

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
PAUL FRANK INDUSTRIES, INC.		02/15/2008	CORPORATION: CALIFORNIA

**RECEIVING PARTY DATA**

<b>Name:</b>	NEW STREAM SECURED CAPITAL, LP
<b>Composed Of:</b>	COMPOSED OF NEW STREAM CAPITAL, LLC as general partner
<b>Street Address:</b>	38C Grove Street
<b>City:</b>	Ridgefield
<b>State/Country:</b>	CONNECTICUT
<b>Postal Code:</b>	06877
<b>Entity Type:</b>	LIMITED PARTNERSHIP: DELAWARE

**PROPERTY NUMBERS Total: 31**

Property Type	Number	Word Mark
Serial Number:	76338960	
Serial Number:	75910897	
Serial Number:	75911103	
Serial Number:	77186489	FRANK
Serial Number:	77186499	FRANK
Serial Number:	76497154	HER HOUSE PAUL FRANK
Serial Number:	76338959	
Serial Number:	77029371	JULIUS
Serial Number:	76977353	JULIUS & FRIENDS BY PAUL FRANK
Serial Number:	76322346	
Serial Number:	76977453	
Serial Number:	76976588	
Serial Number:	76318820	

**CH \$790.00 76338960**

Serial Number:	75498789	
Serial Number:	76319094	
Serial Number:	77186474	PAUL
Serial Number:	78915733	PAUL FRANK
Serial Number:	75498788	PAUL FRANK
Serial Number:	76976561	PAUL FRANK PAUL FRANK INDUSTRIES
Serial Number:	76021012	PAUL FRANK IS YOUR FRIEND
Serial Number:	76338957	PAUL FRANK
Serial Number:	76977359	PAUL FRANK
Serial Number:	78849321	PLANNED PINES
Serial Number:	76338958	
Serial Number:	78755636	
Serial Number:	78607375	SMALL PAUL
Serial Number:	78607391	SMALL PAUL
Serial Number:	76498606	SMALL PAUL BY PAUL FRANK
Serial Number:	76977820	SMALL PAUL BY PAUL FRANK
Serial Number:	75911104	
Serial Number:	75910918	

**CORRESPONDENCE DATA**

Fax Number: (704)805-5069  
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Phone: 704-343-2042  
Email: jayne.hunter@hmw.com  
Correspondent Name: Jayne Conway Hunter  
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Address Line 2: Box 26  
Address Line 4: Charlotte, NORTH CAROLINA 28202

ATTORNEY DOCKET NUMBER:	NEW STREAM/PAUL FRANK
NAME OF SUBMITTER:	Jayne Conway Hunter
Signature:	/Jayne C. Hunter/
Date:	02/20/2008

Total Attachments: 46  
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THIS AGREEMENT IS SUBJECT TO AN INTERCREDITOR AGREEMENT, OF EVEN DATE HERewith, BETWEEN NEW STREAM SECURED CAPITAL, L.P. AND THE CIT GROUP/COMMERCIAL SERVICES, INC., AND ACKNOWLEDGED AND AGREED TO BY PAUL FRANK INDUSTRIES, INC., AND ANY SUCCESSOR OR ASSIGNEE OF ANY PARTY HERETO SHALL BE BOUND BY SUCH INTERCREDITOR AGREEMENT AS FULLY AS IF SUCH SUCCESSOR OR ASSIGNEE WERE A PARTY THERETO.

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT made as of February 15, 2008 (this "*Security Agreement*"), by PAUL FRANK INDUSTRIES, INC., a California corporation ("*Borrower*") and PAUL FRANK STORES, LLC, a California limited liability company ("*Stores*"; Borrower and Stores being referred to herein as the "*Grantors*," and each individually, a "*Grantor*"), in favor of NEW STREAM SECURED CAPITAL, L.P., a Delaware limited partnership, as collateral agent ("*the Collateral Agent*") for the benefit of itself and THE CIT GROUP/COMMERCIAL SERVICES, INC., a New York corporation ("*CIT*").

## RECITALS

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof (as the same may from time to time be amended, modified, supplemented or restated, the "*Loan and Security Agreement*") by and among the Borrower, the Subsidiaries of the Borrower party thereto from time to time, and New Stream Secured Capital, L.P. as lender (in such capacity, the "*Lender*"; and collectively with CIT and the Collateral Agent, the "*Secured Parties*"), the Lender has agreed to provide a term loan facility to the Borrower in the amount and manner set forth in the Loan and Security Agreement; and

WHEREAS, CIT has made available to the Borrower a credit facility (the "*CIT Credit Facility*") pursuant to the terms of that certain Factoring Agreement, dated as of July 28, 2003 (as heretofore or hereafter amended, supplemented, extended, renewed, restated or otherwise modified, the "*CIT Facility Agreement*") between the Borrower and CIT; and

WHEREAS, it is a condition to the obligation of the Lender to make the Term Loan to the Borrower, and of CIT to continue to extend credit and make other financial accommodations to the Borrower under the CIT Credit Facility, that the Grantors execute and deliver to the Collateral Agent this Security Agreement.

## AGREEMENT

NOW, THEREFORE, in order to induce the Lender to enter into the Loan and Security Agreement and make the Term Loan, and to induce CIT to continue to extend credit to the Borrower under the CIT Credit Facility, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the

Grantors hereby represent, warrant, covenant and agree with the Collateral Agent for the benefit of the Secured Parties, as follows:

1. **DEFINED TERMS.** When used in this Security Agreement the following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

1.1 **“CIT Facility Documents”** shall have the meaning assigned to such term in the Intercreditor Agreement.

1.2 **“Collateral”** shall have the meaning assigned to such term in Section 2 of this Security Agreement.

1.3 **“Copyright License”** means any written agreement, in which any Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any right in or to any Copyright or Copyright registration (whether such Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which such Grantor has obtained the exclusive right to use a copyright owned by a third party, a sublicense to use a copyright, a distribution agreement regarding copyrighted works and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by such Grantor and now or hereafter covered by such license agreements.

1.4 **“Copyrights”** means all of the following in which any Grantor now holds or hereafter acquires any right, title or interest: (a) all copyrights, whether registered or unregistered, held or existing pursuant to the laws of the United States, any State thereof or any other country; (b) registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; (c) any continuations, renewals or extensions of any copyright; (d) any registrations to be issued in any pending applications; (e) any prior versions of works covered by copyright and all works based upon, derived from or incorporating such works; (f) any original embodiments of a work that are necessary for the manufacture or production of a copyrighted work including, without limitation, tools, molds, master tapes, master film reels, master CDs, master DVDs, master disks or other master magnetic or electronic media; (g) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to copyrights, including, without limitation, damages, claims and recoveries for past, present or future infringement; (h) any rights to sue for past, present and future infringements of any copyright; and (i) any other rights corresponding to any of the foregoing rights throughout the world.

1.5 **“Intercreditor Agreement”** means that certain Intercreditor and Assignment Agreement dated as of the date hereof among the Collateral Agent, the Lender, CIT and the Loan Parties, as the same may from time to time be amended, modified, supplemented or restated.

1.6 **“License”** means any Copyright License, Patent License, Trademark License or other license of trade secrets now held or hereafter acquired by any Grantor.

1.7 **“Lien”** means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

1.8 “**Litigation**” means any suits, actions, proceedings (administrative, judicial or in arbitration, mediation or alternative dispute resolution), claims or counterclaims for infringement, misappropriation, or other violation of any of the Copyrights, Patents, Trademarks and/or Licenses.

1.9 “**Patent License**” means any written agreement, in which any Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any right with respect to any Patent (whether such Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which such Grantor has obtained the exclusive right to use a patent owned by a third party, a sublicense to use a patent, a distribution agreement regarding one or more patented products or processes and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by such Grantor and now or hereafter covered by such license agreements.

1.10 “**Patents**” means all of the following in which any Grantor now holds or hereafter acquires any right, title or interest: (a) all United States or foreign patents (including, without limitation, utility, design and plant patents), all registrations and recordings thereof and all applications for United States or foreign patents, including, without limitation, 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 thereof or any other country; (b) all reissues, divisions, continuations, renewals, continuations in part or extensions of any patent; (c) all petty patents, divisionals and patents of addition; (d) all patents to issue in any such applications; (e) all means of manufacturing goods or offering services, including, without limitation, trade secrets, formulas, database content, distribution rights, consumer and business customer lists, manufacturing processes, mask works, tools, molds and prototypes; (f) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including, without limitation, damages, claims and recoveries for past, present or future infringement; and (g) any rights to sue for past, present and future infringements of any patent.

1.11 “**Secured Obligations**” means (i) all obligations of any Loan Party or any Validity Guarantor of any kind under or in connection with this Security Agreement, the Loan and Security Agreement and the other Credit Documents now or hereafter existing including, without limitation, all fees, costs and expenses hereunder or thereunder and all New Stream Loan Debt (as defined in the Intercreditor Agreement), and (ii) all CIT Obligations (as defined in the Intercreditor Agreement) of the Borrower owing to CIT.

1.12 “**Shrinkwrap In-Licenses**” shall have the meaning assigned to such term in the Loan and Security Agreement.

1.13 “**Specified IP Collateral**” means, collectively, all issued Patents, Patent applications, and other material Patents, all Trademarks, registered Copyrights, Copyright applications, and other material Copyrights, and all design rights, assumed names and Licenses (other than Shrinkwrap In-Licenses).

1.14 “**Trademark License**” means any written agreement, in which any Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any license right in and to any Trademark (whether such Grantor is the licensee or the licensor thereunder)

including, without limitation, licenses pursuant to which such Grantor has obtained the exclusive right to use a trademark owned by a third party, a sublicense to use a trademark, a distribution agreement relating to goods or services covered by one or more trademarks and the right to prepare for sale, sell or advertise for sale, all of the inventory now or hereafter owned by such Grantor and now or hereafter covered by such license agreements.

1.15 “**Trademarks**” means any of the following in which any Grantor now holds or hereafter acquires any right, title or interest: (a) any United States or foreign trademarks, trade names, corporate names, company names, business names, trade styles, trade dress, service marks, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof and any applications in connection therewith, including, without limitation, 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 thereof or any other country (collectively, the “**Marks**”); (b) any reissues, extensions or renewals of any Marks, (c) the goodwill of the business symbolized by or associated with the Marks; (d) all domain names, (e) all means of manufacturing goods or offering services covered by the Marks, including, without limitation, trade secrets, formulas, recipes, database content, distribution rights, consumer and business customer lists, manufacturing processes, tools, molds, designs, plans and prototypes, (f) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to the Marks, including, without limitation, payments under all licenses entered into in connection with the Marks and damages, claims, payments and recoveries for past, present or future infringement and (g) any rights to sue for past, present and future infringements of the Marks.

1.16 “**UCC**” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Collateral Agent’s security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “**UCC**” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

1.17 In addition, the following terms shall be defined terms having the meaning set forth for such terms in the UCC: “Account Debtor” and “Proceeds”. Each of the foregoing defined terms shall include all of such items now owned or existing, or hereafter arising or acquired by any Grantor.

1.18 All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Loan and Security Agreement.

2. **GRANT OF SECURITY INTEREST.** As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Lender to enter into the Loan and Security Agreement and CIT to continue to extend credit to the Borrower under the CIT Credit Facility, each Grantor hereby grants to the Collateral Agent (for the benefit of the Secured Parties) a security interest in all of such Grantor’s right, title and interest, if any, in, to and under

the following, whether now owned or existing or hereafter arising or acquired and wheresoever located (collectively, the "*Collateral*"):

2.1 All Copyrights, Patents and Trademarks including, without limitation, the Copyrights, Patents and Trademarks listed in Schedule A, all Licenses including, without limitation, the Licenses listed in Schedule B and any presently pending Litigation including, without limitation, the Litigation listed in Schedule C;

2.2 The accounts listed in Schedule F and all monies and other property deposited in such accounts; and

2.3 To the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for and rents, profits and products of each of the foregoing.

### 3. **RIGHTS OF SECURED PARTY; COLLECTION OF ACCOUNTS.**

3.1 Notwithstanding anything contained in this Security Agreement to the contrary, each Grantor expressly agrees that, as among such Grantor, the Collateral Agent and any other Secured Party, such Grantor shall remain liable under each of its Licenses to observe and perform in all material respects all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such License. Neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any License by reason of or arising out of this Security Agreement or the granting to the Collateral Agent of a Lien therein or the receipt by the Collateral Agent of any payment relating to any License pursuant hereto, nor shall the Collateral Agent or any other Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or pursuant to any License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times. Each Grantor agrees that any rights granted under this Security Agreement to the Collateral Agent with respect to all of the Collateral shall be worldwide and without any liability for royalties or other related charges from the Collateral Agent or any other Secured Party to such Grantor.

3.2 The Collateral Agent authorizes each Grantor to collect its accounts and accounts receivable related to the sale, license, settlement, judgment or other disposition of, or otherwise arising from, any of the Collateral (collectively, the "*Accounts*"), provided that such collection is performed in a commercially reasonable manner, and the Collateral Agent may, upon the occurrence and during the continuation of any Event of Default and with prior written notice to such Grantor, limit or terminate said authority at any time. Upon the occurrence and during the continuation of any Event of Default, at the request of the Collateral Agent, each Grantor shall deliver all original and other documents evidencing and relating to such Accounts, including, without limitation, all original orders, invoices and shipping receipts.



3.3 The Collateral Agent may at any time, upon the occurrence and during the continuation of any Event of Default, with prior written notice to such Grantor of its intention to do so, notify any Account Debtors of any Grantor or any parties to the Licenses of any Grantor that the Accounts and the right, title and interest of such Grantor in and under such Licenses have been assigned to the Collateral Agent and that payments shall be made directly to the Collateral Agent. Upon the request of the Collateral Agent at any time after the occurrence and during the continuation of an Event of Default, each Grantor shall so notify such Account Debtors and parties to such Licenses. Upon the occurrence and during the continuation of any Event of Default, the Collateral Agent may, in its name or in the name of others, communicate with such Account Debtors and parties to such Licenses to verify with such parties, to the Collateral Agent's reasonable satisfaction, the existence, amount and terms of any such Accounts or Licenses.

4. **REPRESENTATIONS AND WARRANTIES.** Each Grantor hereby represents and warrants to the Collateral Agent that:

4.1 Except for the security interest granted to the Collateral Agent under this Security Agreement, each Grantor is the sole legal and equitable owner of all right, title and interest in and to each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable title thereto, free and clear of any and all Liens (other than Permitted IP Encumbrances), and will continue to be the sole legal and equitable owner of all right, title and interest in and to each item of the Collateral, so long as the Copyrights, Patents, Trademarks and Licenses shall continue in force.

4.2 (i) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, and (ii) such Grantor has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer or encumbrance on any of the Collateral.

4.3 This Security Agreement creates a legal and valid security interest on and in all of the Collateral in which each Grantor now has rights. Upon the filing of appropriate financing statements and the filing of a copy of this Security Agreement with the United States Copyright Office and United States Patent and Trademark Office, the Collateral Agent will have a fully perfected first priority security interest (subject only to Permitted IP Encumbrances) in all of the Collateral in which such Grantor now has rights in the United States. This Security Agreement will create a legal and valid and fully perfected first priority security interest (subject only to Permitted IP Encumbrances) in the Collateral in which each Grantor later acquires rights, when such Grantor acquires those rights and the Collateral Agent makes additional filings with the United States Copyright Office, United States Patent and Trademark Office and/or other offices as are necessary to perfect the Collateral Agent's security interest in subsequent ownership rights and interests of such Grantor in the Collateral.

4.4 So long as any Secured Obligation remains outstanding, no Grantor will execute, and there will not be on file in any public office, any effective financing statement or other document or instrument covering the Collateral (other than Permitted IP Encumbrances).

4.5 On the date hereof, each Grantor's chief executive office, principal place of business and the place where such Grantor maintains its records concerning the Collateral are located at the address for such Grantor set forth on the signature page hereof, and such Grantor's corporate name, type of organization, jurisdiction of organization, and corporate identification number set forth on the signature page hereof are all true and correct.

4.6 Each Grantor has the full right and power to grant the security interest in the Collateral made hereby.

4.7 All information furnished to the Collateral Agent concerning the Collateral and proceeds thereof, for the purpose of inducing the Lender to enter into the Loan and Security Agreement and to effect the transaction contemplated thereby, and for the purpose of inducing CIT to extend credit to the Borrower under the CIT Credit Facility, is or will be at the time the information is furnished, accurate and correct in all material respects.

4.8 Each Grantor has advised the Collateral Agent of the existence of all material contractual restrictions on the use of the Collateral not expressly set forth in the Licenses.

4.9 To the best of each Grantor's knowledge and belief, (a) there are no obligations to, covenants to or restrictions from third parties affecting such Grantor's use, disclosure, enforcement, transfer or licensing of the Collateral (other than (i) this Security Agreement, (ii) the Loan and Security Agreement, (iii) the other Credit Documents, (iv) the CIT Facility Documents), and (v) as expressly provided in the Licenses so long as such Licenses do not prevent the Lien of the Collateral Agent, or its foreclosure on (or sale to any Person of) such License), (b) all Collateral that is owned by such Grantor is valid and enforceable; (c) such Grantor has the right to use all Collateral that is necessary for the operation of such Grantor's business as presently conducted and as proposed by such Grantor to be conducted; (d) such Grantor has taken all actions necessary to maintain and protect all Collateral and (except to the extent that any Litigation or other proceeding disclosed on the chart entitled "Inactive and Active Trademark Oppositions" on Schedule 2.11(e) to the Loan and Security Agreement may affect or impair the use of the specified Trademarks in the respective countries set forth on such chart), no loss of such Collateral is pending, reasonably foreseeable or, , threatened; (e) currently and within the last five years (except to the extent that any Litigation or other proceeding disclosed on the chart entitled "Inactive and Active Trademark Oppositions" on Schedule 2.11(e) to the Loan and Security Agreement may have involved or may involve a claim of the invalidity, misuse or enforceability of the specified Trademarks in the respective countries set forth on such chart, or challenging a Grantor's right to use such specified Trademarks in such respective countries), there is and has been no claim made or threatened by or against such Grantor asserting the invalidity, misuse or unenforceability of any item of Collateral or challenging such Grantor's right to use or ownership of any item of Collateral, and there are no grounds for any such claim or challenge; (f) other than with respect to any Litigation or other proceeding disclosed on Schedule 4.06 to the Loan and Security Agreement or on the chart entitled "Inactive and Active Trademark Oppositions" on Schedule 2.11(e) to the Loan and Security Agreement (and, in the case of Schedule 2.11(e) to the Loan and Security Agreement, only as to the particular countries and particular Trademarks set forth on such chart), there is not and has not been any actual or threatened infringement, misappropriation, breach, unauthorized use or other violation of any Collateral by any Person (other than such Grantor) or entity, and there are no

facts raising a likelihood of infringement, misappropriation, breach or other violation; (g) the consummation of the transactions contemplated by (or previously undertaken in reliance on) (i) this Security Agreement, (ii) the Loan and Security Agreement, (iii) the other Credit Documents, and (iv) the CIT Facility Documents will not alter, impair or extinguish any rights of such Grantor in the Collateral; (h) (except to the extent that any Litigation or other proceeding disclosed on the chart entitled "Inactive and Active Trademark Oppositions" on Schedule 2.11(e) to the Loan and Security Agreement may involve a claim that a Grantor's use of the specified Trademarks in the respective countries set forth on such chart would constitute such an infringement, misappropriation or violation), such Grantor has not infringed, misappropriated or otherwise violated, and such Grantor does not infringe, misappropriate, or otherwise violate, any intellectual property or proprietary right of any other person or entity; and (i) currently and within the last five years (except to the extent that any Litigation or other proceeding disclosed on the chart entitled "Inactive and Active Trademark Oppositions" on Schedule 2.11(e) to the Loan and Security Agreement may involve a claim that a Grantor's use of the specified Trademarks in the respective countries set forth on such chart would constitute such an infringement, misappropriation or violation), there is and has been no claim made or threatened against such Grantor alleging infringement, misappropriation or other violation of intellectual property.

5. **COVENANTS.** Each Grantor covenants and agrees with the Collateral Agent that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

5.1 **Disposition of Collateral.** No Grantor shall sell, lease, assign, transfer or otherwise dispose of any of the Collateral, or contract to do so. No Grantor shall, without the Collateral Agent's prior written consent, enter into any agreement or amend, alter or modify any existing agreement, including, without limitation, any license, related to any or all of the Collateral; provided that, if a Grantor has provided written notice to the Collateral Agent requesting the Collateral Agent's approval of any such proposed agreement or any such amendment, alteration or modification of any existing agreement, including, without limitation, any license, (any such action referred to herein as a "Collateral Action") and the Collateral Agent has not responded to the applicable Grantor's request for approval within 2 Business Days after delivery of such written notice to the Collateral Agent, the Collateral Agent shall be deemed to have consented to such Collateral Action. Each Grantor also agrees to maintain the quality of any and all merchandise and/or services in connection with which the Trademarks are used, substantially consistent with or better than the quality of said merchandise and/or services as of the date hereof.

5.2 **Relocation of Business or Collateral.** No Grantor shall relocate its chief executive office, principal place of business or its records from such address(es) provided to the Collateral Agent pursuant to Section 4.5 above without prior written notice to the Collateral Agent.

5.3 **Limitation on Liens on Collateral.** No Grantor shall, directly or indirectly, create, permit or suffer to exist, and shall defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral other than any Permitted IP Encumbrance.

5.4 **Maintenance of Records.** Each Grantor shall keep and maintain at its own cost and expense records of the Collateral that are complete in all material respects.

5.5 **Registration and Maintenance of Intellectual Property Rights.** Except as would not have an adverse effect on the value or enforceability of, or any rights of any Grantor, the Collateral Agent or any other Secured Party in, any material Collateral, each Grantor shall (a) use commercially reasonable efforts to prosecute any Patent, Trademark or Copyright pending as of the date hereof or thereafter, and (b) promptly make applications for, register or cause to be registered (to the extent not already registered and consistent with good faith business judgment) any Copyright, any Patent, or any Trademark, which is (i) set forth in Schedule A or Schedule B or (ii) is individually or in the aggregate, material to the conduct of such Grantor's business, with the United States Copyright Office or United States Patent and Trademark Office, as applicable, including, without limitation, in all such cases the filing and payment of maintenance, registration and/or renewal fees, the filing of applications for renewal, affidavits of use, affidavits of noncontestability, the filing and diligent prosecution of opposition, interference and cancellation proceedings, and promptly responding to all United States Copyright Office or United States Patent and Trademark Office requests and inquiries. Except as would not have an adverse effect on the value or enforceability of, or any rights of any Grantor, the Collateral Agent or any other Secured Party in, any material Collateral, each Grantor also agrees to preserve and maintain all rights in the Collateral. Any expenses incurred in connection with prosecution, registration and maintenance shall be borne by the Grantors. Each Grantor further agrees to retain experienced patent, trademark and copyright attorneys for the filing and prosecution of all such applications and other proceedings when and if applicable. Except as would not have an adverse effect on the value or enforceability of, or any rights of any Grantor, the Collateral Agent or any other Secured Party in, any material Collateral, no Grantor shall, without the Collateral Agent's prior written consent, abandon any rights in or fail to pay any maintenance or renewal fee for any Patent, Trademark or Copyright listed in Schedule A or breach, terminate, fail to renew or extend, or fail to perform any duties or obligations for any License listed in Schedule B. Each Grantor further agrees that it will not take any action, or permit any action to be taken by any Person to the extent that such Person is subject to its control, including licensees, or fail to take any action, which would affect the validity, priority, perfection or enforcement of the rights granted to the Collateral Agent for the benefit of the Secured Parties under this Security Agreement, and any such action if it shall take place shall be null and void and of no effect whatsoever. If any Grantor fails to comply with any of the foregoing provisions of this Section 5.5, the Collateral Agent shall have the right (but shall not be obligated) to do so on behalf of such Grantor to the extent permitted by law, but at the Grantors' joint and several expense, and the Grantors hereby agree, jointly and severally, to reimburse the Collateral Agent in full for all expenses, including the fees and disbursements of counsel incurred by the Collateral Agent in procuring, protecting, defending and maintaining the Collateral. In the event that any Grantor shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to comply with any other duty under this Security Agreement, the Collateral Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of such Grantor, and all monies so paid out shall be Secured Obligations of the Grantors repayable on demand (which demand obligations each Grantor agrees to pay), together with interest at the rate applicable to the Term Loan.

**5.6 Notification Regarding Changes in Intellectual Property.** Each Grantor shall on a quarterly basis, and as more fully specified at the end of this Section 5.6, advise the Collateral Agent of any right, title or interest of such Grantor obtained after the date hereof in or to any material Copyright, Patent, Trademark or License not specified on Schedule A hereto, the provisions of Section 2 above shall automatically apply thereto, and such Grantor hereby authorizes and appoints the Collateral Agent as such Grantor's attorney-in-fact solely to the extent necessary to modify or amend such Schedule, as necessary, to reflect any addition or deletion to such ownership rights, and pursuant to Schedule D, to make any additional filings. Each Grantor hereby authorizes the Collateral Agent to modify this Security Agreement by amending Schedules A and B to include any future Copyrights, Patents, Trademarks or Licenses that are Collateral under Section 2 above. The Collateral Agent will make good faith efforts to provide copies of such amended Schedules A and B to such Grantor, provided that, the Collateral Agent's failure to provide such copies shall not constitute a breach of this Security Agreement nor render such amendments ineffective. In addition to any requirements in this Security Agreement for notification, each Grantor shall also provide the Collateral Agent with quarterly reports that identify the status of the Specified IP Collateral, any new Specified IP Collateral, any newly filed applications with respect to any Collateral, the status of any pending applications, the payment of any maintenance or renewal fees, the status of Litigation and licensing, any threats of Litigation, the identification of any known or suspected infringement of any Specified IP Collateral and the discovery of any prior art or any other information that may adversely affect the validity or enforceability of the Specified IP Collateral.

**5.7 Defense of Intellectual Property.** Each Grantor shall (a) protect, defend and maintain the validity and enforceability of all material current and future Copyrights, Patents and Trademarks, (b) use its commercially reasonable efforts to detect material infringements of such Copyrights, Patents and Trademarks and promptly advise the Collateral Agent in writing of material infringements detected and (c) not allow any material Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public. Without limiting the generality of the foregoing, the Borrower shall (to the extent Paul Frank Sunich does not execute the settlement agreement referred to in Schedule 4.06 of the Loan and Security Agreement) vigorously litigate the pending Litigation set forth on Schedule 4.06 of the Loan and Security Agreement. No Grantor shall commence, or cause to be commenced, any action, proceeding, lawsuit, mediation or arbitration relating to the Collateral without the prior written consent of the Collateral Agent, such consent not to be unreasonably withheld, nor shall any Grantor engage in any activity or conduct that could give rise to declaratory judgment jurisdiction. At the Grantors' sole expense, the Collateral Agent shall have the right (but shall not be obligated) to select counsel and/or participate in any action, proceeding, lawsuit, mediation or arbitration that could adversely affect the Collateral Agent's rights in, validity or enforceability of the Collateral. In addition, any proposed settlement or compromise of any action, proceeding, lawsuit, mediation or arbitration that could affect the value, validity or enforceability of, or any rights of any Grantor or the Collateral Agent in, the Collateral must be approved, in writing, by the Collateral Agent.

**5.8 Further Assurances; Pledge of Instruments.** At any time and from time to time, upon the written reasonable request of the Collateral Agent, and at the sole expense of the Grantors, each Grantor shall promptly and duly execute and deliver any and all such further instruments and documents (including, without limitation, control agreements) and take such

further action as the Collateral Agent may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, facilitating the filing of UCC Financing Statements (any of which UCC Financing Statements, at the Collateral Agent's election, may describe the Collateral as or including all assets of such Grantor) in all applicable jurisdictions and this Security Agreement (and any amendment hereto) or any other document that the Collateral Agent may reasonably deem necessary, including, without limitation, any filing described in Schedule D or any other collateral assignment (and any amendments thereto), with the United States Copyright Office, United States Patent and Trademark Office and/or the state or (subject to the following sentence) foreign equivalents of these offices, as applicable. Filings with foreign equivalents of these offices shall not be required except in (i) those countries set forth on Schedule G hereto or (ii) at the written request of the Collateral Agent, any other jurisdiction (A) which accounts for 7.5% or more of total foreign sales of the Borrower and its Subsidiaries (during any period of four consecutive fiscal quarters) or (B) where 7.5% or more of the total value of tangible property embodying or displaying the Collateral is manufactured by the Borrower and its Subsidiaries (during any period of four consecutive fiscal quarters).

**5.9 Right of Inspection and Audit.** Upon reasonable notice to the applicable Grantor (unless an Event of Default has occurred and is continuing, in which case no notice is necessary), the Collateral Agent shall at all times have full and free access during normal business hours (or during an Event of Default at any time) to all the books, records, correspondence, office, facilities and operations of such Grantor, including, without limitation, such Grantor's quality control processes, and the Collateral Agent or any agents or representatives of the Collateral Agent may examine the same, take extracts therefrom and make photocopies thereof, and such Grantor agrees to render to the Collateral Agent, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto, provided, however, that (unless an Event of Default has occurred and is continuing) (a) such Grantor shall have the right to be present during the Collateral Agent's examination and (b) such examination shall not unreasonably interfere with the conduct of such Grantor's business.

**5.10 Continuous Perfection.** No Grantor shall change its name, identity, corporate structure, jurisdiction of organization or corporation identification number in any manner which might make any financing or continuation statement filed in connection herewith seriously misleading within the meaning of Section 9-506 of the UCC (or any other then applicable provision of the UCC) unless such Grantor gives the Collateral Agent thirty (30) days prior written notice thereof and takes all action necessary or reasonably requested by the Collateral Agent to amend such financing statement or continuation statement so that it is not seriously misleading.

**5.11 Power of Attorney.** Effective only upon the occurrence and during the continuation of an Event of Default, each Grantor hereby irrevocably appoints the Collateral Agent (and any of the Collateral Agent's designated officers or employees) as such Grantor's true and lawful attorney to in accordance with the terms hereof: (a) send requests for verification of Accounts and Licenses or notify account debtors or licensees of the Collateral Agent's security interest in the Accounts and Licenses; (b) endorse such Grantor's name on any checks or other forms of payment or security that may come into the Collateral Agent's possession in connection with the Collateral; (c) sign such Grantor's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts

and Licenses, verifications of Accounts and Licenses, and notices to account debtors and licensees, (d) make, settle and adjust all claims under and decisions with respect to such Grantor's policies of insurance relating to the Collateral; (e) settle and adjust disputes and claims respecting the Accounts and Licenses directly with account debtors and licensees, for amounts and upon terms which the Collateral Agent determines to be reasonable; (f) modify, in its sole discretion, any intellectual property security agreement entered into between such Grantor and the Collateral Agent without first obtaining such Grantor's approval of or signature to such modification by amending reference to any right, title or interest in any Copyright, Patent, Trademark or License, acquired by such Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyright, Patent, Trademark or License, in which such Grantor no longer has or claims any right, title or interest; (g) endorse such Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Collateral Agent in the use of the Collateral, (h) take any other actions with respect to the Collateral as the Collateral Agent deems in the best interest of the Collateral Agent or the Secured Parties (consistent with any enforceable restrictions in Licenses to such Grantor); (i) grant or issue any exclusive or non-exclusive license under the Collateral to anyone (consistent with any enforceable restrictions in Licenses to such Grantor) or (j) assign, pledge, convey or transfer title in or dispose of the Collateral to anyone, including the Collateral Agent, any other Secured Party or a third party to the extent permitted under the UCC, free and clear of any encumbrance upon title thereof (other than any encumbrance created by this Security Agreement and consistent with any enforceable restrictions in Licenses to such Grantor). Each Grantor hereby irrevocably appoints the Collateral Agent (and any of the Collateral Agent's designated officers or employees) as such Grantor's true and lawful attorney to and in accordance with the terms hereof: (x) file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of such Grantor where permitted by law; and (y) with respect to the Trademarks, file a copy of this Security Agreement with the United States Patent and Trademark Office. The appointment of the Collateral Agent as such Grantor's attorney in fact, and each and every one of the Collateral Agent's rights and powers, being coupled with an interest, is irrevocable until all of the Secured Obligations have been fully repaid and performed and each Secured Party's obligation to provide advances under the Credit Documents is terminated. Such Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue of this Security Agreement.

## **6. RIGHTS AND REMEDIES UPON DEFAULT.**

6.1 If any Event of Default shall occur and be continuing, the Collateral Agent may exercise in addition to all other rights and remedies granted to it under this Security Agreement, the Loan and Security Agreement and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, each Grantor expressly agrees that in any such event, and during the existence and continuation of an Event of Default, the Collateral Agent, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon any Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith maintain collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, license, assign, give an option or options to purchase

or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof (consistent with any enforceable restrictions in Licenses to any Grantor), in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Collateral Agent's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption each Grantor hereby releases. During the period of any Event of Default, all proceeds from the use of the Trademarks by any Grantor shall inure to the benefit of the Collateral Agent. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in Section 6.4 hereof, the Grantors remaining liable for any deficiency remaining unpaid after such application, and to the extent required by the UCC, only after so paying over such net proceeds and after the payment by the Collateral Agent of any other amount required by any provision of law, need the Collateral Agent account for the surplus, if any, to the Grantors. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Collateral Agent arising out of the repossession, retention or sale of the Collateral except such as arise out of the gross negligence or willful misconduct of the Collateral Agent. Each Grantor agrees that the Collateral Agent need not give more than ten (10) days' notice (which notification shall be deemed given when mailed, postage prepaid, or personally delivered, addressed to such Grantor at its address set forth on the signature page hereof), of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. Each Grantor shall remain jointly and severally liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which the Collateral Agent is entitled, each Grantor also being jointly and severally liable for the reasonable fees of any attorneys employed by the Collateral Agent or any other Secured Party to collect such deficiency.

6.2 Each Grantor also agrees, jointly and severally, to pay all fees, costs and expenses of the Collateral Agent, including, without limitation, reasonable attorneys' fees, reasonably incurred in connection with the enforcement of any of its rights and remedies hereunder.

6.3 Each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

6.4 The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by the Collateral Agent in the order set forth in the Intercreditor Agreement.

7. **COLLATERAL AGENT'S RIGHT TO SUE.** From and after the occurrence and during continuation of an Event of Default, the Collateral Agent shall have a right, but shall in no way be obligated, to bring suit for past, present and future damages in its own name and for its own benefit to enforce the Copyrights, Patents, Trademarks and Licenses, and if the Collateral Agent commences any such suit, each Grantor shall, at the request of the Collateral Agent, use commercially reasonable efforts to do any and all lawful acts and execute any and all proper documents required by the Collateral Agent in aid of such enforcement.



8. **LIMITATION ON COLLATERAL AGENT'S DUTY IN RESPECT OF COLLATERAL.** The Collateral Agent shall deal with the Collateral in the same manner as it deals with similar property for its own account. The Collateral Agent shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it takes such action as any Grantor requests in writing with respect to the Collateral owned by such Grantor, but failure of the Collateral Agent to comply with any such request shall not in itself be deemed a failure to act reasonably and no failure of the Collateral Agent to do any act not so requested shall be deemed a failure to act reasonably.

9. **MISCELLANEOUS.**

9.1 **No Waiver; Cumulative Remedies.**

9.1.1 The Collateral Agent shall not by any act, delay, omission or otherwise be deemed to have waived any of its respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

9.1.2 The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently and are not exclusive of any rights and remedies provided by law. Each Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of the Collateral Agent but rather is intended to facilitate the exercise of such rights and remedies. The Collateral Agent shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the UCC. Recourse to security will not be required at any time.

9.1.3 None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by the Grantors and the Collateral Agent.

9.2 **Releases.**

9.2.1 This Security Agreement is made for collateral purposes only. Subject to Section 9.2.2 below, at such time as the Secured Obligations shall have been indefeasibly paid and performed in full and no Grantor has any further obligations under or with respect to the Loan and Security Agreement or the other Credit Documents, the Collateral shall be automatically released from the Liens created hereby, and this Security Agreement and all obligations of the Collateral Agent and the Grantors hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of the Grantors following any such termination, the Collateral Agent shall deliver to the applicable Grantor all termination statements, releases or other instruments as may be necessary or proper to revest in such Grantor (without recourse to or warranty by the Collateral Agent, except for encumbrances created by the Collateral Agent, provided that no such recourse or warranty shall apply to any Collateral sold or otherwise disposed of by the Collateral Agent pursuant to this Security Agreement) all right, title and interest in and to the Collateral granted in this Security Agreement, subject to any acceptance

or disposition of Collateral which may have been made by the Collateral Agent pursuant to this Security Agreement. Notwithstanding anything in this Section 9.2.1 to the contrary, the operation of this Section 9.2.1 shall in all events be subject to the terms and provisions of the Intercreditor Agreement, and in the event of a conflict between the terms of this Section 9.2.1 and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall control.

9.2.2 This Security Agreement and the security interests granted herein shall remain in full force and effect and continue to be effective if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, avoided, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is avoided, rescinded, reduced, restored or returned, the Secured Obligations and the security interests granted herein shall be reinstated and the Secured Obligations shall be deemed reduced only by such amount paid and not so avoided, rescinded, reduced, restored or returned. The provisions of this Section 9.2.2 shall survive repayment of all of the Secured Obligations, and the termination of this Security Agreement in any manner.

9.3 **Successor and Assigns.** This Security Agreement and all obligations of the Grantors hereunder shall be binding upon the successors and permitted assigns of the Grantors, and shall, together with the rights and remedies of the Collateral Agent hereunder, inure to the benefit of the Collateral Agent on behalf of the Secured Parties, any future holder of any of the Secured Obligations and their respective successors and assigns. The Collateral Agent may, without cost or expense to the Grantors, assign all or any part of, or any interest (undivided or divided) in, the Collateral Agent's rights and benefits under this Security Agreement including, without limitation, the right, title or interest in and to the Collateral. To the extent of any assignment by the Collateral Agent, the assignee shall have the same rights and benefits against the Grantors hereunder as it would have had if such assignee were the Collateral Agent. No Grantor shall assign this Security Agreement without the prior written consent of the Collateral Agent, which consent may be granted or withheld at the sole discretion of the Collateral Agent. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the Lien granted to the Collateral Agent hereunder.

9.4 **Notices.** Any notice required or permitted hereunder shall be given, (a) with respect to each Grantor, at the address for the Borrower indicated in Section 7.01 of the Loan and Security Agreement and (b) with respect to the Collateral Agent, at the Lender's address indicated in Section 7.01 of the Loan and Security Agreement. All such addresses may be modified, and all such notices shall be given and shall be effective, as provided in Section 7.01 of the Loan and Security Agreement for the giving and effectiveness of notices and modifications of addresses thereunder.

9.5 **Counterparts.** This Security Agreement and any amendments, waivers, consents, or supplements may be executed via telecopier or facsimile transmission or electronic format (including .pdf), may be executed in any number of separate counterparts, each of which,

when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

**9.6 Severability.** If any provision of this Security Agreement is held to be unenforceable under applicable law for any reason, it shall be adjusted, if possible, rather than voided in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Security Agreement shall be deemed valid and enforceable to the fullest extent possible under applicable law.

**9.7 Governing Law.** IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECURITY AGREEMENT AND THE SECURED OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE EXCEPT TO THE EXTENT THAT PERFECTION OR THE EFFECT OF PERFECTION OF ANY SECURITY INTEREST IN THE COLLATERAL MAY BE GOVERNED BY THE LAWS OF ANY OTHER JURISDICTION.

**9.8 Consent to Jurisdiction and Service of Process; Waiver of Jury Trial.** ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST EACH PARTY HERETO WITH RESPECT TO THIS SECURITY AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN NEW YORK COUNTY, NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, EACH PARTY HERETO ACCEPTS, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY FINAL JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS SECURITY AGREEMENT FROM WHICH NO APPEAL HAS BEEN TAKEN OR IS AVAILABLE. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ITS NOTICE ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE TEN (10) DAYS AFTER SUCH MAILING. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES (I) TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT AND (II) ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT IN ANY JURISDICTION SET FORTH ABOVE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF ANY SECURED PARTY TO BRING PROCEEDINGS AGAINST ANY GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

9.9 **Advice of Counsel.** Each Grantor represents to the Collateral Agent that such Grantor's attorneys have reviewed this Security Agreement and that it has discussed this Security Agreement with its attorneys.

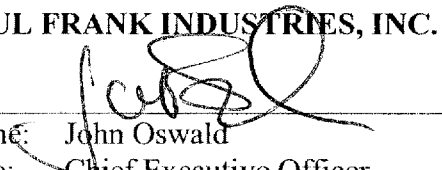
9.10 **Section and Heading Titles.** The section and heading titles herein are for convenience and reference only and shall not affect in any way the interpretation of any of the provisions of this Security Agreement.

9.11 **No Inconsistent Requirements.** This Security Agreement, the Loan and Security Agreement and the other Credit Documents may use or require several different limitations, requirements, covenants, representations, warranties, tests or measurements ("**Limitations**") to regulate the same or similar matters. All such Limitations are cumulative and shall each be performed, observed or complied with in accordance with their terms.

*(Remainder of page intentionally left blank)*

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

**PAUL FRANK INDUSTRIES, INC.**

By   
Name: John Oswald  
Title: Chief Executive Officer


Type of Organization:  
Corporation

Jurisdiction of Organization:  
California

Corporate Identification Number:  
C2035897 (California)  
33-0786413 (FEIN)

Address:  
960 West 16th Street  
Costa Mesa, CA 92627

**PAUL FRANK STORES, LLC**

By:   
Name: John Oswald  
Title: Chief Executive Officer

Type of Organization:  
Limited Liability Company

Jurisdiction of Organization:  
California

Corporate Identification Number:  
200211410032 (California)  
68-0515965 (FEIN)

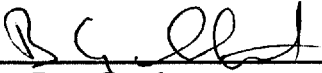
Address:  
1537 Monrovia Ave.  
Newport Beach, CA 92663

**ACCEPTED AND ACKNOWLEDGED BY:**

**NEW STREAM SECURED CAPITAL, L.P.**,  
a Delaware limited partnership, as the Collateral Agent

**By its General Partner:**

**NEW STREAM CAPITAL, LLC**

By:  \_\_\_\_\_

Name: Bart Gutekunst

Title: Managing Partner

## Schedule A To Security Agreement

### INTELLECTUAL PROPERTY

#### Copyrights

Owner: Paul Frank Industries, Inc.

Title	Registration No.	Registration Date
3RD PERIOD	VAU650627	12/14/04
AIRSTREAM TRAILER	VAU650628	12/14/04
ANGEL JULIUS	VAU650631	12/14/04
ANNIE	VAU618944	04/26/04
ALBINO JULIUS	VAU952672	09/06/07
ARMYDILLO	VAU650634	12/14/04
ARTHUR	VAU618942	04/26/04
AUDIO VISUAL	VAU650633	12/14/04
AUTOSHOP	VAU650631	12/14/04
AUTOSHOP	VAU650632	12/14/04
BEN	VAU618941	04/26/04
BENJAMIN JULIUS	VAU655385	12/14/04
BIG SAX	VAU655386	12/14/04
BLOODSUCKER JULIUS	VAU658638	12/14/04
BLOODSUCKER JULIUS	VAU705479	05/03/06
BLUE DOG	VAU655382	12/14/04
BOB THE BRACES DOG	VAU952667	09/06/07
BOOT	VAU655397	12/14/04
BOXES	VAU655398	12/14/04
BROWNTOWN	VAU655396	12/14/04
BUNNY GIRL	VAU618943	04/26/04
BUZZ	VAU618945	04/26/04
C IS FOR CLANCY	VAU705478	05/03/06
C IS FOR CLANCY	VAU658637	12/14/04
CHA CHA	VAU918946	04/26/04
CHACHI	VAU618947	04/26/04
CHAPO	VAU618949	04/26/04
CHAUNCY	VAU618950	04/26/04
CLANCY	VAU618951	04/26/04
CLANCY HAS FEELINGS	VAU650621	12/14/04
CLANCY MISSES THE BUS	VAU650620	12/14/04
COMB OVER	VAU650619	12/14/04
COMMANDO JULIUS	VAU650618	12/14/04
COMPUTER JULIUS	VAU655383	12/14/04
CORNELIUS	VAU655384	12/14/04
CORPO JULIUS	VAU650617	12/14/04
COZY MOLARS	VAU632993	04/26/04
DAZZLE, THE MYSTICAL UNICORN	VAU618954	04/26/04

Title	Registration No.	Registration Date
DEER TO MY HEART	VAU650615	12/14/04
DENIM POCKET	VAU650616	12/14/04
DEVIL JULIUS	VAU618955	04/26/04
DIC	VAU618948	04/26/04
DISGUISED JULIUS	VAU650614	12/14/04
DJ JULIUS	VAU650613	12/14/04
DRUM AND BASS 1957	VAU650612	12/14/04
DRUMSET	VAU650719	12/14/04
EGRETS	VAU650720	12/14/04
ELAINE DEAR	VAU618952	04/26/04
ELLIE	VAU618953	04/26/04
ELLIE	VAU618951	04/26/04
EWE	VAU650721	12/14/04
FAMILY WAGON	VAU650722	12/14/04
FELT TREES	VAU650724	12/14/04
FINNEGAN	VAU632994	04/26/04
FINGER PUPPETS	VAU650723	12/14/04
FISHIN' PUFAC	VAU650725	12/14/04
FOXIE WOLVSIE	VAU650726	12/14/04
FRANCINE	VAU650727	12/14/04
FRENCH JULIUS	VAU650710	12/14/04
FRENCH LESTER	VAU650728	12/14/04
GLAMOUR IS MY OCCUPATION	VAU650709	12/14/04
GNOME	VAU618960	04/26/04
HAPPY CAMEL	VAU650708	12/14/04
HAPPY ZOO	VAU650707	12/14/04
HEADGEAR JULIUS	VAU650705	12/14/04
HEADPHONES	VAU650704	12/14/04
HEADPHONES JULIUS	VAU650706	12/14/04
HOLIDAY CHEER	VAU650702	12/14/04
HONORABLE SUSHI	VAU618957	04/26/04
HOO, WHAT, WHERE?	VAU650625	12/14/04
HOUSE AND TREE CLOUDS	VAU630109	07/09/04
HOUSE AND TREES SOLID	VAU746274	04/06/04
HUGH	VAU650703	12/14/04
HULIUS	VAU664931	04/04/05
HULIUS	VAU655372	12/14/04
I GOT A TURTLE	VAU650645	12/14/04
I'M NOT A BEAVER	VAU650644	12/14/04
ISAAC	VAU618958	04/26/04
J AND MISSY CAT	VAU618959	04/26/04
J IS FOR JULIUS	VAU705480	05/03/06
J IS FOR JULIUS	VAU658643	12/14/04
JACQUELINE	VAU952665	09/06/07
JOLLY OL'SAINT CHIMP	VAU650626	12/14/04
JORGE	VAU618963	04/26/04
JULIUS	VAU618964	04/26/04



Title	Registration No.	Registration Date
JULIUS MARIONETTE	VAU658642	12/14/04
LAZARUS	VAU618956	04/26/04
LEE	VAU618962	04/26/04
LESTER	VAU618925	04/26/04
LIFEGUARD JULIUS	VAU705483	06/03/06
LIFEGUARD JULIUS	VAU658641	12/14/04
LO MEIN	VAU618924	04/26/04
LOCKNESS CORNELIUS	VAU655373	12/14/04
LONGSHOT	VAU618923	04/26/04
LOOKING GLASS SELF	VAU655381	12/14/04
LUCKY BUNNY	VAU664930	04/04/05
MADISON	VAU655380	12/14/04
MANATEE	VAU655379	12/14/04
MARSHALL AMPS	VAU650643	12/14/04
MAXINE	VAU650642	12/14/04
MI LLAMO LLAMA	VAU618961	04/26/04
MIKA KAT	VAU618921	04/26/04
MILTON	VAU618920	04/26/04
MONDI	VAU650641	12/14/04
MONTE	VAU618919	04/26/04
MOOSE	VAU650640	12/14/04
MOUSEFRIGHT	VAU650639	12/14/04
MR. OWL	VAU618918	04/26/04
NEW WAVE JULIUS	VAU650638	12/14/04
OLIVIA	VAU618968	04/26/04
OSTRITCH	VAU650637	12/14/04
PARKER	VAU650636	12/14/04
PATRICK	VAU618930	04/26/04
HELICOPTER	VAU613150	04/01/04
PAUL FRANK INDUSTRIES AIRPLANE	VAU650635	12/14/04
PAUL FRANK SWIMMER	VAU630110	07/09/04
PAUL'S PERSONAL SIGNATURE	VAU658639	12/14/04
PETE THE MUSK OX	VAU655387	12/14/04
PF OPTOMETRICS	VAU655388	12/14/04
PF STORE LOGO	VAU705481	05/03/06
PF STORE LOGO	VAU658640	12/14/04
PF WILD ANIMAL PARK	VAU655374	12/14/04
PLAIDIPUS	VAU655375	12/14/04
PLANNED PINES	VAU628108	05/10/04
POOL PARTY	VAU655376	12/14/04
POSSUMS	VAU655377	12/14/04
PRAIRIE DOG	VAU655378	12/14/04
PUFAK	VAU618922	04/26/04
PUNK	VAU650701	12/14/04
PUSSYCOW	VAU650729	12/14/04
RANDOLPH	VAU618928	12/14/04
RAVEN	VAU1318923	12/14/04

Title	Registration No.	Registration Date
RAYMOND	VAU650730	12/14/04
RECORD PLAYER	VAU655390	12/14/04
RED CHINA JULIUS	VAU655389	12/14/04
RHINO	VAU655393	12/14/04
ROLLIN WITH THE HOMIES	VAU655391	12/14/04
ROOKIE	VAU618929	04/26/04
SAM THE GRUB	VAU618935	04/26/04
SCOOTER JULIUS	VAU655392	12/14/04
SEA TURTLE LEAVE TURTLE ALONE	VAU655394	12/14/04
SELF PORTRAIT	VAU655395	12/14/04
SENIOR JULIO	VAU650700	12/14/04
SHAKA BRAH YETI	VAU618936	04/26/04
SHEREE	VAU618926	04/26/04
SIR RANDOLPH	VAU618927	04/26/04
SKI JULIUS	VAU650699	12/14/04
SKURVY	VAU613151	04/01/04
SKURVY JULIUS	VAU952669	09/06/07
SMALL PAUL	VAU618933	04/26/04
SMALL PAUL TAILOR	VAU705484	05/03/06
SMANCE	VAU618934	04/26/04
SMASHING GUITAR JULIUS	VAU650698	12/14/04
SNOWBARD JULIUS	VAU650697	12/14/04
SNOWMOBILIN' JULIUS	VAU650696	12/14/04
SPACE JULIUS	VAU650695	12/14/04
SPARKY	VAU650694	12/14/04
SPICOLLI	VAU618931	04/26/04
STEVE THE CRAB	VAU618932	04/26/04
SUEKAT	VAU650693	12/14/04
SUCK THAT YOU SNAKE	VAU952664	09/06/07
SUGGESTED OUTING	VAU650692	12/14/04
SUMO	VAU650718	12/14/04
TECHNACLANCY	VAU650717	12/14/04
TRAMPOLINE	VAU650716	12/14/04
TRANSYLVANIA	VAU650715	12/14/04
TYRONE	VAU618940	04/26/04
UNIBROW JULIUS	VAU1318924	12/14/04
UNIBROW JULIUS	VAU705482	05/03/06
UPSIDE DOWN JULIUS	VAU650714	12/14/04
VIC	VAU618937	04/26/04
VIKTOR	VAU650711	12/14/04
WAYNE	VAU650712	12/14/04
WHAT TIME IS IT	VAU630108	07/09/04
WHEN SPICOLLI GOES	VAU650713	12/14/04
WILLIAM	VAU618938	04/26/04
WINSTON	VAU650629	12/14/04
WOODSHOP	VAU650623	12/14/04
WORK IT SPICOLLI	VAU650622	12/14/04

<b>Title</b>	<b>Registration No.</b>	<b>Registration Date</b>
WORRY BEAR	VAU618939	04/26/04
WORRY BEAR	VAU650624	12/14/04
WORRY BEAR POTTY	VAU650630	12/14/04

**Owner: Paul Frank Stores, LLC**





None.






















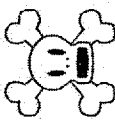

Trademarks




I. United States Trademarks

Owner: Paul Frank Industries, Inc.

United States California	PAUL FRANK Signature	6/20/2006	112053 8/30/2006	9	Registered
United States California	PAUL FRANK Signature	6/20/2006	112052 8/30/2006	14	Registered
United States California	PAUL FRANK Signature	6/20/2006	112051 8/30/2006	18	Registered
United States California	PAUL FRANK Signature	6/20/2006	112050 8/30/2006	20	Registered
United States California	PAUL FRANK Signature	6/20/2006	111956 7/18/2006	25	Registered
United States California	PAUL FRANK Signature	111957 6/20/2006	111957 7/18/2006	28	Registered
United States of America	CLANCY Giraffe Design 	76/338960 11/19/2001	2731354 7/1/2003	14	Registered
United States of America	CLANCY Giraffe Design 	75/910897 2/5/2000	2675982 1/21/2003	18, 25	Registered
United States of America	Elephant Design 	75/911103 2/5/2000	2524187 1/1/2002	18, 25	Registered
United States of America	FRANK	77/186489 5/21/2007			Pending
United States of America	FRANK	77/186499 5/21/2007		25	Pending
United States of America	HER HOUSE PAUL FRANK (Stylized) 	76/497154 3/13/2003	2977250 7/26/2005	25	Registered

United States of America	ISAAC Bear Design 	76/33859 11/19/2001	2718690 5/27/2003	14	Registered
United States of America	JULIUS 	77/029371 10/26/2006		9, 12, 14, 16, 18, 20, 24, 25, 28, 41	Published
United States of America	JULIUS & FRIENDS BY PAUL FRANK 	76/977353 3/1/2001	2949386 5/10/2005	41	Registered
United States of America	JULIUS DESIGN 	76/322346 10/1/2004	2571471 5/21/2002	14	Registered
United States of America	JULIUS DESIGN 	76/977453 10/1/2001	2952851 5/17/2005	20	Registered
United States of America	JULIUS DESIGN 	76/976588 10/1/2001	2849086 6/1/2004	35	Registered
United States of America	JULIUS DESIGN 	76/318820 10/1/2001	3240161 5/8/2007	41	Registered
United States of America	JULIUS DESIGN 	75/498789 6/8/1998	2325420 3/7/2000	18, 25	Registered
United States of America	JULIUS DESIGN 	76/319094 10/1/2001	3194737 1/2/2007	16, 28	Registered
United States of America	PAUL 	77/186433 5/21/2007		18	Pending
United States of America	PAUL 	77/186474 5/21/2007		25	Pending
United States of America	PAUL FRANK 	78/915733 6/23/2006		9, 12, 14, 16, 18, 25, 28, 35, 41	Pending
United States of America	PAUL FRANK INDUSTRIES & House Design 	75/498788 6/8/1998	2325419 3/7/2000	25	Registered

United States of America	 PAUL FRANK INDUSTRIES & House Design 	76/976561 7/19/2001	2838342 5/4/2004	35	Registered
United States of America	PAUL FRANK IS YOUR FRIEND 	76/021012 4/10/2000	2670875 1/7/2003	18, 25	Registered
United States of America	PAUL FRANK on Helicopter Design 	76/338957 11/19/2001	2609759 8/20/2002	14, 18, 25	Registered
United States of America	PAUL FRANK with House & Trees Design 	76/977359 10/1/2001	2952829 5/17/2005	20	Registered
United States of America	PLANNED PINES	78/849321 3/29/2006		9, 28, 41	Published
United States of America	SKURVY Design 	76/338958 11/19/2001	2755205 8/26/2003	14	Registered
United States of America	SKURVY Design 	78/755636 11/16/2005	3186381 12/19/2006	9, 18, 24, 25, 41	Registered
United States of America	SMALL PAUL	78/607375 4/12/2005	3076628 4/4/2006	25	Registered
United States of America	SMALL PAUL	78/607391 4/12/2005		9, 14, 18, 20, 25, 28	Published
United States of America	SMALL PAUL BY PAUL FRANK & Design 	76/498606 3/19/2003	3117529 7/18/2006	28	Registered
United States of	SMALL PAUL BY PAUL	76/977820	3024237	18, 25	Registered

America	FRANK & Design 	3/19/2003	12/6/2005		
United States of America	Spotted Dog Design 	75/911104 2/5/2000	2516477 12/11/2001	18, 25	Registered
United States of America	TURTLE DESIGN 	75/910918 2/5/2000	2551716 3/26/2002	18, 25	Registered











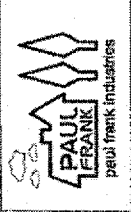

Owner: Paul Frank Stores, LLC






None.




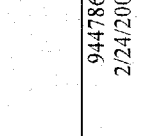

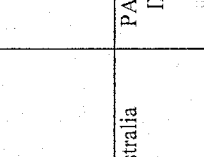
II. Foreign Trademarks








Owner: Paul Frank Industries, Inc.






Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Algeria	JULIUS	51469 8/6/2005	70135 6/20/2007	18, 25	Registered
Algeria	JULIUS	51469 8/6/2005	70135 6/20/2007	18, 25	Registered
Algeria	JULIUS & FRIENDS & Design 	51472 8/6/2005	7138 6/20/2007	18, 25	Registered
Algeria	JULIUS Design 	51470 8/6/2005	70136 6/20/2007	18, 25	Registered
Algeria	PAUL FRANK	51468 8/6/2005	70134 6/20/2007	18, 25	Registered
Algeria	PAUL FRANK INDUSTRIES & House Design 	51471 8/6/2005	70137 6/20/2007	18, 25	Registered
Argentina	JULIUS Design 	2441484 7/1/2003	2001790 12/10/2004	9	Registered
Argentina	JULIUS Design 	2441485 7/1/2003	2001791 12/10/2004	14	Registered
Argentina	JULIUS Design 	2441486 7/1/2003	2001792 12/10/2004	18	Registered
Argentina	JULIUS Design	2441487 7/1/2003	2001793 12/10/2004	25	Registered



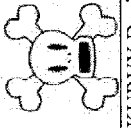
Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Argentina	 JULIUS Design	2441488 7/1/2003	2001794 12/10/2004	28	Registered
Argentina	PAUL FRANK	2441479 7/1/2003	2001893 12/10/2004	9	Registered
Argentina	PAUL FRANK	2441480 7/1/2003	2001894 12/10/2004	14	Registered
Argentina	PAUL FRANK	2441481 7/1/2003	2001788 12/10/2004	18	Registered
Argentina	PAUL FRANK	2441482 7/1/2003	212311 10/26/2006	25	Registered
Argentina	PAUL FRANK	2441483 7/1/2003	2001788 12/10/2004	28	Registered
Argentina	PAUL FRANK INDUSTRIES & House Design 	2441489 7/1/2003	2001795 12/10/2004	9	Registered
Argentina	PAUL FRANK INDUSTRIES & House Design 	2441490 7/1/2003	2001796 12/10/2004	14	Registered
Argentina	PAUL FRANK INDUSTRIES & House Design 	2441491 7/1/2003	2001797 12/10/2004	18	Registered
Argentina	PAUL FRANK INDUSTRIES & House Design	2441492 7/1/2003	2001798 12/10/2004	25	Registered

Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Argentina	 PAUL FRANK INDUSTRIES & House Design	2441493 7/1/2003	2001799 12/10/2004	28	Registered
Argentina	SMALL PAUL	2610233 8/9/2005	2137552 1/18/2007	18	Registered
Argentina	SMALL PAUL	2610234 8/9/2005	2137553 1/18/2007	25	Registered
Argentina	SMALL PAUL	2610235 8/9/2005	2142877 2/22/2007	28	Registered
Australia	HER HOUSE PAUL FRANK (Stylized)	944785 2/24/2003	944785 10/20/2003	9, 14, 18, 25	Registered
Australia	 JULIUS	1153906 12/22/2006		16, 18, 25	Pending
Australia	JULIUS & FRIENDS & Design 	957521 6/27/2002	957521 10/10/2005	25	Registered
Australia	JULIUS & FRIENDS & Design 	938825 12/23/2002	938825 9/1/2003	28	Registered
Australia	JULIUS & FRIENDS & Design 	917992 6/27/2002	917992 12/8/2003	9, 14, 18, 24	Registered
Australia	JULIUS Design	802066	802066	25	Registered

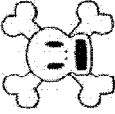





Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Australia	 JULIUS Design	938824 12/23/2002	938824 9/8/2003	28	Registered
Australia	 JULIUS Design	1153904 12/22/2006	1153904 8/14/2007	16, 41	Registered
Australia	 JULIUS Design	917990 6/27/2002	917990 3/24/2003	9, 14, 18, 20, 24	Registered
Australia	PAUL FRANK	962462 7/18/2003	962462 3/5/2004	9, 14, 18, 25, 28	Registered
Australia	PAUL FRANK	1106550 3/31/2006	1106550 11/20/2006	12, 16, 20, 24, 41	Registered
Australia	PAUL FRANK INDUSTRIES & House Design 	938826 12/23/2002	938826 9/1/2003	28	Registered
Australia	PAUL FRANK INDUSTRIES & House Design 	917991 6/27/2002	917991 2/10/2003	9, 14, 18, 20, 24	Registered
Australia	PAUL FRANK PAUL FRANK INDUSTRIES & Helicopter Design (Color) 	944786 2/24/2003	944786 10/20/2003	9, 14, 18, 25	Registered




Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Australia	PAUL FRANK with House & Trees Design 	760606 4/8/1999	790606 1/14/2000	25	Registered
Australia	PLANNED PINES	1106588 3/31/2006	1106588 11/13/2006	9, 28, 41	Registered
Australia	SKURVY Design 	944784 2/24/2003	944784 3/29/2004	9, 14, 18	Registered
Australia	SMALL PAUL	1153905 12/22/2006	1153905 8/14/2007	16	Registered
Australia	SMALL PAUL	1073158 9/1/2005	1073158 2/13/2006	18, 25, 28	Registered
Bahrain	JULIUS	52533 12/25/2006		16	Pending
Bahrain	JULIUS	48244 5/30/2006		18	Pending
Bahrain	JULIUS	48245 5/30/2006		25	Pending
Bahrain	JULIUS Design 	42639 10/19/2004	42639 3/20/2007	9	Registered
Bahrain	JULIUS Design 	42640 10/19/2004	42640 3/20/2007	14	Registered
Bahrain	JULIUS Design 	42641 10/19/2004	42641 3/20/2007	18	Registered
Bahrain	JULIUS Design 	42642 10/19/2004	42642 3/20/2007	25	Registered
Bahrain	JULIUS Design 	52534 12/25/2006		16	Pending

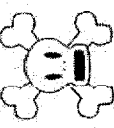
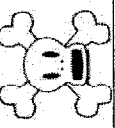
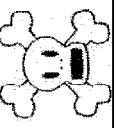
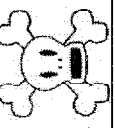
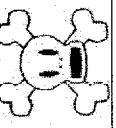
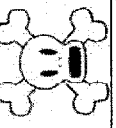
Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Bahrain	 JULIUS Design	52535 12/25/2006		28	Pending
Bahrain	 JULIUS Design	52536 12/25/2006		41	Pending
Bahrain	PAUL FRANK	42631 10/19/2004	42631 3/20/2007	9	Registered
Bahrain	PAUL FRANK	42632 10/19/2004	42632 3/20/2007	14	Registered
Bahrain	PAUL FRANK	42633 10/19/2004	42633 3/20/2007	18	Registered
Bahrain	PAUL FRANK	42634 10/19/2004	42634 3/20/2007	25	Registered
Bahrain	PAUL FRANK	52537 12/25/2006		16	Pending
Bahrain	PAUL FRANK	52538 12/25/2006		28	Pending
Bahrain	PAUL FRANK	52539 12/25/2006		41	Pending
Bahrain	PAUL FRANK HOUSE & TREES & CLOUDS 	42635 10/19/2004	42635 3/20/2007	9	Registered
Bahrain	PAUL FRANK HOUSE & TREES & CLOUDS 	42636 10/19/2004	42636 3/20/2007	14	Registered
Bahrain	PAUL FRANK HOUSE & TREES & CLOUDS 	42637 10/19/2004	42637 3/20/2007	18	Registered
Bahrain	PAUL FRANK HOUSE & TREES & CLOUDS	42638 10/19/2004	42638 3/30/2007	25	Registered







Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Bahrain	 SKURVY Design	52541 12/25/2006		18	Pending
Bahrain	 SKURVY Design	52542 12/25/2006		25	Pending
Bahrain	SMALL PAUL	52540 12/25/2006		16	Pending
Bahrain	SMALL PAUL	45354 9/4/2005		18	Pending
Bahrain	SMALL PAUL	45355 9/4/2005		25	Pending
Bahrain	SMALL PAUL	45356 9/4/2005		28	Pending
Bolivia	SKURVY	2525 7/14/2005	103345 5/4/2006	9	Registered
Bolivia	SKURVY	2526 7/14/2005	103403 5/8/2006	14	Registered
Bolivia	SKURVY	2527 7/14/2005	103404 5/8/2006	18	Registered
Bolivia	SKURVY	2528 7/14/2005	103405 5/8/2006	25	Registered
Bolivia	SKURVY Design 	2529 7/14/2005	103425 5/11/2006	9	Registered
Bolivia	SKURVY Design	2530 7/14/2005	103424 5/11/2006	14	Registered

















Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Bolivia	 SKURVY Design	2531 7/14/2005	103340 5/4/2006	18	Registered
Bolivia	 SKURVY Design	2532 7/14/2005	103387 5/5/2006	25	Registered
Brazil	JULIUS	827331134 4/28/2005		14	Published
Brazil	JULIUS	827331126 4/28/2005		18	Published
Brazil	JULIUS	827331118 4/28/2005		20	Published
Brazil	JULIUS	827331100 4/28/2005		25	Published
Brazil	JULIUS	827331142 4/28/2005		9	Pending
Brazil	JULIUS	827331096 4/28/2005		28	Pending
Brazil	JULIUS & FRIENDS & Design 	825162963 1/17/2003	825162963 5/2/2007	28	Registered
Brazil	JULIUS Design 	825162980 1/17/2003	825162980 5/29/2007	28	Registered
Brazil	JULIUS Design 	825575907 6/30/2003		9	Pending
Brazil	JULIUS Design 	825575915 6/30/2003		14	Pending




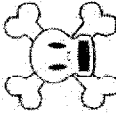
Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Brazil	JULIUS Design 	825576008 6/30/2003		18	Pending
Brazil	JULIUS Design 	827331150 4/28/2005		20	Pending
Brazil	JULIUS Design 	825575990 6/30/2003		25	Pending
Brazil	PAUL FRANK	825576016 6/30/2003	825576016 5/29/2007	9	Registered
Brazil	PAUL FRANK	825575893 6/30/2003		14	Published
Brazil	PAUL FRANK	825575923 6/30/2003	825575923 5/29/2007	18	Registered
Brazil	PAUL FRANK	825575940 6/30/2003	825575940 5/29/2007	28	Registered
Brazil	PAUL FRANK	825575974 6/30/2003	825575974 5/29/2007	25	Registered
Brazil	PAUL FRANK	827331266 4/28/2005		20	Published
Brazil	PAUL FRANK	828246122 4/7/2006		12	Pending
Brazil	PAUL FRANK	828246114 4/7/2006		16	Pending
Brazil	PAUL FRANK	828246092 4/7/2006		24	Pending
Brazil	PAUL FRANK	828246106 4/7/2006		41	Pending
Brazil	PAUL FRANK & House Design	825162971 1/17/2003	825162971 5/2/2007	28	Registered
Brazil	PAUL FRANK INDUSTRIES & House Design	825575931 6/30/2003	825575931 5/29/2007	9	Registered
Brazil	PAUL FRANK INDUSTRIES & House Design	825575966 6/30/2003	825575966 5/29/2007	18	Registered
Brazil	PAUL FRANK INDUSTRIES & House Design	825575958 6/30/2003	825575958 5/27/2007	25	Registered
Brazil	PAUL FRANK INDUSTRIES & House Design	827331274 4/28/2005		20	Published

Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Brazil	PAUL FRANK INDUSTRIES & House Design	825575982 6/30/2003		14	Pending
Brazil	SKURVY Design 	825304210 3/13/2003		9	Pending
Brazil	SKURVY Design 	825304245 3/13/2003		14	Pending
Brazil	SKURVY Design 	825304257 3/13/2003		18	Pending
Brazil	SKURVY Design 	827331258 4/28/2005		20	Pending
Brazil	SKURVY Design 	825304229 3/13/2003		25	Pending
Brazil	SKURVY Design 	827331240 4/28/2005		28	Pending
Brazil	SMALL PAUL	827331231 4/28/2005		9	Published
Brazil	SMALL PAUL	827331223 4/28/2005		14	Published
Brazil	SMALL PAUL	827331061 4/28/2005		20	Published
Brazil	SMALL PAUL	827331053		25	Published

Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Brazil	SMALL PAUL	827331088 4/28/2005		28	Published
Brazil	SMALL PAUL	827331070 4/28/2005		18	Pending
Brazil	SMALL PAUL BY PAUL FRANK & Design 	827331169 4/28/2005		9	Published
Brazil	SMALL PAUL BY PAUL FRANK & Design 	827331177 4/28/2005		18	Published
Brazil	SMALL PAUL BY PAUL FRANK & Design 	827331215 4/28/2005		25	Published
Brazil	SMALL PAUL BY PAUL FRANK & Design 	827331207 4/28/2005		28	Published
Brazil	SMALL PAUL BY PAUL FRANK & Design 	827331185 4/28/2005		14	Pending
Brazil	SMALL PAUL BY PAUL FRANK & Design 	827331193 4/28/2005		20	Pending
Canada	CLANCY Giraffe Design	1270325 8/29/2005		18, 25, 41	Pending








Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Canada	 JULIUS Design (Black/White)	1185062 7/17/2003		9, 12, 14, 16, 18, 20, 24, 25, 28, 41	Pending
Canada	 JULIUS Design (Color)	1082325 11/10/2000	TMA556811 1/24/2002	18, 25	Registered
Canada	PAUL FRANK	1296060 7/17/2003		41	Pending
Canada	PAUL FRANK	1185063 7/17/2003		9, 12, 14, 16, 18, 20, 24, 25, 28	Pending
Canada	PAUL FRANK & Helicopter Design 	1185065 7/17/2003		12, 14, 18, 25, 41	Pending
Canada	HOUSE & TREE SILHOUETTE DESIGN 	1336271 02/21/2007		16	Pending
Canada	PAUL FRANK House & Tree Design w/Black Clouds 	1082326 11/10/2000	TMA572254 12/13/2002	25	Registered
Canada	PLANNED PINES 	1296059 3/30/2006		9, 28, 41	Pending
Canada	SKURVY DESIGN 	1185066 7/17/2003	TMA681126 2/5/2007	9, 12, 14, 18, 20, 25, 41	Registered

Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Canada	SMALL PAUL	1336272 2/21/2007		16	Pending
Canada	SMALL PAUL	1272105 9/15/2005		18, 25, 28	Pending
Canada	SMALL PAUL BY PAUL FRANK & Design 	1185067 7/17/2003		16, 18, 25, 41	Pending
Canada	SMALL PAUL BY PAUL FRANK & Design 	1185067 7/17/2003		16, 18, 25, 28, 41	Pending
Chile	JULIUS	692537 6/22/2005	747090 1/19/2006	9, 14, 18, 20, 25, 28	Registered
Chile	JULIUS Design (Color) 	692531 6/22/2005	740608 11/25/2005	20	Registered
Chile	JULIUS Design (Color) 	612444 6/27/2003	689418 3/29/2004	25	Registered
Chile	JULIUS Design (Color) 	612443 6/27/2003	689417 3/29/2004	9, 14, 18, 28	Registered
Chile	JULIUS Design (Color) 	612443 6/27/2003	689417 3/29/2004	9, 14, 28	Registered
Chile	JULIUS Design (Color) 	612443 6/27/2003	689417 3/29/2004	9, 14, 18, 28	Registered
Chile	PAUL FRANK	692529 6/22/2005	740606 11/25/2005	20	Registered
Chile	PAUL FRANK	612447 6/27/2003	782516 3/20/2007	25	Registered
Chile	PAUL FRANK	612446	782514	9, 14, 28	Registered

Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Chile	PAUL FRANK PAUL FRANK INDUSTRIES & House and Trees Design 	692550 6/22/2005	740607 11/25/2005	20	Registered
Chile	PAUL FRANK PAUL FRANK INDUSTRIES & House and Trees Design 	612445 6/27/2003	706775 10/26/2004	25	Registered
Chile	PAUL FRANK PAUL FRANK INDUSTRIES & House and Trees Design 	612448 6/27/2003	706776 10/26/2004	9, 14, 18, 28	Registered
Chile	SKURVY Design 	692552 6/22/2005	740609 11/25/2005	9, 14, 18, 20, 25, 28	Registered

Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Chile	SMALL PAUL	692538 6/22/2005	740610 11/25/2005	9, 14, 18, 20, 25, 28	Registered



Country	Trademark	App. No. Filing Date	Reg. No. Reg. Date	Class(es)	Status
Chile	SMALL PAUL	692539 6/22/2005	742201 12/14/2005	9, 14, 18, 20, 25	Registered
China (Peoples Republic)	CLANCY Giraffe Design 	4860476 8/26/2005		18	Pending
China (Peoples Republic)	CLANCY Giraffe Design 	4860419 8/26/2005		25	Pending
China (Peoples Republic)	CLANCY Giraffe Design 	4860420 8/26/2005		41	Pending
China (Peoples Republic)	HER HOUSE PAUL FRANK (Stylized) 	3520800 4/10/2003	3520800 10/21/2004	9	Registered
China (Peoples Republic)	HER HOUSE PAUL FRANK (Stylized) 	3520798 4/10/2003	3520798 11/7/2004	14	Registered
China (Peoples Republic)	HER HOUSE PAUL FRANK (Stylized) 	3520799 4/10/2003	3520798 4/28/2005	18	Registered
China (Peoples Republic)	HER HOUSE PAUL FRANK (Stylized) 	3520797 4/10/2003	3520798 5/21/2005	25	Registered