

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
EFFECTIVE DATE:	01/31/2006

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
CITIZENS OF HUMANITY, LLC		01/31/2006	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	D.A.D.S. DENIM, INC.
Street Address:	1149 3rd Street, Suite 200
Internal Address:	c/o Law Offices of Gary Freedman, Esq.
City:	Santa Monica
State/Country:	CALIFORNIA
Postal Code:	90403
Entity Type:	CORPORATION: CALIFORNIA

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: (310)576-2440
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: (310) 576-2444

OP \$190.00 2940943

Email: goromans@aol.com
Correspondent Name: Gary Freedman, Esq.
Address Line 1: 1149 3rd Street
Address Line 2: Suite 200
Address Line 4: Santa Monica, CALIFORNIA 90403

NAME OF SUBMITTER:	Mary Ann Todd
Signature:	/s/ Mary Ann Todd
Date:	05/03/2006

Total Attachments: 15

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INTELLECTUAL PROPERTY SECURITY AGREEMENT
(Second Lien)

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 D.A.D.S. DENIM, INC. (the "**Lender**"). Capitalized terms used in this IP Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Security Agreement.

RECITALS

WHEREAS, pursuant to that certain Subordinated Note, dated as of the date hereof, by and among Grantor, the Lender and certain other parties thereto (as amended, restated, supplemented or otherwise modified from time to time, the "**Note**"), the Lender has agreed, subject to the terms and conditions set forth therein, to make a loan to Grantor; and

WHEREAS, it is a condition precedent to the obligation of the Lender to execute and perform under the Note that Grantor shall have executed and delivered this IP Security Agreement to the Lender;

NOW, THEREFORE, in consideration of the willingness of the Lender to enter into the Note and to agree, subject to the terms and conditions set forth therein, to make the loan 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 loan and the performance of all of Grantor's obligations under the Note, Grantor hereby grants to Lender 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 Lender in the IP Collateral.

3. License. Subject to the terms of the Intercreditor Agreement, for the purpose of enabling Lender to exercise rights and remedies under Section 7 of the Security Agreement solely at and during such time as Lender 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 Lender 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. Lender 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 Lender a power of attorney, to, after the occurrence and during the continuance of an Event of Default but subject to the terms of the Intercreditor Agreement, 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 Lender's reasonable 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 reasonable discretion of the Lender 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 reasonable discretion of the Lender 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 Lender'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 Lender's request, unless such delay would prejudice any interest or right of Grantor or Lender);

(c) To execute any document required to acknowledge, register or perfect the interest of the Lender 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 Lender in the use of the IP Collateral, (ii) take any other actions with respect to the IP Collateral as Lender deems in its reasonable discretion to be in the best interest of Lender, (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) upon the Termination Date. Upon any such termination, the Lender (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 Lender to evidence such termination.

6. Newly Registered Copyrights, Patents and Trademarks. Subject to the terms of the Intercreditor Agreement and from and after the occurrence of the Triggering Event, Grantor hereby agrees to provide the Lender, together with each delivery of financial statements under clause (a)(ii) of Exhibit C-1 of the Senior 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 Lender under the Security Agreement. The rights and remedies of Grantor and the Lender 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 Note or the Subordinated Credit Documents, the provisions of the Note or the Subordinated Credit 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.

(c) Notwithstanding anything herein to the contrary, the lien and security interest granted to the Lender pursuant to this IP Security Agreement and the exercise of any right or remedy by the Lender hereunder are subject to the provisions of the Intercreditor Agreement and the subordination provisions of the Note. In the event of any conflict between the terms of the Intercreditor Agreement and this IP Security Agreement, the terms of the Intercreditor Agreement shall govern. Anyone attempting to obtain or receive the benefits of or to impose the obligations contained in this Agreement shall take subject to the terms of the Intercreditor Agreement.

[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.

GRANTOR:

CITIZENS OF HUMANITY, LLC

By: 

Name: Jerorne Dahan

Title: President, Chief Executive Officer
and Secretary

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY
SECURITY AGREEMENT (SECOND LIEN)]

TRADEMARK
REEL: 003302 FRAME: 0785

LENDER:

D.A.D.S. DENIM, INC.

By: 

Name: Jerome Dahan

Title: President

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY
SECURITY AGREEMENT (SECOND LIEN)]

TRADEMARK
REEL: 003302 FRAME: 0786

ACKNOWLEDGMENT

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

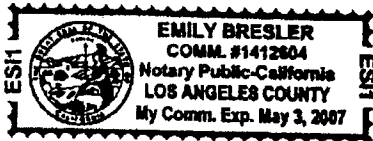
On January 30, 2006 before me, Emily Bresler, personally appeared, Jerome Dahan, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their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

Emily Bresler

Notary Public Signature

[SEAL]



[SIGNATURE PAGE TO 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
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"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