

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
RAFAELLA APPAREL GROUP, INC.		06/20/2005	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	BANK OF NEW YORK		
Street Address:	101 BARCLAY STREET		
Internal Address:	8W, ATTN: CORPORATE TRUST ADMINISTRATION		
City:	NEW YORK		
State/Country:	NEW YORK		
Postal Code:	10286		
Entity Type:	CORPORATION: NEW YORK		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	2075890	RAFAELLA	
Registration Number:	2075889	RAFAELLA	
Registration Number:	1870614	V VERRAZANO	
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:	S.V. HEUER		
Signature:	/S.V. HEUER/		

CH \$90.00 2075890

TRADEMARK

REEL: 003111 FRAME: 0471

Date:

06/27/2005

Total Attachments: 6

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SECOND LIEN INTELLECTUAL PROPERTY SECURITY AGREEMENT

This SECOND LIEN INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, this "**IP Security Agreement**"), dated as of June 20, 2005, is made by the Persons listed on the signature pages hereof (collectively, the "**Grantors**") in favor of THE BANK OF NEW YORK, as Collateral Agent (in such capacity, the "**Collateral Agent**") for the Secured Parties (as defined in the Security Agreement referred to below).

WHEREAS, Rafaella Apparel Group, Inc. has entered into an Indenture, dated as of June 20, 2005, among Rafaella Apparel Group, Inc., the Guarantors (as defined therein) and the Collateral Agent, as Trustee and as Collateral Agent (the "**Indenture**").

WHEREAS, pursuant to the Indenture, the Grantors (as defined in the Security Agreement referred to below) have entered into a Second Lien Security Agreement, dated as of June 20, 2005 (the "**Security Agreement**").

WHEREAS, under the terms of the Security Agreement, the Grantors have granted to the Collateral Agent, for the ratable benefit of the Secured Parties (hereinafter referred to as the "**Secured Parties**"), a security interest in, among other property, certain intellectual property of the Grantors, and have agreed as a condition thereof to execute this IP Security Agreement for recording with the U.S. Patent and Trademark Office, the United States Copyright Office and other governmental authorities. Terms defined in the Indenture or the Security Agreement and not otherwise defined in this IP Security Agreement are used herein as defined in the Indenture or the Security Agreement.

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

SECTION 1. Grant of Security. Each Grantor hereby grants to the Collateral Agent for the ratable benefit of the Secured Parties a security interest in all of such Grantor's right, title and interest in and to the following (the "**Collateral**"):

(i) the patents and patent applications set forth in Schedule A hereto (the "**Patents**");

(ii) the trademark and service mark registrations and applications set forth in Schedule B hereto (provided that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law), together with the goodwill symbolized thereby (the "**Trademarks**");

(iii) all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including, without limitation, the copyright

registrations and applications and exclusive copyright licenses set forth in Schedule C hereto (the “**Copyrights**”);

(iv) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing, all rights in the foregoing provided by international treaties or conventions, all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of such Grantor accruing thereunder or pertaining thereto;

(v) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(vi) any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral of or arising from any of the foregoing.

Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Agent, for the benefit of the Secured Parties, pursuant to this Agreement, and the exercise of any right or remedy by such Collateral Agent hereunder are subject to the provisions of that certain Intercreditor Agreement, dated as of June 20, 2005 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the “**Intercreditor Agreement**”), among the Borrower, Verrazano, Inc., the Credit Agreement Agent and the Collateral Agent. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern.

SECTION 2. Security for Obligations. The grant of a security interest in, the Collateral by each Grantor under this IP Security Agreement secures the payment of all Obligations of such Grantor now or hereafter existing under or in respect of the Indenture Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, interest, premiums, penalties, fees, indemnifications, contract causes of action, costs, expenses or otherwise.

SECTION 3. Recordation. Each Grantor authorizes and requests that the Register of Copyrights, the Commissioner for Patents and the Commissioner for Trademarks and any other applicable government officer record this IP Security Agreement.

SECTION 4. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

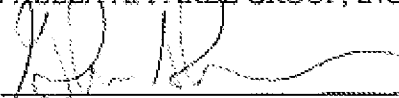
SECTION 5. Grants, Rights and Remedies. This IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. Each Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Collateral Agent with respect to the Collateral are more fully set forth

in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 6. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, each Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

RAFAELLA APPAREL GROUP, INC.

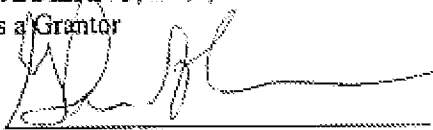
By 
 Name: Glenn S. Palmer
 Title: Chief Executive Officer

Address for Notices:

1411 Broadway, 2nd Floor
New York, NY 10018

VERRAZANO, INC.,

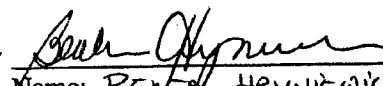
as a Grantor

By 
 Name: Glenn S. Palmer
 Title: Chief Executive Officer

Address for Notices:

1411 Broadway, 2nd Floor
New York, NY 10018

THE BANK OF NEW YORK, as Trustee
 and Collateral Agent

By 
 Name: BERNA HRYNIEWICKA
 Title: ASSISTANT TREASURER

Address for Notices:

101 Barclay St, 8W
New York, New York 10286
Attn: Corporate Trust Administration

**Schedule B To
Second Lien Intellectual Property Security Agreement
Supplement**

Trademarks:

See attached.

The following trademarks have been registered or are subject to an application for registration:

Mark	Country or U.S. State	Registration/Application Number	Date of Registration/Application	Goods/Services/ Int'l Class
RAFAELLA	U.S.A.	Reg. No.: 2075890	Reg. Date: July 1, 1997	IC 25: women's sportswear clothing, namely, pants, shirts, jackets, blazers, blouses, T-shirts, sweaters, skirts, dresses, suits, vests and shorts.
RAFAELLA (stylized)	U.S.A.	Reg. No.: 2075889	Reg. Date: July 1, 1997	IC 25: women's sportswear clothing, namely, pants, shirts, jackets, blazers, blouses, T-shirts, sweaters, skirts, dresses, suits, vests and shorts.
V VERRAZANO (stylized)	U.S.A.	Reg. No.: 1870614	Reg. Date: December 27, 1994	IC 25: women's sportswear clothing; namely, pants, skirts, jackets, blouses, sweaters, vests and shorts.