execute, file and record notices, financing statements or continuation statements without the Obligors' signature appearing thereon. The Obligors agree that a carbon, photographic or other reproduction of this Assignment or of a financing statement is sufficient as a notice or financing statement. The Obligors shall pay the costs of, or incidental to, any recording or filing of any notice or financing or continuation statements concerning the Collateral.

Section 14. Notices. All notices under this Assignment shall be in writing, and shall be given and shall be effective in accordance with the Credit Agreement.

Section 15. Severability. Any provision of this Assignment which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 16. No Waiver; Cumulative Remedies. The Tranche B Agent shall not, by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Tranche B Agent, and then only to the extent therein set forth. A waiver by the Tranche B Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Tranche B Agent would otherwise have had on any other occasion. No failure to exercise nor any delay in exercising on the part of the Tranche B Agent 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 preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

Section 17. Waivers; Amendments. None of the terms and provisions of this Assignment may be waived, altered, modified or amended except by an instrument in writing executed by the parties hereto.

Section 18. Limitation by Law. All rights, remedies and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions hereof are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Assignment invalid, unenforceable in whole or in part or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

Section 19. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the Obligors, their respective successors and assigns, and shall be binding upon

and inure to the benefit of and be enforceable by the Tranche B Agent, the Tranche B Lenders and their respective successors and assigns; provided that the Obligor may not assign or transfer its rights or obligations hereunder.

Section 20. Termination. Upon the payment in full of all Tranche B Obligations and termination of the Commitments of all of the Tranche B Lenders, the collateral assignment made hereunder shall terminate and all rights to the Collateral shall revert to the Obligor and the Tranche B Agent will execute, and hereby authorizes any Obligor to execute, deliver, record of file, all such documents as may be reasonably requested by the Obligor to release such security interests and to terminate such collateral assignment and to reassign the Patents and Trademarks to the Obligor (without representation or warranty). If, after the collateral assignment made hereunder is terminated, payment, or any part thereof, of any of the Tranche B Obligations is rescinded or must otherwise be restored or returned by the Tranche B Agent upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Obligor or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Obligor or any substantial part of their property, or otherwise, the collateral assignment made hereunder and all rights of the Tranche B Agent to the Collateral shall be reinstated, all as though such payments had not been made.

Section 21. Governing Law. THIS ASSIGNMENT IS A CONTRACT UNDER THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID COMMONWEALTH (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW) AND THE UNITED STATES OF AMERICA. THE OBLIGORS CONSENT TO THE JURISDICTION OF ANY OF THE FEDERAL OR STATE COURTS LOCATED IN THE COMMONWEALTH OF MASSACHUSETTS IN CONNECTION WITH ANY ACTION TO ENFORCE THE RIGHTS OF THE AGENT UNDER THIS ASSIGNMENT. TO THE EXTENT PERMITTED BY LAW, THE OBLIGORS IRREVOCABLY WAIVE ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH ACTION BROUGHT IN THE COURTS REFERRED TO IN THE PRECEDING SENTENCE AND HEREBY IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH ACTION THAT SUCH ACTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

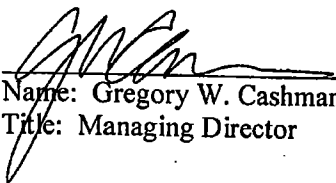
Section 22. Waiver of Jury Trial. EACH OF THE OBLIGORS AND THE AGENT HEREBY WAIVE ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS ASSIGNMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, EACH OF THE OBLIGORS AND THE AGENT HEREBY WAIVE ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE OBLIGORS (a) CERTIFY THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (b) ACKNOWLEDGE THAT THE AGENT HAS BEEN INDUCED TO

ENTER INTO THIS ASSIGNMENT BECAUSE OF, AMONG OTHER THINGS, THE OBLIGORS' WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

Section 23. COUNTERPARTS. This Assignment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Assignment by signing any such counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as an instrument under seal as of the date first written above.

GOLUB CAPITAL INCORPORATED

By: 
Name: Gregory W. Cashman
Title: Managing Director

SPECIALTY CATALOG CORP.

By: _____
Name:
Title:

SC CORPORATION

By: _____
Name:
Title:

SC LICENSING CORPORATION

By: _____
Name:
Title:

SC PUBLISHING, INC.

By: _____
Name:
Title:

ROYAL ADVERTISING &
MARKETING, INC.

By: _____
Name:
Title:

[Tranche B Collateral Assignment of Patents and Trademarks]

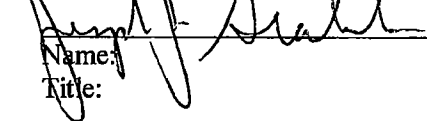
TRADEMARK
REEL: 003026 FRAME: 0795

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed as an instrument under seal as of the date first written above.

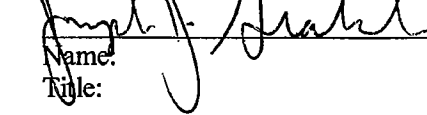
GOLUB CAPITAL INCORPORATED

By: _____
Name: Gregory W. Cashman
Title: Managing Director

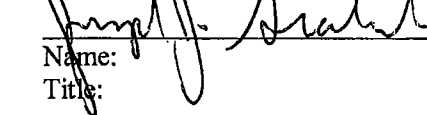
SPECIALTY CATALOG CORP.

By: 
Name: _____
Title: _____

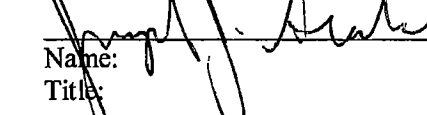
SC CORPORATION

By: 
Name: _____
Title: _____

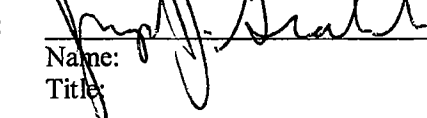
SC LICENSING CORPORATION

By: 
Name: _____
Title: _____

SC PUBLISHING, INC.

By: 
Name: _____
Title: _____

ROYAL ADVERTISING &
MARKETING, INC.

By: 
Name: _____
Title: _____

[Tranche B Collateral Assignment of Patents and Trademarks]

Schedule I

(a) Trademarks, Patents and Applications

Mark	Application #	Filing Date	Date 1st Used	Reg. #	Original Date of Issue
<u>SC Licensing Corp.</u>					
Celebrity Secrets	74-404,775	06-23-93	10-01-93	1,853,184	09-04-94
Christine Jordan	75-340,190	08-13-97	06-30-92	2,216,045	01-05-99
Cool N'Lite	75-434,049	02-09-98	06-30-92	2,264,457	07-27-99
Especially Yours	75-167,089	09-12-96	03-01-94	2,067,348	06-03-97
Heart of Gold	78-209983	02-03-03	01-01-03	2,899,428	11-02-04
HotLocks	75-906153	01-29-00	03-01-00	2,458,659	06-05-01
Hot Hair	78-255015	05-28-03	Notice of suspension has been issued until determination is made on registrability of Hot Hair for Cool Kids applications currently pending (7/19/2004)		
Paula Young	74-432,219	06-27-83	11-01-82	1,341,870	06-18-85
Salon Silhouettes (sm)	75-660251	03-15-99	02-08-99	2,340,773	04-11-00
Wigs by Paula	72-239,498	02-24-66	01-31-66	822,932	01-24-67
Wigs by Paula-Canada	74-657,366	05-10-90	09-01-87	392,042	12-20-91
Young At Heart	78-210008	02-03-03	01-01-03	2,830,015	04-06-04
Abby	78-179907	10-30-02	05-01-99	2,764,381	09-16-03
Alexandria	78-179917	10-30-02	01-01-99	2,759,057	09-02-03
Allure	78-128798	05-15-02	01-01-98	2,761,752	09-09-03
Astoria	78-136554	06-18-02	01-01-94	2,695,956	03-11-03
Brittany	78-179939	10-30-02	01-01-93	2,766,884	09-23-03
Brussels	78-179945	10-30-02	01-01-98	2,764,382	09-16-03
Colleen	78-179948	10-30-02	05-01-99	2,764,383	09-16-03
Emily	78-136532	06-18-02	01-01-95	2,691,218	02-25-03
Genie	78-136520	06-18-02	01-01-92	2,691,217	02-25-03
Gentry II	78-179961	10-30-02	01-01-93	2,764,384	09-16-03
Ivy	78-136563	06-18-02	01-01-91	2,695,958	03-11-03
Lite Touch	78-179978	10-30-02	01-01-93	2,756,384	08-26-03
London	78-179993	10-30-02	09-01-93	2,827,832	03-30-04
Marigold	78-136544	06-18-02	01-01-94	2,697,969	03-18-03
Paris	78-180813	11-01-02		2,811,949	02-03-04
Petite Passion	78-180000	10-30-02	01-01-97	2,781,975	11-11-03
Rose	78-180659	11-01-02	01-01-84	2,764,394	09-16-03
Sapphire	78-136560	06-18-02	01-01-91	2,695,957	03-11-03
Sweet Nothing	78-129501	05-17-02	01-01-88	2,686,805	02-11-03

Mark	Application #	Filing Date	Date 1 st Used	Reg. #	Original Date of Issue
Trisha	78-180007	10-30-02	01-01-00	2,750,597	08-12-03
Snap-A-Do	74-667,824	04-28-95	12-01-96	2,065,623	05-27-97
Paula's Hatbox	75-226,964	11-25-96	02-17-95	2,103,628	10-07-97
Glamour	78-179971	10-30-02	05-01-99	We abandoned this mark	
Start Lite Collection	78-210087	02-03-03	01-01-03	We abandoned this mark	
Delite	78-180013	10-30-02	01-01-93	Denied	
<u>SC Publishing</u>					
Western Schools (sm)	74-011916	12-18-89		1,643,051	04-30-91
W and Design (sm)	74-085128	08-06-90		1,652,660	07-30-91
W and Design (tm)	74-085098	08-06-90		1,678,470	03-10-92
Western Schools (tm)	74-011633	12-18-89		1,699,003	07-07-92
FasTrax	75-036,241	12-15-95	02-01-96	2,178,916	08-04-98
<u>SC Publishing-California</u>					
Western Schools (sm)	do not have original paperwork			036,679	05-03-90
Western Schools (tm)	do not have original paperwork			092,256	05-03-90
Western Schools (tm)	do not have original paperwork			037,549	10-01-90
W and Design (sm)	do not have original paperwork			037,550	10-01-90
W and Design (tm)				093,041	

SC Licensing – Foreign Trademarks (the trademarks listed below have been registered TO and BY SC Licensing Corp.)

Trademarks are registered in Great Britain (England, Wales, Scotland and Northern Ireland)

Mark	Application #	Filing Date	Date 1 st Used	Reg #	Original Date of Issues	Next registration on renewal date:
Paula Young	2,165,220	04-29-98	11-01-82	2,165,220	04-29-98	4-29-2008
Celebrity Secrets	2,165,222	04-29-98	10-01-93	2,165,222	04-29-98	4-29-2008
Christine Jordan	2,165,224	04-29-98	06-30-92	2,165,224	04-29-98	4-29-2008

					Original Date of
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Mark	Application #	Filing Date	Date 1 st Used	Reg. #	Issue
<u>SC Direct-Patent</u>					
Style Enhancers	08-766,885	12-31-96		5,873,373	02-23-99

(b) Licenses

1. Marketing and License Agreement, dated as of December 18, 2001, by and between SC Direct, Inc. and Girlfriend Enterprises, Inc., as amended on June 14, 2004 (Star Jones);
2. Letter Agreement, dated as of May 26, 2004, by and between SC Direct, Inc. and Imiis Limited (NewHair);
3. Meeting Summary, dated October 4, 2002, by and between SC Direct, Inc. and Hair Fashions, Inc. (Naomi Sims);
4. Trademark License Agreement, made and entered into as of the 1st day of January, 2003 by and between Specialty Catalog Corp. and Hanncarr, Inc., and extended by letter agreement dated December 8, 2004 (Diahann Carroll);
5. Marketing and License Agreement, dated as of June 8, 2004, by and between SC Direct, Inc. and Sandy Hook Productions, Inc. (Loni Anderson);
6. Marketing and License Agreement, dated of June 8, 2004, by and between SC Direct, Inc. and M.F., Inc. (Morgan Fairchild);
7. Marketing and License Agreement, dated as 8, 2004, by and between SC Direct, Inc. and LGP, Inc. (Linda Gray);
8. Letter dated February 1, 2001, between SC Direct and Kaneka Corporation (Kaneka designated the trademark "Whisperlite" on an exclusive basis to SC Direct for the use on hair goods made of 100% Kaneka fiber);
9. Letter agreement, dated February 4, 2003, by and between Dalim and SC Direct (Dalim is the only factory with permission to manufacture SofTouch products for SC Direct. SC Direct has the exclusive rights to the SofTouch name. The SofTouch technology, also know an Dermafix, is patented by NJ Diffusion);
10. International Sales Licensing Agreement by and between Daxbourne International Limited ("Licensor") and Tien Versand GmbH of Germany, where Licensor allows Tien Versand GmbH of Germany to distribute certain Daxbourne wig products, for which a royalty is paid (There is no formal agreement currently in place). (Specialty Catalog's relationship with Tien Versand is similar to any relationship with other wholesale customers. Specialty Catalog raises standard commercial invoices for items sold, and Tien Versand makes payments within normal commercial parameters. This arrangement is non-exclusive and Specialty Catalog can terminate that relationship at any time without penalty or fee).