

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
Samuels Jewelers, Inc.		12/19/2006	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Wells Fargo Retail Finance, LLC		
Street Address:	One Boston Place, 18th Floor		
City:	Boston		
State/Country:	MASSACHUSETTS		
Postal Code:	02108		
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Serial Number:	78974164	SAMUELS JEWELERS	
Serial Number:	78725105	24 KARAT CARD	
Serial Number:	77000656	SAMUELS DIAMONDS	
Registration Number:	1493669	SCHUBACH JEWELERS	
CORRESPONDENCE DATA			
Fax Number:	(617)856-8201		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	617-856-8145		
Email:	ip@brownrudnick.com		
Correspondent Name:	Mark S. Leonardo		
Address Line 1:	One Financial Center		
Address Line 2:	Brown Rudnick Berlack Israels LLP		
Address Line 4:	Boston, MASSACHUSETTS 02111		
ATTORNEY DOCKET NUMBER:	23595/32		
NAME OF SUBMITTER:	Mark S. Leonardo		

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Signature:	/s/Mark S. Leonardo/
Date:	12/21/2006
Total Attachments: 8 source=Executed Trademark Agreement#page1.tif source=Executed Trademark Agreement#page2.tif source=Executed Trademark Agreement#page3.tif source=Executed Trademark Agreement#page4.tif source=Executed Trademark Agreement#page5.tif source=Executed Trademark Agreement#page6.tif source=Executed Trademark Agreement#page7.tif source=Executed Trademark Agreement#page8.tif	

**TRADEMARK AND TRADEMARK
APPLICATIONS SECURITY AGREEMENT**

This Trademark and Trademark Applications Security Agreement (the "TM Security Agreement") is made as of the 19th day of December, 2006, between Samuels Jewelers, Inc, a Delaware corporation with its principal executive office at 2419 Montopolis Drive, Suite 200, Austin, TX 78741 ("Borrower") and Wells Fargo Retail Finance, LLC, with offices at One Boston Place, 18th Floor, Boston, MA 02108, as Collateral Agent (the "Agent") for the benefit of the Lenders (defined hereinafter).

RECITALS

WHEREAS, pursuant to the Loan and Security Agreement of even date herewith (as the same may be amended, restated, supplemented and/or modified from time to time, the "Loan Agreement") by and among the Borrower, the Term Loan B Lenders (defined therein), the Revolving Credit Lenders named therein (together with the Term Loan B Lenders, the "Lenders") and Agent for the benefit of the Lenders, the Agent and Lenders have agreed to make certain loans and provide other financial accommodations to the Borrower;

WHEREAS, pursuant to the Loan Agreement the Borrower has granted to the Agent, for the benefit of itself and Lenders, a security interest in the Collateral to secure the Obligations of the Borrower to the Agent and Lenders;

WHEREAS, as a condition, among others, to the establishment of the credit facilities contemplated by the Loan Agreement, and to further secure the Obligations of the Borrower to the Agent and Lenders and to more fully vest the security interest granted in the Loan Agreement, the Borrower has executed this TM Security Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrower and the Agent and Lenders agree as follows:

1. Capitalized terms used herein but not otherwise defined herein shall have the meanings given such terms in the Loan Agreement.
2. To secure the Obligations, Borrower hereby grants a security interest in favor of, and collaterally assigns to the Agent, for the benefit of itself and the Lenders, with power of sale (which power of sale shall be exercisable only following the occurrence and continuation of an Event of Default as defined in the Loan Agreement and used herein as so defined), in and to the following and all proceeds thereof:
 - a. All of Borrower's now owned or existing or hereafter acquired or arising trademarks, trademark applications, service marks, registered service marks and service mark applications including, without limitation, those listed on EXHIBIT A annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, trademark applications, service marks, registered service marks, and service mark applications.

- b. All renewals of any of the foregoing.
- c. All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.
- d. The right to sue for past, present and future infringements and dilutions of any of the foregoing.
- e. All of the Borrower's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications described in Subsection 2(a), together with the items respectively described in Subsections 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the "Marks".

3. Until this TM Security Agreement is terminated in writing by a duly authorized officer of the Agent, the Borrower shall undertake the following with respect to each Mark that is in use at the relevant time:

- a. Pay all renewal fees and other fees and costs associated with maintaining the Marks and with the processing of the Marks.
- b. At Borrower's sole cost, expense, and risk, pursue the prompt, diligent, processing of each trademark application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts, unless the respective service mark or trademark is abandoned (provided, however, that the Borrower shall notify the Agent and Lenders of any intent to abandon any service mark or trademark).
- c. At Borrower's sole cost, expense, and risk, take any and all action that the Borrower reasonably deems necessary or desirable to protect the Marks, including, without limitation, the prosecution and defense of infringement actions.

4. In the event of:

- a. Borrower's failure, within five (5) days of written notice from the Agent and/or Lenders, to cure any failure by the Borrower to perform any of Borrower's obligations set forth in Section 3, above, and/or
- b. the occurrence and continuation of any Event of Default,

the Agent acting in its own name or in the Borrower's name may (but shall not be required to) act in the Borrower's place and stead and/or in the Agent's own right in connection therewith.

5. The Borrower represents and warrants that:

- a. EXHIBIT A includes all of the registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Borrower.
- b. No liens, claims or security interests have been granted in any Mark by the Borrower to any Person other than to the Agent.

6. In order to further secure the Obligations:

- a. The Borrower shall give the Agent and Lenders written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:
 - i. Borrower obtains rights to, and files applications for registration of, any new trademarks, or service marks, or otherwise acquires ownership of any newly registered trademarks, registered service marks, trademark applications, or service mark applications, (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).
 - ii. Borrower becomes entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than Borrower's right to sell products containing the trademarks of others in the ordinary course of Borrower's business).
 - iii. Borrower enters into any new trademark license agreement or service mark license agreement, whether as licensor or licensee, except such license agreements entered into in the ordinary course of business.
- b. The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in 6(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.
- c. The Borrower hereby authorizes the Agent and Lenders to modify this agreement by amending EXHIBIT A to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which is so given, *provided, however*, the modification of said EXHIBIT A shall not be a condition to the creation or perfection of the security interest created hereby.

7. Upon the occurrence and continuation of any Event of Default, the Agent may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted and amended from time to time in the Commonwealth of Massachusetts with respect to the Marks, in addition to which the Agent, subject to the terms of the Loan Agreement, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Agent that an Event of Default has occurred and is continuing and that the Agent is authorized to exercise such rights and remedies.

8. The Borrower hereby irrevocably constitutes and designates the Agent as and for the Borrower's attorney-in-fact, effective with and upon the Agent's first exercise (the "First Exercise") of such powers following the occurrence and continuation of any Event of Default:

- a. To exercise any of the rights and powers referenced in Section 3.
- b. To execute all and singular such instruments, documents, and papers as the Agent determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within TM Security Agreement is terminated by a duly authorized officer of the Agent, but shall be exercisable only following the occurrence and continuation of an Event of Default.

9. Any use by the Agent and/or Lenders of the Marks as authorized hereunder in connection with the exercise of the Agent's rights and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with the Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent and Lenders to the Borrower. Such use by the Agent and Lenders shall be permitted only with and upon the First Exercise following the occurrence and continuation of an Event of Default.

10. Agent and Lenders hereby acknowledge that the Borrower shall continue to have the exclusive right, prior to notice from the Agent and Lenders following the occurrence and continuation of an Event of Default, to sue for past, present and future infringement of the Marks including the right to seek injunctions and/or money damages, in an effort by the Borrower to protect the Marks against encroachment by third parties; provided, however, that the Borrower first notify Agent and Lenders in writing of its intention to sue for enforcement of the Marks against a particular party. All costs arising in connection with any infringement shall be borne by the Borrower.

11. Following the satisfaction and indefeasible payment in full in cash of all Obligations and termination of the Loan Agreement, this TM Security Agreement shall terminate and the Agent shall execute and deliver to the Borrower all such instruments as the Borrower reasonably may request to release any encumbrance in favor of the Agent created hereby or pursuant hereto, subject, however, to any disposition thereof which may have been made by Agent pursuant hereto or pursuant to the Loan Agreement.

12. The Borrower shall, at the request of the Agent, do any and all acts and execute any and all documents reasonably required by the Agent in connection with the protection, preservation, and enforcement of the Agent's and Lenders' rights hereunder.

13. The Borrower shall, upon demand, reimburse the Agent and Lenders for all costs and expenses incurred by the Agent and Lenders in the exercise of any rights hereunder (including, without limitation, reasonable fees and expenses of counsel).

14. Neither anything contained in the within TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as (a) directly or indirectly conveying to the Agent and Lenders any rights in and to the Marks (other than the security interest granted herein), or (b) conveying to the Agent and Lenders any right of prior approval of, or right to prevent the granting of, or right to rescind any non-exclusive license of any of the Marks granted by the Borrower, except as may be conveyed in (a) or (b) above following the occurrence and continuation of any Event of Default (and in such circumstances, only with and upon the First Exercise).

15. This TM Security Agreement is intended to be supplemental to the Loan Agreement. All provisions of the Loan Agreement shall apply to the Marks and the Agent and Lenders shall have the same rights with respect to any and all security interests in the Marks granted the Agent and Lenders to secure the Obligations hereunder as thereunder. In the event of a conflict between this TM Security Agreement and the Loan Agreement, the terms of this TM Security Agreement shall control with respect to the Marks and the Loan Agreement shall govern with respect to all other Collateral.

16. THIS TM SECURITY AGREEMENT SHALL BE GOVERNED, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Borrower and the Agent respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

WELLS FARGO RETAIL FINANCE, LLC
("Agent")

By: *David Molinaro*

Print Name: *David Molinaro*

Title: *V.P.*

SAMUELS JEWELERS, INC.
(the "Borrower")

By: _____

Print Name:

Title:

IN WITNESS WHEREOF, the Borrower and the Agent respectively have caused this TM Security Agreement to be executed by officers duly authorized so to do on the date first above written.

WELLS FARGO RETAIL FINANCE, LLC
("Agent")

By: _____

Print Name:
Title:

SAMUELS JEWELERS, INC.
(the "Borrower")

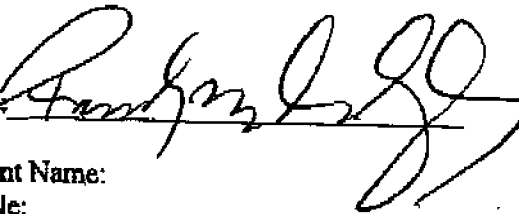
By:  _____
Print Name:
Title:

EXHIBIT A

Borrower's now owned or existing or hereafter acquired or arising registered service marks and Federal service mark applications, registered trademarks, and Federal trade mark applications:

<u>Serial Number</u>	<u>Registration Number</u>	<u>Word Mark</u>
78974164		SAMUELS JEWELERS
78725105		24 KARAT CARD
77000656		SAMUELS DIAMONDS
73665611	1493669	SCHUBACH JEWELERS

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