

Form PTO-1594 (Rev. 03/05)
OMB Collection 0651-0027 (exp. 6/30/2005)

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):
Fred Leighton Ltd.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation- State: New York
 Other _____

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies) Yes
 Additional names, addresses, or citizenship attached? No

Name: HSBC Bank USA, N.A.
 Internal
 Address: Tower 4, Attn: Ken Lipke
 Street Address: 452 Fifth Avenue
 City: New York
 State: New York
 Country: USA Zip: 10018

Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship United States
 Other _____ Citizenship _____

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)

3. Nature of conveyance)/Execution Date(s) :
 Execution Date(s) March 31, 2005

Assignment Merger
 Security Agreement Change of Name
 Other _____

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) _____
 B. Trademark Registration No.(s) 1645941, 1636486

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Ken Lipke
 Internal Address: HSBC Bank USA, N.A.
Tower 4
 Street Address: 452 Fifth Avenue
 City: New York
 State: New York Zip: 10018
 Phone Number: 212-525-6016
 Fax Number: _____
 Email Address: _____

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 65.00

Authorized to be charged by credit card
 Authorized to be charged to deposit account
 Enclosed Previously paid for

8. Payment information:

a. Credit Card Last 4 Numbers _____
 Expiration Date _____

b. Deposit Account Number _____
 Authorized User Name _____

9. Signature: Kenneth Lipke 5/23/05
 Signature Date
Kenneth Lipke
 Name of Person Signing

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

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

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Fred Leighton Ltd.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation- State: New York
 Other _____

Citizenship (see guidelines) _____
 Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)
Additional names, addresses, or citizenship attached? Yes No

Name: HSBC Bank USA, N.A.
 Internal Address: Tower 4, Attn: Ken Lipke
 Street Address: 452 Fifth Avenue
 City: New York
 State: New York
 Country: USA Zip: 10018

Association Citizenship _____
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship United States
 Other _____ Citizenship _____

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 (Designations must be a separate document from assignment)

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Execution Date(s) March 31, 2005

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 Name: Ken Lipke
 Internal Address: HSBC Bank USA, N.A.
Tower 4
 Street Address: 452 Fifth Avenue
 City: New York
 State: New York Zip: 10018
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 a. Credit Card Last 4 Numbers _____
 Expiration Date _____
 b. Deposit Account Number _____
 Authorized User Name _____

9. Signature: Kenneth Lipke 5/23/05
Kenneth Lipke Signature Date
 Name of Person Signing Total number of pages including cover sheet, attachments, and document: _____

Documents to be recorded (including cover sheet) should be faxed to (703) 308-6996, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

*****-HSBC BANK USA-*****
 1 212 525 5676- *****
 -HSBC BANK USA-
 9172033065995 014/014 00:04:14
 STATION NAME/TEL. NO. PAGES DURATION
 FILE NO. = 066
 MODE = MEMORY TRANSMISSION START=May-24 16:51 END=May-24 16:55

P.01/14

1 212 525 5676

HSBC BANK USA 04/04/2005

APR-04-2005 14:48

Form TMD-1004 (Rev. 03/01)
 Call No. 4651-0007 (ext. 641/2002)
 Toll savings ☐ 1-800-333-3333

To this (Domestic) Commissioner of Patents and Trademarks, Please request the attached original documents or copy (overseas).

788107888 SHEET
 TRADEMARKS ONLY

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

1. Name of conveying party(ies):
 Fred Leighton Ltd.
 Individual(s)
 General Partnership
 Corporation-State of New York
 Other

Address (name(s) of conveying party(ies) should be checked) Yes No
 Address: Assignment
 Security Agreement
 Other
 Perfection Date: MARCH 31, 2005

2. Name(s) of receiving party(ies):
 HSBC Bank USA, N.A.
 Intended Address: Tower 4, 452 Fifth Avenue, New York, NY 10015
 Street Address: 452 Fifth Avenue
 City: New York State: NY Zip: 10015

Individual(s)
 Association
 General Partnership
 Limited Partnership
 Corporation-State of United States
 Other

3. Nature of conveyance:
 Assignment
 Security Agreement
 Other
 Change of Name

4. Application number(s) or registration number(s):
 A. Trademark Application No. (s)
 B. Trademark Registration No. (s)
 1645 941
 1636 496

5. Name and address of party to whom correspondence concerning documents should be mailed:
 Name: Ken Lipke
 Intended Address: HSBC Bank USA, N.A., Tower 4
 Street Address: 452 Fifth Avenue
 City: New York State: NY Zip: 10015

6. Total number of applications and registrations checked: Yes No
 Additional number(s) attached: 65, 7

7. Total fee (\$7.00/REG. #) Enclosed
 Authorized to be charged to deposit account

8. Deposit account number

9. Statement and signature:
 To the best of my knowledge and belief, the foregoing information is true and correct and any attached copies are true copies of the original document.
 Kenneth Lipke
 Name of Person Signing
 Signature: Kenneth Lipke
 Date: 4/4/05

10. (Attach duplicate copy of this page if printing by deposit account)

POSTAGE WILL BE PAID BY ADDRESSEE
 788107888 SHEET TRADEMARKS ONLY

Send number of items mailing cover sheet, enclosure, and return
 Mail instructions to be provided with registered mail, registered cover sheet, instructions to
 the addressee of Patent & Trademark, Suit Building
 Washington, D.C. 20511

TRADEMARK COLLATERAL SECURITY AGREEMENT

THIS AGREEMENT is made on the 31 day of March, 2005, by and between FRED LEIGHTON LTD, a corporation formed under the laws of the State of New York having a mailing address at 773 Madison Avenue, New York, New York 10021 (the "Borrower") and HSBC BANK USA, NATIONAL ASSOCIATION, having a mailing address at 452 Fifth Avenue, New York, New York 10018 ("Bank").

BACKGROUND

In order to induce Bank to continue to make financial accommodations to Borrower, Borrower has agreed to execute and deliver to Bank for its benefit this Trademark Collateral Security Agreement (as amended, modified, restated or supplemented from time to time, this "Agreement").

NOW, THEREFORE, in consideration of the premises, Borrower and Bank hereby agree as follows:

1. **Defined Terms.** All capitalized terms used herein which are not otherwise defined herein shall have the meanings given to them in the Continuing General Security Agreement dated the 20 day of December, 2004, as executed by Borrower (the "Security Agreement") and the following terms shall have the following meanings, unless the context otherwise requires:

"Code" shall mean the Uniform Commercial Code as the same may from time to time be in effect in the State of New York.

"Collateral" shall have the meaning assigned to it in Section 2 of this Agreement.

"Licenses" shall mean the trademark license agreements of Borrower designated on Schedule I hereto, as any of the same may from time to time be amended, modified or supplemented.

"Proceeds" shall have the meaning assigned to it under Section 9-102 (64) of the Code, and in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to Borrower from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority), and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.



"Trademarks" shall mean the registered trademarks and pending applications shown in the attached Schedule A and those trademarks which are hereafter adopted or acquired by Borrower, and all right, title and interest therein and thereto, and all registrations, applications, and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any foreign country, all whether now owned or hereafter acquired by Borrower.

2. Grant of Security Interest. As collateral security for the prompt payment of the Obligations, Borrower hereby grants and conveys to Bank for its benefit a security interest in and to (a) the entire right, title and interest of Borrower in and to the Trademarks, including the registrations and applications appurtenant thereto, including those listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), and in and to any and all trademarks, and registrations and applications appurtenant thereto, hereafter acquired or filed by Borrower, including without limitation all renewals thereof, all proceeds of infringement suits, the rights to sue for past, present and future infringements and all rights corresponding thereto and the goodwill of the business to which each of the Trademarks relates and (b) all of Borrower's right, title and interest in, to and under the following:

(i) all Licenses;

(ii) all Receivables, contract rights and General Intangibles arising under or relating to each and every License (including, without limitation, (A) all moneys due and to become due under any License, (B) any damages arising out of or for breach or default in respect of any such License, (C) all other amounts from time to time paid or payable under or in connection with any such License, and (D) the right of Borrower to terminate any such License or to perform and to exercise all remedies thereunder); and,

(iii) to the extent not otherwise included, all Proceeds and products of any or all of the foregoing. All of the property referred to in this paragraph 2 is hereafter collectively called the "Collateral."

3. Representations and Warranties. Borrower covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(b) To the best of Borrower's knowledge, each of the Trademarks is valid and enforceable;

(c) There are no pending claims against the Borrower alleging that the use of any of the Trademarks violates the rights of any third person;

(d) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances (including without limitation pledges, assignments, licenses,



registered user agreements and covenants by Borrower not to sue third persons), except for the Licenses disclosed on Schedule J attached hereto;

(e) Borrower has the right to enter into this Agreement and perform its terms;

(f) Borrower has used, and will continue to use for the duration of this Agreement, proper statutory notice, where appropriate, in connection with its use of the Trademarks provided that none of the foregoing obligations shall apply to any Trademarks that Borrower determines, in its reasonable business judgment, is no longer necessary or desirable in the conduct of its business; and

(g) Borrower has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks provided that none of the foregoing obligations shall apply to any Trademarks that Borrower determines, in its reasonable business judgment, is no longer necessary or desirable in the conduct of its business.

4. Right of Inspection. Borrower hereby grants to Bank and its employees and agents the right to visit upon reasonable prior notice, Borrower's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control relating thereto at reasonable times during regular business hours, provided that such visit and inspection shall not unreasonably interfere with Borrower's normal business operations. Borrower shall use commercially reasonable efforts to do any and all acts required by Bank to ensure Borrower's compliance with paragraph 3(g) above.

5. New Trademarks.

(a) If, before the Obligations shall have been irrevocably paid in full, Borrower shall obtain rights to any new Trademarks or become entitled to the benefit of any trademark application or trademark for any reissue, division, continuation, renewal, extension, or continuation in part of any Trademark or any improvement on any Trademark, the provisions of paragraph 2 shall automatically apply thereto and Borrower shall give Bank prompt written notice thereof.

(b) Borrower grants Bank a power-of-attorney, irrevocable so long as the Financing Agreement is in existence, to modify this Agreement by amending Schedule A to include any future trademarks, including trademark registrations or applications appurtenant thereto covered by this Agreement.

6. Covenants. Borrower covenants and agrees with Bank that from and after the date of this Agreement and until the Obligations are fully satisfied:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of Bank, Borrower will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as



Bank may reasonably deem desirable in obtaining the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Code with respect to the liens and security interests granted hereby. Borrower also hereby authorizes Bank to file any such financing or continuation statement without the signature of Borrower to the extent permitted by applicable law. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged to Bank hereunder, duly endorsed in a manner satisfactory to Bank.

(b) Maintenance of Trademarks. Borrower will not do any act, or omit to do any act, whereby the Trademarks or any registration or application appurtenant thereto, may become abandoned, invalidated, unenforceable, avoided, avoidable, or will otherwise diminish in value, and shall notify Bank immediately if it knows of any reason or has reason to know of any ground under which this result may occur. Borrower shall take appropriate action at its expense to halt the infringement of the Trademarks and shall properly exercise its duty to control the nature and quality of the goods offered by any licensees in connection with the Licenses. Notwithstanding anything in the foregoing to the contrary, none of the foregoing obligations shall apply to any Trademarks that Borrower determines, in its reasonable business judgment, is no longer necessary or desirable in the conduct of its business.

(c) Indemnification. (A) Borrower assumes all responsibility and liability arising from the use of the Trademarks, and Borrower hereby indemnifies and holds Bank harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of Borrower's operations of its business from the use of the Trademarks. (B) In any suit, proceeding or action brought by Bank under any License for any sum owing thereunder, or to enforce any provisions of such License, Borrower will indemnify and keep Bank harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach of Borrower of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Borrower, and all such obligations of Borrower shall be and remain enforceable against and only against Borrower and shall not be enforceable against Bank.

(d) Limitation of Liens on Collateral. Borrower will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Collateral, and will defend the right, title and interest of Bank in and to any of Borrower's rights under any License and to the Proceeds thereof against the claims and demands of all persons whomever.

(e) Limitations on Modifications of Licenses. Borrower will not amend, modify, terminate or waive any provision of any License in any manner which might materially adversely affect the value of such License or the Trademarks as Collateral, provided that none of the foregoing obligations shall apply to any Licenses that cover any Trademarks that Borrower determines, in its reasonable business judgment, is no longer necessary or desirable in the conduct of its business.

(f) Notices. Borrower will advise Bank promptly, in reasonable detail, (i) of any lien or claim made or asserted against any of the Collateral, (ii) of any material change in the composition of the Collateral and (iii) of the occurrence of any other event which would have a material adverse effect on the value of any of the Collateral or on the security interests created hereunder.

(g) Limitation on Further Uses of Trademarks. Borrower will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral, without prior written consent of Bank.

(h) Exercise of Rights; Delivery of Notices. Borrower shall (i) exercise promptly and diligently each and every material right which it may have under each License (other than any right of termination) and (ii) deliver to Bank a copy of each material demand, notice or document sent or received by it relating in any way to any License or Trademark.

7. Bank's Appointment as Attorney-in-Fact.

(a) So long as this Agreement is in effect and so long as Borrower has not received written notice from Bank that an Event of Default has occurred and is continuing and that Bank has elected to exercise its rights hereunder, (i) Borrower shall retain all right, title and interest in and to the Trademarks, including without limitation the right to use the Trademarks, and (ii) Bank shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else. Borrower hereby irrevocably constitutes and appoints Bank and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Borrower and in the name of Borrower or in its own name, from time to time in Bank's discretion, for the purposes of carrying out the terms of this Agreement, exercisable upon the occurrence of an Event of Default, take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives Bank the power and right, on behalf of Borrower, to do the following:

(i) Upon the occurrence and continuance of an Event of Default, to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any License and, in the name of Borrower or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Bank for the purpose of collecting any and all such moneys due under any License whenever payable;

(ii) To pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or

any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) Upon the occurrence and continuance of an Event of Default, (A) to direct any party liable for any payment under any of the Licenses to make payment of any and all moneys due and to become due thereunder directly to Bank or as Bank shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding brought against Borrower with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Bank may deem appropriate; and (F) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Bank were the absolute owner thereof for all purposes, and to do, at Bank's option all acts and things which Bank deems necessary to protect, preserve or realize upon the Collateral and Bank's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as Borrower might do.

(b) This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Borrower further agrees to execute any additional documents which Bank may reasonably require in order to confirm this power of attorney, or which Bank may deem necessary to enforce any of its rights contained in this Agreement.

(c) The powers conferred on Bank hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Bank shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to Borrower for any act or failure to act, except for its own gross (not mere) negligence or willful misconduct.

(d) Borrower also authorizes Bank to execute, in connection with the sale provided for in paragraph 10(b) of this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

8. Execution of Power of Attorney. Concurrently with the execution and delivery hereof, Borrower shall execute and deliver to Bank, in the form of Exhibit I hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks pursuant to paragraph 7 hereof.

9. Performance by Bank of Borrower's Obligations. If Borrower fails to perform or comply with any of its agreements contained herein and Bank, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of Bank incurred in connection with such

performance or compliance shall be payable by Borrower to Bank on demand and shall constitute Obligations secured hereby.

10. Remedies, Rights Upon Event of Default.

(a) If an Event of Default shall occur and be continuing:

(i) All payments received by Borrower under or in connection with any of the Collateral shall be held by Borrower in trust for Bank, shall be segregated from other funds of Borrower and shall forthwith upon receipt by Borrower, be turned over to Bank, in the same form as received by Borrower (duly indorsed by Borrower to Bank, if required); and

(ii) Any and all such payments so received by Bank (whether from Borrower or otherwise) may, in the sole discretion of Bank, be held by Bank as collateral security for, and/or then or at any time thereafter applied in whole or in part by Bank against all or any part of the Obligations in such order as Bank shall elect. Any balance of such payments held by Bank and remaining after payment in full of all the Obligations shall be paid over to Borrower or to whomsoever may be lawfully entitled to receive the same.

(b) If any Event of Default shall occur and be continuing, Bank may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Borrower shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Bank is entitled. Borrower shall also be liable for the reasonable fees of any attorneys employed by Bank to collect any such deficiency and also as to any reasonable attorney's fees incurred by Bank with respect to the collection of any of the Obligations and the enforcement of any of Bank's respective rights hereunder.

11. Termination. At such time as the Obligations are irrevocably satisfied in full and the Financing Agreement is irrevocably terminated, this Agreement shall terminate and Bank shall execute and deliver to Borrower all such releases, deeds, assignments and other instruments as may be necessary or proper to re-vest in Borrower full title to the Trademarks, subject to any disposition thereof which may have been made by Bank pursuant hereto.

12. Notices. Any notice to Bank or Borrower under this Agreement shall be given in the manner and to the parties designated in the Financing Agreement.

13. No Waiver. No course of dealing between Borrower and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, any right, power or privilege hereunder or under the Financing Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. Cumulative Remedies. All of Bank's rights and remedies with respect to the Collateral, whether established hereby or by the Financing Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

15. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

16. No Modification Except in Writing. Except as provided in paragraphs 5 and 7, no amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing executed by the parties hereto.

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower and Bank, all future holders of the Obligations and their respective successors and assigns, except that Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Bank, which shall not be unreasonably withheld.

18. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of New York.

19. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

20. Counterparts; Facsimile. This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Collateral Security Agreement as of the day and year first above written.

WITNESS:

[Handwritten signature]

FRED LEIGHTON LTD.

By: *Fred Leighton Pres.*
Name:
Title:

WITNESS:

[Handwritten signature]

HSBC BANK USA, NATIONAL ASSOCIATION

By: *Kenneth Lythe*
Name: *Kenneth Lythe*
Title: *Vice President*



STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

ss:

On the 24th day of March, 2005, before me personally came Fred Leighton to me known, who being by me duly sworn, did depose and say s/he is the President of FRED LEIGHTON LTD., the corporation described in and which executed the foregoing instrument; and that s/he was authorized to sign her/his name thereto.



Notary Public
My Commission Expires:

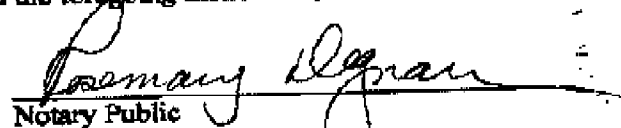
NATALIE GARCIA
No. 01GAB041161
Notary Public, State of New York
Qualified in New York County
My Commission Expires 05/01/06



STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

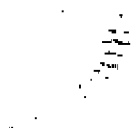
ss:

On the 31 day of March, 2005, before me personally came Kenneth Lipke to me known, who being by me duly sworn, did depose and say s/he is the Vice President of HSBC BANK USA, NATIONAL ASSOCIATION, the corporation described in and which executed the foregoing instrument; and that s/he was authorized to sign her/his name thereto.



Notary Public
My Commission Expires:

ROSEMARY DEGNAN
No. 01DE480858
Notary Public, State of New York
Qualified in Nassau County
My Commission Expires Feb. 28, 2007



SCHEDULE I

LICENSES

[INSERT LIST]

NONE

Frank J. Sington

SCHEDULE A

Schedule A to a Trademark Assignment of Security dated March 31, 2005, by and between Fred Leighton Ltd. and HSBC Bank USA, National Association.

Fred Leighton, Ltd.

Printed: 3/26/2005 Page 1

Trademark Report by Mark
Status: ACTIVE

COUNTRY	REFERENCE#	FILED	APPL#	REGOT	REG#	STATUS	CLASSES
FRED LEIGHTON							
CHINA	4007292-CNO	3/5/1994	84019580	12/21/1995	804328	REGISTERE	14
HONG KONG	4007292-HKO	2/16/1994	1706184	2/14/1998	81413/1998	REGISTERE	14
JAPAN	4007292-JPO	8/10/1990	2-52773	11/30/1992	2475078	REGISTERE	14
UNITED STATES	3007294-US0	3/21/1990	081,398	5/29/1991	1,045,941	REGISTERE	14
FRED LEIGHTON LTD.							
UNITED STATES	3007293-US0	3/21/1990	081,395	2/26/1991	1,636,458	REGISTERE	42
FRED LEIGHTON RARE COLLECTIBLE JEWELS							
SINGAPORE	400A585-SG0	2/25/1994	8/2327/94	4/22/1998	82327/94	REGISTERE	14

END OF REPORT

TOTAL ITEMS SELECTED 6

FRED LEIGHTON

Rare Collectible Jewels

FACSIMILE COVER SHEET

DATE: May 24th 2005

TO THE ATTENTION OF: Ken M. Lipke

COMPANY: HSBC

FAX #: 212-525-5676

NUMBER OF PAGES (INCLUDING COVER SHEET): 2Pages

FROM: Mara Leighton

FRED LEIGHTON LTD.
FAX #: (212) 288-6167
PHONE #: (212) 288-1872

COMMENTS:

Dear Ken,

As requested here is an enlarged copy of Schedule A. Please let me know that you have received if and if you need anything else.

Thank you,
MARA

773 Madison Avenue, New York, New York 10021 Tel: 212-288-1872 Fax: 212-288-6167
BELLAGIO 3600 Las Vegas Boulevard South, Las Vegas, NV 89109 Tel: 702-693-7050 Fax: 702-693-8550

TRADEMARK

SCHEDULE A

Schedule A to a Trademark Assignment of Security dated MARCH 31, 2005, by and between Fred Leighton Ltd. and HSBC Bank USA, National Association.

Fred Leighton, Ltd.

Printed: 3/28/2005 Page 1

Trademark Report by Mark
Status: ACTIVE
COUNTRY REFERENCE# FILED APPL# REGDT REG# STATUS CLASSES

COUNTRY	REFERENCE#	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
FRED LEIGHTON							
CHINA	4007292-CN0	3/31/94	94016590	12/24/1995	801328	REGISTERE	14
HONG KONG	4007292-HK0	2/16/1994	1708/94	2/14/1996	B1513/1996	REGISTERE	14
JAPAN	4007292-JP0	5/16/1990	2-52775	11/30/1992	2475078	REGISTERE	14
UNITED STATES	3007234-US0	5/21/1990	061.396	5/28/1991	1,645.941	REGISTERE	14
FRED LEIGHTON LTD.							
UNITED STATES	3007236-US0	5/21/1990	061.395	2/26/1991	1,636.486	REGISTERE	42
FRED LEIGHTON RARE COLLECTIBLE JEWELS							
SINGAPORE	400A589-SG0	3/25/1994	5/2327/94	4/22/1998	B2327/94	REGISTERE	14
TOTAL ITEMS SELECTED							6

END OF REPORT

Fred Leighton



UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
 ASSISTANT SECRETARY AND COMMISSIONER
 OF PATENTS AND TRADEMARKS
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July 05, 2005

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