

08-17-2004

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

102815187

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

1. Name of conveying party(ies):

Duncan Enterprises

- 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: 3/30/2004

2. Name and address of receiving party(ies)

Name: Wells Fargo Bank, N.A./Fresno RCBO

Internal Address: Attn: James Lynes/MAC A0827-024

Street Address: 8405 N Fresno Street, 2nd Flr.

City: Fresno State: CA Zip: 93720

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other National Banking Association

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s) (attached)

B. Trademark Registration No.(s) (attached)

Additional number(s) attached Yes No

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

Name: Wells Fargo Bank, N.A./Fresno RCBO

Internal Address: Attn: James Lynes

MAC A0827-024

Street Address: 8405 N Fresno Street

Second Floor

City: Fresno State: CA Zip: 93720

6. Total number of applications and registrations involved:

71

7. Total fee (37 CFR 3.41).....\$ 1,790.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

JAMES F. LYNES

Name of Person Signing

[Signature]

Signature

6/18/04

Date

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

[Box]

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40.00 OP 1750.00 OP

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

EXHIBIT A
to
TRADEMARK SECURITY AGREEMENT
between
DUNCAN ENTERPRISES
and
WELLS FARGO BANK, NATIONAL ASSOCIATION
Dated as of March 30, 2004

U.S. Trademark Application
Serial Number

Trademark

Application Date

78,229,897	"DUNCAN AT HOME"	3/25/03
76,481,621	"FRAY NO MORE"	1/3/2003
76,492,955	"PSX PAPERS FOR CREATIVITY"	1/21/2003
76,492,956	"PSX PAPERS FOR CREATIVITY"	1/21/2003
76,492,957	"PSX PAPERS FOR CREATIVITY"	1/21/2003
78,288,751	"PSX PAPER, ROCK, SCISSORS"	8/18/2003
78,309,701	"TLC TOUCHING LIVES CREATIVELY"	10/6/2003
78,309,699	"TOUCHING LIVES CREATIVELY"	10/6/2003
78,255,161	"CREATIVE LIVING NETWORK" (words only)	5/28/2003
78,277,188	"CREATIVE LIVING NETWORK" (DESIGN	7/22/2003
78,320,517	"CREATIVE LIVING NETWORK" (DESIGN)	10/26/2003
78,332,972	"CREATIVE LIVING NETWORK" (goods)	11/25/2003

U.S. Trademark
Registration Number

Trademark

Registration Date

1,067,458	"CERAMICS, THE WORLD'S MOST FACINATING HOBBY!"	6/7/1977
1,076,678	"DUNCAN"	11/1/1977
0,962,465	"DUNCAN"	7/3/1973
1,090,504	"DUNCAN CERAMICS"	5/2/1978
0,862,345	"DUNCAN" (& DESIGN	3/17/1998
2,145,368	"DUNCAN BY DESIGN"	3/17/1998
1,063,551	"DUNCAN BOWL & VASE" <i>Design</i>	4/12/1977
1,017,670	"DUNCAN BOWL & VASE" <i>Logo</i>	8/5/1975
962,466	"DUNCAN" Vase & Bowl <u>Word DUNCAN</u>	7/3/1973
1,002,424	"BISQ-STAIN"	1/28/1975
2,137,738	"COLOR CAFÉ STUDIOS"	2/17/1998
1,275,676	"COVER-COAT"	5/1/1984
1,929,279	"DUNCAN COMPLIMENTS"	10/24/1995
2,182,705	"DUNCAN CONCEPTS"	8/18/1998
1,879,444	"DUNCAN GRANITE STONE"	2/21/1995
1,950,422	"DUNCAN GLITTER WRITERS"	1/23/1996
2,067,550	"COLOR GELS"	6/3/1997
2,076,197	"CRYSTALS AND CRACKLES"	7/1/1997
1,980,162	"ENVISION GLAZE"	6/11/1996
1,013,920	"E-Z STROKE"	6/24/1975
2,051,436	"GLITZY SEALER"	4/8/1997
2,000,353	"ICICLE SNOW"	9/10/1996
1,414,650	"NATURAL TOUCH"	10/28/1986
1,973,029	"NO-FIRE SNOW"	5/7/1996

2,148,194	"OH FOUR"	3/31/1998
2,414,000	"PATCH-A-TATCH	(blank)
2,507,457	"PLATINUM BOND"	11/13/2001
1,909,642	"QUIK-CRACKLE"	8/8/1995
1,141,926	"RED-COATS"	12/2/1980
2,475,771	"TULIP"	8/7/2001
2,249,478	"TULIP SCRIBBLES 3D PAINT	6/1/1999
2,332,628	"TULIP GLITTER"	3/21/2000
2,436,880	"TULIP PAINT SPONGES"	3/20/2001
2,456,091	"TULIP GLOW IN THE DARK"	5/29/2001
2,458,179	"TULIP MATTE"	6/5/2001
2,653,661	"TULIP FABRIC SPARKLE SPRAY"	11/26/2002
2,767,736	"TULIP SOFT"	9/23/2003
2,801,160	"TULIP SPRAY 'N GLOW"	12/30/2003
1,565,340	"SCRIBBLES" (<i>Class 2</i>)	11/14/1989
1,551,845	"SLICK" <i>TULIP</i>	8/15/1989
1,888,131	"PEARL" <i>TULIP</i>	4/11/1995
1,475,904	"PAINT WRITER"	2/9/1988
1,510,065	"PUFFY" <i>TULIP</i>	10/25/1988
1,528,211	"FASHION STAMP"	3/7/1989
1,548,743	"SPATTER PAINT"	7/18/1989
2,232,688	"ALEENE'S ENHANCERS"	3/16/1999
2,232,689	"ALEENE'S PREMIUM COAT"	3/16/1999
2,444,937	"ALEENE'S PLATINUM BOND 7800"	4/17/2001
2,463,181	"ALEENE'S TACKY GLUE"	6/26/2001
2,549,980	"ALEENE'S QUICK DRY TACKY GLUE"	3/19/2002
2,561,766	"ALEENE'S ULTIMATE GLUE GUN"	4/16/2002
1,831,323	"TWICE AS TACKY"	4/19/1994
2,704,106	"CHUNKY STAMPS"	4/8/2003
1,560,223	"IMAGINATION IN PROCESS" (<i>Scioto</i>)	10/10/1989
1,609,511	"SCIOTO" (<i>Scioto</i>)	8/14/1990
1,609,824	"SCIOTO" (<i>Scioto</i>)	8/14/1990
2,326,182	"RAINBOW ROCK DYE ADVENTURES"	3/7/2000
2,437,707	"WIRE ART"	3/20/2001
2,593,042	"PSX DESIGN"	7/9/2002

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is entered into as of March 30, 2004, by and between DUNCAN ENTERPRISES, a California corporation ("Debtor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

WHEREAS, Bank has extended or will hereafter extend credit to Debtor, and to secure its obligations to Bank, Debtor has executed various agreements, including without limitation, that certain Continuing Security Agreement: Rights to Payment and Inventory dated as of June 13, 2001, covering among other items, various proprietary rights and patents (which security agreement, together with any and all amendments and modifications thereto from time to time entered into, and any security agreements at any time hereafter executed in replacement and/or in substitution thereof and/or in addition thereto, shall be referred to herein as the "Security Agreement"); and

WHEREAS, Debtor and Bank wish to further clarify and declare their respective rights and obligations with regard to certain collateral in an instrument to be recorded with the United States Patent and Trademark Office and elsewhere.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, Debtor and Bank hereby agree as follows:

1. Security Interests. Pursuant to the Security Agreement and subject to and upon the additional terms, covenants and conditions hereof, Debtor hereby grants, to Bank a security interest in Debtor's entire right, title and interest in and to all of the following (the "Property"):

(a) all trademarks, service marks, trade names, proprietary labels and logos in which Debtor now has or at any time hereafter acquires an interest and the goodwill in Debtor's business and products associated with such trademarks, service marks, trade names, proprietary labels and logos; and

(b) the right to sue, in Bank's name or joined with Debtor, for past, present or future infringements of rights in any such trademarks, service marks, trade names, proprietary labels and logos.

The Property shall include without limitation: (i) all trademarks, service marks and trade names, proprietary labels and logos described in Exhibit A attached hereto and incorporated herein by this reference and the Debtor's goodwill in its business associated with the same, and (ii) all registrations, renewals and/or extensions of any of the Property.

2. Obligations Secured. The security interest established by this Agreement secures payment of all indebtedness and performance of all obligations which may now or at any time hereafter be owed by Debtor to Bank, including without limitation, all obligations now existing or arising under or in connection with the Security Agreement, and/or in connection with any promissory note and/or loan agreement now or after any time hereafter executed by Debtor with Bank, including but not limited to that certain Credit Agreement between Debtor and Bank dated as of March 30, 2004, and all amendments, modifications and extensions thereto, and

substitutions or replacements therefor which may from time to time be entered into between Debtor and Bank (the "Loan Agreement"). Upon payment and performance in full of all of the obligations secured hereby, Bank, at Debtor's cost and expense, shall terminate its security interest in the Property.

3. Perfection of Security Interest. Debtor hereby covenants and agrees to prepare, execute, acknowledge, deliver and record or file such instruments and documents and to do and perform all other acts which may be necessary or which Bank deems necessary or appropriate to perfect Bank's security interest in the Property. Concurrently with the filing of any trademark application or the acquisition of any interest in or to any trademark hereafter, Debtor shall duly execute, acknowledge and record in the United States Patent and Trademark Office a Trademark Security Agreement substantially in the form of this Agreement; provided that Exhibit A to each such Trademark Security Agreement shall describe (with such particularity as may be required by said Patent and Trademark Office or other applicable governmental authorities or agencies from time to time) only the additional trademarks and applications which have not been previously recorded as subject to Bank's security interest.

4. Retention of Rights. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Security Agreement and the Loan Agreement), Debtor shall retain the right to use the Property in the ordinary course of Debtor's business. Debtor agrees neither to sell or assign its interest in, nor grant any license under, the Property, without the prior written consent of Bank; provided however, that Debtor may grant such bona fide licenses for good and valuable consideration as are necessary and usual in the ordinary course of Debtor's business as it is presently conducted and as it may be legally expanded, on the condition that such licenses so granted shall be subject to the terms and conditions of the Security Agreement and this Agreement.

5. Warranties. In addition to the representations and warranties made by Debtor in the Security Agreement, Debtor represents and warrants that:

(a) the Property listed on Exhibit A and in Exhibit A to any other Trademark Security Agreement (s) delivered by Debtor to Bank represents all of the trademarks, service marks, trade names, proprietary labels and logos and applications therefor in which Debtor has any rights and in which Debtor has applied for any rights as of the date of this Agreement; and

(b) the information set forth in Exhibit A hereto is entirely correct.

6. Covenants. Debtor hereby covenants and agrees to cooperate with Bank in whatever manner may be necessary or which Bank may deem necessary or appropriate so that Bank may enjoy its rights and interests hereunder to the fullest extent. Such cooperation shall include, without limitation:

(a) prompt preparation and execution (at Debtor's expense) of all petitions, oaths, specifications, declarations or other papers that may be necessary or which Bank reasonably may deem necessary or appropriate for prosecuting any trademark or other Property applications or applications for the registration, renewal or extension of any trademark or other Property in which Bank acquires a security interest hereunder and for prosecuting interference proceedings involving any such Property applications pertaining to any such Property; and

(b) prompt assistance and cooperation (at Debtor's expense) in the prosecuting of any legal actions or other proceedings involving any Property or application

pertaining to any Property in which Bank acquires a security interest hereunder, including without limitation, oppositions, cancellation proceedings, priority contests, public use proceedings and court actions alleging infringement or any other cause of action.

7. Defense of Property; Indemnity. Debtor hereby covenants and agrees promptly upon request of Bank to defend the Property and Bank's rights and interests therein and to promptly notify Bank of any event, occurrence or legal action which affects the Property or the rights of the parties in relation thereto. Debtor acknowledges that Bank may, but shall have no obligation whatsoever to, commence any legal action or other proceeding to defend the Property or to contest the use by any other party of the Property or any portion thereof. Debtor shall unconditionally indemnify Bank and hold Bank harmless from and against all claims, causes of action, damages, liability, costs and expenses, including reasonable attorneys' fees, that Bank may be subject to in connection with this Agreement except those arising out of the gross negligence or willful misconduct of Bank, including without limitation, Property infringement suits that may be brought against Bank.

8. Appointment. Bank shall have the right to, in the name of Debtor, or in the name of Bank or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Bank (and any of Bank's officers or employees or agents designated by Bank) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments and perform all other acts that Bank deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Bank's security interest in, the Property, (ii) execute any and all other documents and instruments, and perform any and all acts and things for and on behalf of Debtor, which Bank may deem necessary or advisable to maintain, preserve, or protect the Property and to accomplish the purposes of this Agreement, including without limitation (A) to assert or retain any rights under any license agreement for any of the Property, (B) after the occurrence of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Property, and (C) after the occurrence of any Event of Default, to execute any and all applications, documents, papers and instruments for Bank to use the Property, to grant or issue any exclusive or non-exclusive license with respect to any Property, and to assign, convey or otherwise transfer title in or dispose of any of the Property; provided, however, that in no event shall Bank have the unilateral power, prior to the occurrence of an Event of Default, to assign any of the Property to any person, including itself, without Debtor's written consent. The foregoing shall in no way limit Bank's rights and remedies upon or after the occurrence of an Event of Default. This power of attorney, being coupled with an interest, is irrevocable until termination of the Agreement.

9. License. For the purpose of enabling Bank to exercise its rights and remedies hereunder or otherwise in connection with this Agreement, Debtor hereby grants to Bank an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to Debtor) to use, license or sublicense any Property.

10. Defaults. Upon the failure of Debtor to pay when due any sums owing to Bank or upon occurrence of any Event of Default as defined in the Security Agreement, the Loan Agreement and/or any contract or instrument pursuant to which Debtor may at any time hereafter incur any liabilities, indebtedness or other obligations to Bank, subject to applicable cure provisions, if any, Bank shall have the rights and remedies available to a secured party under law and/or expressly provided in the Security Agreement, the Loan Agreement and/or any such other contract or instrument. In addition, Bank shall have the right to sue for past infringement of the Property and to collect all damages and profits for past infringements.

If any Event of Default shall have occurred and be continuing, and following the giving of any notices required hereby, Bank shall have, in addition to all other rights and remedies given it by this Agreement and the Security Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Property may be located and, without limiting the generality of the foregoing, Bank may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Property or any interest which the Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Property all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the obligations secured hereby. Any remainder of the proceeds after payment in full of such obligations shall be paid over to the Debtor or to such other party who may be entitled to such remaining proceeds. Notice of any sale or other disposition of the Property shall be given to Debtor at least five (5) days before the time of any intended public or private sale or other disposition of the Property is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of any note or Bank may, to the extent permissible under applicable law, purchase the whole or any part thereof.

11. Relation to Security Agreement. This Agreement is a supplement to the Security Agreement, and Bank's rights and remedies, and Debtor's obligations and waivers, under the Security Agreement, and the interpretive principles stated in the Security Agreement shall be applicable hereunder; provided however, that this Agreement and the Security Agreement shall be construed together so as to grant Bank the greatest rights and remedies with regard to the Property; and provided further, that Bank's rights and remedies hereunder may be expressly modified by amendments to the Security Agreement from time to time.

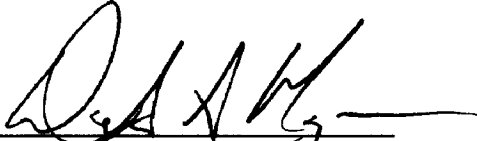
12. Successors; Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties; provided however, that Debtor may not assign this Agreement or any interest herein without Bank's prior written consent.

13. Enforceability. If any provision of this Agreement shall for any reason be unenforceable in any respect, such enforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such unenforceable provisions had not been contained herein.

14. Governing Law. Except to the extent that Federal law preempts, this Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Debtor and Bank hereby execute and acknowledge this Agreement as of the date first written above.

DUNCAN ENTERPRISES

By: 
Title: COO

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: 
Title: VICE PRESIDENT