

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
Citizens of Humanity, LLC		01/31/2006	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	Capitalsource Finance, LLC
Street Address:	4445 Willard Ave.
Internal Address:	12th Floor
City:	Chevy Chase
State/Country:	MARYLAND
Postal Code:	20815
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Registration Number:	2940943	CITIZENS OF HUMANITY
Serial Number:	78206131	CITIZENS OF HUMANITY
Serial Number:	78489539	CITIZENS OF HUMANITY
Serial Number:	76616169	H
Serial Number:	76616168	H
Serial Number:	76617317	H
Serial Number:	76617318	H H

CORRESPONDENCE DATA

Fax Number: (214)758-1550
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 2147581500
 Email: estafford@pattonboggs.com
 Correspondent Name: Darren W. Collins

OP \$190.00 2940943

Address Line 1: 2001 Ross Avenue
Address Line 2: Suite 3000
Address Line 4: Dallas, TEXAS 75201

ATTORNEY DOCKET NUMBER:	013043.0384
NAME OF SUBMITTER:	Darren W. Collins
Signature:	/Darren W. Collins/
Date:	02/10/2006

Total Attachments: 16

source=CSF-CitizensofHumanity#page1.tif
source=CSF-CitizensofHumanity#page2.tif
source=CSF-CitizensofHumanity#page3.tif
source=CSF-CitizensofHumanity#page4.tif
source=CSF-CitizensofHumanity#page5.tif
source=CSF-CitizensofHumanity#page6.tif
source=CSF-CitizensofHumanity#page7.tif
source=CSF-CitizensofHumanity#page8.tif
source=CSF-CitizensofHumanity#page9.tif
source=CSF-CitizensofHumanity#page10.tif
source=CSF-CitizensofHumanity#page11.tif
source=CSF-CitizensofHumanity#page12.tif
source=CSF-CitizensofHumanity#page13.tif
source=CSF-CitizensofHumanity#page14.tif
source=CSF-CitizensofHumanity#page15.tif
source=CSF-CitizensofHumanity#page16.tif

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as amended, supplemented or otherwise modified from time to time, this "**IP Security Agreement**") is made and effective as of January 31, 2006, by CITIZENS OF HUMANITY, LLC, a Delaware limited liability company, including any of its respective successors or permitted assignees, "**Grantor**", in favor of CAPITALSOURCE FINANCE LLC, a Delaware limited liability company, as agent for the Lenders (as defined in the Credit Agreement (as defined below)) (in such capacity, the "**Agent**"). Capitalized terms used in this IP Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Credit Agreement.

RECITALS

WHEREAS, pursuant to that certain Credit Agreement, dated as of the date hereof, by and among Grantor, the Agent, the Lenders and certain other parties thereto (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), the Lenders have agreed, subject to the terms and conditions set forth therein, to lend to Grantor certain amounts pursuant to the credit facilities set forth therein (collectively, the "**Loans**"); and

WHEREAS, it is a condition precedent to the obligation of the Agent and the Lenders to execute and perform under the Credit Agreement that Grantor shall have executed and delivered this IP Security Agreement to the Agent, for the ratable benefit of the Lenders;

NOW, THEREFORE, in consideration of the willingness of the Agent and the Lenders to enter into the Credit Agreement and to agree, subject to the terms and conditions set forth therein, to make the Loans to Grantor pursuant thereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. **Grant of Security Interest**. To secure Grantor's prompt and complete payment of the Loans and the performance of all of Grantor's Obligations under the Credit Agreement, Grantor hereby grants to Agent, for the ratable benefit of the Lenders, a continuing security interest in all of the right, title and interest of Grantor in and to any and all of the following collateral, whether now owned or hereafter acquired, but excluding any Intellectual Property for which the granting of a security interest therein would terminate, invalidate, void, cancel, degrade or abandon such Intellectual Property (all such non-excluded collateral, the "**IP Collateral**"):

(a) All of the following now owned or hereafter adopted or acquired by Grantor: (i) all copyright rights in any work subject to copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof, including those set forth on **Schedule A**

attached hereto, and (ii) all reissues, extensions or renewals thereof (collectively, the "**Copyrights**");

(b) All of the following in which Grantor now holds or hereafter acquires any interest: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all provisional applications or applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or any other country, including those set forth on Schedule B attached hereto, and (ii) all reissues, re-examinations, continuations, continuations-in-part or extensions thereof (collectively, the "**Patents**");

(c) All of the following now owned or hereafter adopted or acquired by Grantor: (i) all trademarks (whether registered or unregistered), trade names, trade styles, service marks, logos (whether registered or unregistered), all registrations and recordings thereof, and all applications (other than intent-to-use applications) in connection therewith, including registrations, recordings and applications (other than intent-to-use applications) in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof, including those set forth on Schedule C attached hereto, (ii) all reissues, extensions or renewals thereof, and (iii) all goodwill associated with or symbolized by any of the foregoing (collectively, the "**Trademarks**");

(d) Any and all claims and causes of action for past, present or future infringement of any of the foregoing, with the right, but not the obligation and only upon and during the continuance of an Event of Default, to sue for and collect damages for infringement of the foregoing;

(e) Any and all licenses or rights granted under any of the foregoing, and all license fees and royalties arising from such licenses or rights, in each case to the extent permitted by such licenses or rights;

(f) Any and all amendments, renewals, extensions, reissuances and replacements of any of the foregoing; and

(g) Any and all products and proceeds of any of the foregoing.

Notwithstanding anything herein to the contrary, such grant of a security interest shall not extend to, and the term "IP Collateral" shall not include any General Intangibles or other property of any Grantor to the extent that (x)(A) they are not assignable or capable of being encumbered as a matter of law or under the terms of any license or other agreement applicable thereto without the consent of the licensor thereof or other applicable party thereto, and (B) such consent has not been obtained or (y) in the case of Intellectual Property for which the grant of a security interest would terminate, invalidate, void or abandon such Intellectual Property; provided, however, that the foregoing grant of a security interest shall extend to, and the term "IP Collateral" shall include, each of the following: (1) any General Intangible, Intellectual Property, contracts or any other property which is in the nature of an Account or a right to the payment of

money or a proceed of, or otherwise related to the enforcement or collection of, any Account or right to the payment of money, or goods which are the subject of any Account or right to the payment of money, (2) any and all proceeds of any General Intangible, Intellectual Property, contracts or any other property that is otherwise excluded to the extent that the assignment, pledge or encumbrance of such proceeds is not so restricted and (3) upon obtaining the consent of any such licensor or other applicable party with respect to any such otherwise excluded General Intangible, Intellectual Property, contracts or any other property, such General Intangible, Intellectual Property, contracts or any other property as well as any and all proceeds thereof that might theretofore have been excluded from such grant of a security interest and from the term "IP Collateral."

2. Requested Recordation. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks file and record this IP Security Agreement in order to publicly reflect the interests of the Agent and the Lenders in the IP Collateral.

3. License. For the purpose of enabling Agent to exercise rights and remedies under Section 7 of the Security Agreement solely at and during such time as Agent shall be lawfully entitled to exercise such rights and remedies after the occurrence and during the continuance of an Event of Default, Grantor hereby grants to Agent, for the benefit of the Lender Parties, an irrevocable (until the Termination Date), nonexclusive license (exercisable without payment of royalty or other compensation to Grantor) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all Software and programs used for the compilation or printout thereof. Agent hereby agrees it will not use, license or sublicense any of Grantor's Intellectual Property in a manner that could dilute, weaken, invalidate or otherwise void such Intellectual Property (including the IP Collateral).

4. Power of Attorney. Grantor hereby irrevocably grants to the Agent, for the ratable benefit of the Lenders, a power of attorney, to, after the occurrence and during the continuance of an Event of Default, act as such Grantor's attorney-in-fact, with full authority in the name, place and stead of such Grantor, from time to time in the Agent's Permitted Discretion, to take any action and to execute any instrument that the Agent may deem necessary to accomplish the purposes of this IP Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend (in the Permitted Discretion of the Agent and the Lenders without first obtaining Grantor's approval thereof or signature thereto) Schedule A, Schedule B and Schedule C hereof, as appropriate, to include references to any registered Intellectual Property (or application or license therefor) acquired by Grantor after the execution hereof or to delete any reference to any IP Collateral in which Grantor no longer has or claims any right, title or interest;

(b) To execute, file and pursue (in the Permitted Discretion of the Agent and the Lenders without first obtaining Grantor's approval thereof or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order

to perfect, maintain, continue or otherwise protect the Agent's interest or Grantor's rights in the IP Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any necessary documents in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise (in the case of each of clause (i) and clause (ii) above, to the extent Grantor fails to do so within two (2) Business Days after Agent's request, unless such delay would prejudice any interest or right of Grantor or Agent);

(c) To execute any document required to acknowledge, register or perfect the interest of the Agent and the Lenders in any part of the IP Collateral without the signature of Grantor unless prohibited by applicable law; and

(d) To (i) endorse Grantor's name on all applications, documents, papers and instruments necessary for Agent in the use of the IP Collateral, (ii) take any other actions with respect to the IP Collateral as Agent deems in its Permitted Discretion to be in the best interest of Agent, (iii) grant or issue any non-exclusive license under the IP Collateral to anyone or (iv) assign or pledge the IP Collateral to anyone.

The foregoing power of attorney is coupled with an interest and is irrevocable until the Termination Date.

5. Release. The security interests granted herein will terminate (and all rights to the IP Collateral will revert to Grantor) in accordance with the provisions of Section 12.3 of the Credit Agreement. Upon any such termination, the Agent (at the Grantor's request and sole expense) will promptly execute and deliver to Grantor (with such customary representations and warranties from a secured lender releasing its lien as Grantor may reasonably request) such documents as the Grantor may reasonably request and as are provided to the Agent to evidence such termination.

6. Newly Registered Copyrights, Patents and Trademarks. Grantor hereby agrees to provide the Agent, for the ratable benefit of the Lenders, together with each delivery of financial statements under clause (a)(ii) of Exhibit C-1 of the Credit Agreement, a schedule of newly registered Copyrights, Patents and Trademarks (if any).

7. Miscellaneous.

(a) This IP Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to the Agent, for the ratable benefit of the Lenders, under the Security Agreement. The rights and remedies of Grantor and the Agent with respect to the security interests granted herein are in addition and without prejudice to those set forth in the Security Agreement, all terms and provisions of which are hereby incorporated herein by reference. In the event that any provisions of this IP Security Agreement are deemed to conflict with the Credit Agreement or the other Loan

Documents, the provisions of the Credit Agreement or the other Loan Documents shall govern.


(b) This IP Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document. Each such counterpart will be deemed to be an original, but all counterparts together will constitute one and the same instrument.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this IP Security Agreement as of the date first written above.

GRANTORS:

CITIZENS OF HUMANITY, LLC

By: 
Name: Jerome Dahan
Title: President, Chief Executive Officer and Secretary

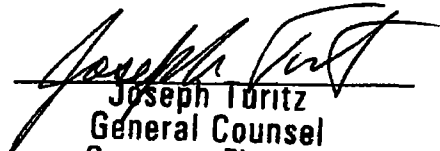
[SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT]

TRADEMARK
REEL: 003245 FRAME: 0435

AGENT:

CAPITALSOURCE FINANCE LLC

By:
Name:
Title:


Joseph Turitz
General Counsel
Corporate Finance

[SIGNATURE PAGE TO CITIZENS OF HUMANITY, LLC INTELLECTUAL PROPERTY SECURITY AGREEMENT]

TRADEMARK
REEL: 003245 FRAME: 0436

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) ss.

On January 30, 2006 before me, Emily Bresler, personally appeared, Jerome Dahan, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public Signature

[SEAL]



[SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT]

ACKNOWLEDGMENT

STATE OF Maryland :

: SS

COUNTY OF Montgomery :

Before me, the undersigned, a Notary Public, on this 30 day of January, 2006, personally appeared Joseph Tritz to me known personally, who, being by me duly sworn, did say that he is the General Counsel of CapitalSource Finance LLC, as Agent, and that said Intellectual Property Security Agreement was signed on behalf of said Agent, and the said General Counsel acknowledged said instrument to be his free act and deed.

Kevin Todd

Notary Public

My Commission Expires: 3/30/09

[SIGNATURE PAGE TO CITIZENS OF HUMANITY, LLC INTELLECTUAL PROPERTY SECURITY AGREEMENT]

SCHEDULE A

COPYRIGHT COLLATERAL

Registered Copyrights

“Dylan Skylar” Graphic Design – United States Copyright Registration No. VA-1-174-415

Effective Date of Registration – January 30, 2003

Pending Copyright Applications

None.

SCHEDULE B

PATENT COLLATERAL

Registered Patents

None.

Pending Patent Applications

None.

SCHEDULE C

TRADEMARK COLLATERAL

A. REGISTERED TRADEMARKS – All owned by D.A.D.S. Denim, Inc.

Citizens of Humanity	United States	Registration No. 2,940,943 Int'l. Class 25	Registered 4/12/2005
Citizens of Humanity	Australia	Registration No. 1051808 Int'l. Classes 3, 9, 14, 18 and 25	Registered as of 4/22/05
Citizens of Humanity	European Community	Registration # 003033040 Int'l. Classes 18, 25, 35	Registered as of 1/4/06
Humanity Jeans	European Community	Registration # 003032968 Int'l. Classes 18, 25, 35	Registered 12/8/04
Citizens of Humanity	Hong Kong	Registration # 300361773 Int'l. Class 25	Registered 1/27/05
Citizens of Humanity	Japan	Registration No. 4,826,468 Int'l. Class 25	Registered 12/17/04
Citizens of Humanity	Japan	Registration No. 4,713,919 Int'l. Class 25	Registered 10/03/03
"h" Solid Design	Japan	Registration No. 4,724,002 Int'l. Class 25	Registered 11/07/03

"h" Stitched Design	Japan	Registration No. 4,763,712 Int'l. Class 25	Registered 4/16/04
Humanity Jeans	Japan	Registration No. 4,749,369 Int'l. Class 25	Registered 2/20/04
Citizens of Humanity	Taiwan	Registration No. 1087509	Registered 2/16/04

B. TRADEMARK APPLICATIONS – All owned by D.A.D.S. Denim, Inc.

Citizens of Humanity	United States	Application Serial No. 78/206131 (Intent to Use) Int'l. Class 25	Application filed 1/22/2003
Citizens of Humanity	United States	Application Serial No. 78/489539 (Intent to Use) Int'l. Classes 3, 9, 14, 18	Application filed 9/24/04
"h" Solid Design	United States	Application Serial No. 76/616169 (Use) Int'l. Class 25	Application filed 10/12/04
"h" Solid Design	United States	Application Serial No. 76/616168 (Intent to Use) Int'l. Classes 3, 9, 14, 18 and 25	Application filed 10/12/04
"h" Stitched Design	United States	Application Serial No. 76/617317 (Use) Int'l. Class 25	Application filed 10/20/04

Dual Rear Pocket Design	United States	Application Serial No. 76/617318 (Use) Int'l. Class 25	Application filed 10/20/04
-------------------------	---------------	--	----------------------------

"h" Solid Design	Australia	Application No. 1050190 Int'l. Classes 3, 9, 14, 18 and 25	Application filed 4/12/05
"h" Stitched Design	Australia	Application No. 1051363 Int'l. Class 25	Application filed 4/18/05
Dual Rear Pocket Design	Australia	Application No. 1051362 Int'l. Class 25	Application filed 4/18/05
Citizens of Humanity	Canada	Application No. 1265093 Int'l. Classes 3, 9, 14, 18 and 25	Application filed 7/15/05
"h" Solid Design	Canada	Application No. 1265095 Int'l. Classes 3, 9, 14, 18 and 25	Application filed 7/15/05
"h" Stitched Design	Canada	Application No. 1265097 Int'l. Class 25	Application filed 7/15/05
Dual Rear Pocket Design	Canada	Application No. 1265096 Int'l. Class 25	Application filed 7/15/05
Citizens of Humanity	China	Application No. 3599571 Int'l. Class 25	Application filed 6/19/03
"h" Solid Design	China	Application No. 4598309	Application filed 4/12/05

		Int'l. Class 25	
"h" Solid Design	China	Application No. 4598344 Int'l. Class 3	Application filed 4/12/05
"h" Solid Design	China	Application No. 4598343 Int'l. Class 9	Application filed 4/12/05
"h" Solid Design	China	Application No. 4598311 Int'l. Class 14	Application filed 4/12/05
"h" Solid Design	China	Application No. 4598310 Int'l. Class 18	Application filed 4/12/05
"h" Solid Design	European Community	Application # 004384641 Int'l. Classes 3, 9, 14, 18 and 25	Application filed 4/12/05
"h" Stitched Design	European Community	Application # 004395125 Int'l. Class 25	Application filed 4/19/05
Dual Rear Pocket Design	European Community	Application # 004338679 Int'l. Class 25	Application filed 3/14/05
Citizens of Humanity	Hong Kong	Registration # 300361773 Int'l. Class 25	Registered 1/27/05
Citizens of Humanity	India	Application No. 1344809 Int'l. Class 25	Application filed 3/15/05
"h" Solid Design	India	Application No. 1350448	Application filed 4/12/05

		Int'l. Classes 3, 9, 14, 18 and 25	
"h" Solid Design	Japan	Application #2005-032311 Int'l. Classes 3, 9, 14, 18 and 25	Application filed 4/12/05
Citizens of Humanity by Jerome Dahan	Korea	Application # 2005-0024072 Int'l. Class 25	Application filed 5/26/05
Citizens of Humanity	Korea	Application # 2005-0024073 Int'l. Class 25	Application filed 5/26/05
"h" Solid Design	Korea	Application # 2005-0015973 Int'l. Classes 3, 9, 14, 18 and 25	Application filed 4/12/05
Citizens of Humanity	Mexico	Application No. 724755 Int'l. Class 25	Application filed 6/23/05
"h" Solid Design	Mexico	Application No. 724754 Int'l. Class 25	Application filed 6/23/05
"h" Stitched Design	Mexico	Application No. 724757 Int'l. Class 25	Application filed 6/23/05
Dual Rear Pocket Design	Mexico	Application No. 724756 Int'l. Class 25	Application filed 6/23/05