

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Scalamandre Silks, Inc.		11/20/2007	CORPORATION: NEW YORK
RECEIVING PARTY DATA			
Name:	Rosenthal & Rosenthal Inc.		
Street Address:	1370 Broadway		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10018		
Entity Type:	CORPORATION: NEW YORK		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2121901	SCALAMANDRE	
Registration Number:	1611755	SCALAMANDRE	
Serial Number:	76673689	ISLAND CLOTH COLLECTION	
Serial Number:	76619367	BERMUDA CLOTH	
CORRESPONDENCE DATA			
Fax Number:	(866)459-2899		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	212-356-0937		
Email:	Oleh.Hereliuk@federalresearch.com		
Correspondent Name:	Rosenthal & Rosenthal, Inc.		
Address Line 1:	1370 Broadway		
Address Line 4:	New York, NEW YORK 10018		
ATTORNEY DOCKET NUMBER:	400103		
NAME OF SUBMITTER:	Oleh Hereliuk		

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Signature:	/oh/
Date:	11/21/2007
Total Attachments: 8 source=400103#page1.tif source=400103#page2.tif source=400103#page3.tif source=400103#page4.tif source=400103#page5.tif source=400103#page6.tif source=400103#page7.tif source=400103#page8.tif	

Trademark Security Agreement

SECURITY AGREEMENT, dated as of November 20, 2007 between Scalamandre Silks, Inc. a New York corporation (the "Debtor"), and Rosenthal & Rosenthal, Inc., a New York corporation (the "Secured Party").

Debtor and Secured Party hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) **Terms Defined in Financing Agreement.** All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the General Security Agreement.

(b) **Certain Defined Terms.** As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Financing Agreement" means the Financing Agreement entered into between Debtor and Secured Party dated November 20, 2007

"PTO" means the United States Patent and Trademark Office.

"UCC" means the Uniform Commercial Code as in effect in the State of New York.

(c) **Terms Defined in UCC.** Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) **Construction.** In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to "proceeds" in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor; (ii) "includes" and "including" are not limiting; (iii) "or" is not exclusive; and (iv) "all" includes "any" and "any" includes "all." To the extent not inconsistent with the foregoing, the rules of construction and interpretation applicable to the General Security Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2. Security Interest.

(a) **Grant of Security Interest.** As security for the payment and performance of the Obligations, Debtor hereby grants to Secured Party a security interest in, and a mortgage upon, all of Debtor's

right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Debtor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) all state, federal and foreign trademarks, service marks, trade names, and applications for registration of such trademarks, service marks and trade names (including common law, but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names and applications as described in Schedule A), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(ii) the entire goodwill of or associated with the businesses now or hereafter conducted by Debtor connected with and symbolized by any of the aforementioned properties and assets;

(iii) all general intangibles and all intangible intellectual or other similar property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(iv) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) Continuing Security Interest. Debtor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 13.

(c) Debtor's use of Collateral. Subject to Section 4(c) below, Debtor shall be permitted to control and manage the Collateral, including the right to exclude others from making, using or selling items covered by the Collateral and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no default occurs in any of the obligations of Debtor under the Factoring Agreement and remains uncured.

SECTION 3. Supplement to Financing Agreement. This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Financing Agreement or other security documents referred to therein. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Financing Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

SECTION 4. Representations and Warranties. Debtor represents and warrants to Secured Party that:

- (a) Trademarks. To the best of Debtor's knowledge, a true and correct list of all of the existing Collateral consisting of U.S. trademarks, trademark registrations or applications owned by Debtor, in whole or in part, is set forth in Schedule A.
- (b) Debtor owns all the Collateral listed on Schedule A for its business as now conducted by it and such use does not and to the best of Debtor's knowledge will not conflict with, infringe on, or otherwise violate any rights of others and the Collateral is valid and enforceable. To the best of Debtor's knowledge none of such trademarks are subject to any liens, encumbrances or licenses except for those licenses, if any, set forth on Schedule A (copies of which have been provided to Secured Party).
- (c) Debtor will not encumber or dispose of any interest in the Collateral, excepting only for the granting of licenses with respect to the Collateral, in the ordinary course of Debtor's business, without the prior written consent of Secured Party. Debtor will promptly notify and provide the Secured Party with copies of all license agreements covering the Collateral executed after the date hereof.

SECTION 5. Further Acts. On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable as may be requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO, at the expense of Debtor. In addition, Debtor authorizes Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Secured Party. If the Debtor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, the Debtor shall promptly notify Secured Party in a writing signed by the Debtor of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

SECTION 6. Authorization to Supplement. If Debtor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Debtor's obligations under this Section 6, Debtor authorizes Secured Party to modify this Agreement by amending Schedule A to include any such new trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or

amend Schedule A shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule A.

SECTION 7 Remedies. Upon the breach of any of the terms hereof, or the breach of, or default under, the Financing Agreement, including Debtor's failure to pay any of the Obligations, when due, Secured Party shall have all of the rights and remedies of a secured party under the UCC. Upon Default, the Secured Party may at any time notify parties to any licenses with the Debtor that the Secured Party has a security interest in such licenses and notify such parties that payments shall be made directly to the Secured Party thereafter. Upon the Secured Party's request at any time, Debtor will so notify such parties to such licenses. Secured Party may in its own name or in the name of others communicate with parties to such licenses in order to verify with them to the Secured Party's satisfaction the existence, amount and terms of any such licenses.

SECTION 8, Power of Attorney. Debtor does hereby irrevocably constitute and appoint Secured Party and any of its officers or agents, with full power of substitution, as Debtor's true and lawful attorney-in-fact with full irrevocable (for the term of this Agreement) power and authority in Debtor's place and stead and in its name or in Secured Party's own name, from time to time in Secured Party's discretion, for the purpose of carrying out the terms of this Security Agreement, to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Agreement, or necessary for the Secured Party to enforce its rights hereunder.

SECTION 9. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Financing Agreement.

SECTION 10. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, except as required by mandatory provisions of law or to the extent the validity, perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than New York.

SECTION 11. Entire Agreement; Amendment. This Agreement and the Financing Agreement, together with the Schedule A hereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Financing Agreement. Notwithstanding the foregoing, Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement the Schedule A hereto as provided in Section 6 hereof. To the extent that any provision of this Agreement conflicts with any provision of the Financing Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the

purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Financing Agreement.

SECTION 12. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability, or binding effect hereof.

SECTION 13. Termination. Upon payment and performance in full of all Obligations, the security interests created by this Agreement shall terminate and Secured Party (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO.

SECTION 14. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 15. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

SECTION 16. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Financing Agreement.

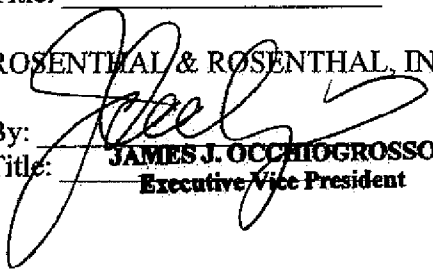
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

SCALAMANDRE SILKS, INC.

By: Robert F. Bitter

Title: _____

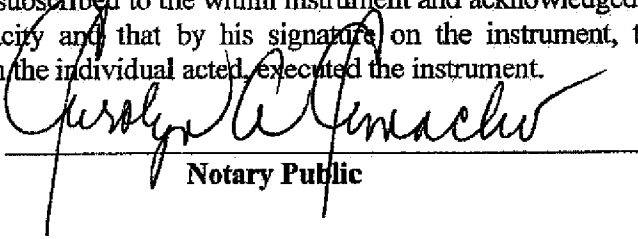
ROSENTHAL & ROSENTHAL, INC.

By: 
Title: **JAMES J. OCCHIOGROSSO**
Executive Vice President

STATE OF New York)
 : ss.:
COUNTY OF New York)

On the 20th day of November in the year 2007 before me, the undersigned, personally appeared ROBERT F. BITTER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

CAROLYN A. CAMACHO
NOTARY PUBLIC, State of New York
No. 01CA6148806
Qualified in Kings County
Commission Expires June 26, 2010

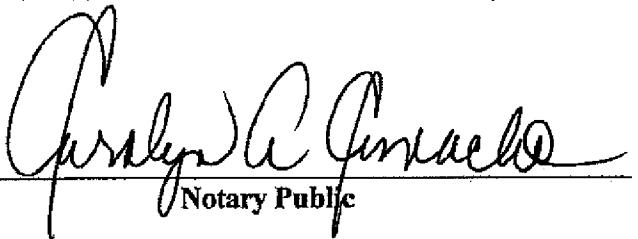


Notary Public

STATE OF New York)
 : ss.:
COUNTY OF New York)

On the 20TH day of November in the year 2007 before me, the undersigned, personally appeared JAMES OCCHIOGROSSO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

CAROLYN A. CAMACHO
NOTARY PUBLIC, State of New York
No. 01CA6148806
Qualified in Kings County
Commission Expires June 26, 2010



Notary Public

SCHEDULE A

Trademark	Serial Number	Registration Number
ISLAND CLOTH COLLECTION	76/673689	
BERMUDA CLOTH	76/619367	
SCALAMANDRE (Stylized)		Reg. No. 2121901
SCALAMANDRE (Stylized)		Reg. No. 1611755