

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
M&C Apparel Group, Inc., d/b/a Mike & Chris		04/03/2008	CORPORATION: CALIFORNIA
FTC Commercial Corporation		04/03/2008	CORPORATION: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	FTC Commercial Corporation		
<b>Street Address:</b>	1525 South Broadway Street		
<b>City:</b>	Los Angeles		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	90015		
<b>Entity Type:</b>	CORPORATION: CALIFORNIA		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	3106443	MIKE & CHRIS	
<b>Serial Number:</b>	78629757	MIKE & CHRIS	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(213)745-8887		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	213-745-8888		
<b>Email:</b>	sandy@ftccc.net		
<b>Correspondent Name:</b>	Sandy S. Chung, Esq.		
<b>Address Line 1:</b>	1525 South Broadway Street		
<b>Address Line 4:</b>	Los Angeles, CALIFORNIA 90015		
<b>NAME OF SUBMITTER:</b>	Sandy S. Chung		
<b>Signature:</b>	/Sandy S. Chung/		
<b>Date:</b>	04/21/2008		

OP \$65.00 3106443

**Total Attachments: 12**

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**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

<sup>April (b3c)</sup>  
This INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") is made as of ~~March 3~~, 2008, by and between M&C Apparel, Inc. ("M&C"), on the one hand, and FTC COMMERCIAL CORP. ("FTC"), on the other hand.

**WITNESSETH**

WHEREAS, FTC and M&C have entered into that certain Factoring Agreement dated January 23, 2006, that certain Inventory Loan Facility Agreement dated September 6, 2007, that certain Agreement Regarding Overadvances dated March 1, 2008, and various related and/or subsequent agreements and/or amendments (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "FTC Agreements"); and

WHEREAS, to secure the full and prompt payment, performance and satisfaction of all liabilities, obligations and indebtedness of M&C to FTC under the FTC Agreements (the "Indebtedness"), M&C has granted to FTC a security interest in all of the personal property assets of M&C, including, without limitation, M&C's intellectual property;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, M&C, on the one hand, and FTC, on the other hand, agree as follows:

1. **CERTAIN DEFINED TERMS.** As used in this Agreement, the following terms shall have the meanings set forth below:

"Copyright" means copyrights and copyright registrations, including without limitation the copyright registrations and recordings listed on Schedule A attached hereto, if any, in which M&C has any right, title and interest, and (i) all reissues, continuations, extensions or renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, subject to payment to any co-owner of its, his or her share thereof, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all of M&C's rights corresponding thereto throughout the world.

"Intellectual Property Licenses" means rights under or interest in any patent, trademark, copyright or other intellectual property, including software license agreements with any other party, whether M&C, or any of them, are a licensee or licensor under any such license agreement, and the right to use the foregoing in connection with the enforcement of FTC's rights pursuant to the Security Agreement and the FTC Agreements.

"Patent" means patents and patent applications, including without limitation the patents and patent applications listed on Schedule A hereto and all continuations, divisionals, provisionals, continuations in part, or reissues of

applications related to patents thereon, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, subject to payment to any co-owner or inventor of its, his or her share thereof, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all of M&C's rights corresponding thereto throughout the world.

"Trademark" means trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including without limitation the registered trademarks listed on Schedule A hereto, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, subject to payment to any co-owner of its, his or her share thereof, including without limitation payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, (iv) the goodwill of M&C's business(es) symbolized by the foregoing and connected therewith, and (v) all of M&C's rights corresponding thereto throughout the world.

2. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. To secure the payment, performance, and satisfaction by M&C of the Indebtedness, M&C hereby grants to FTC a first priority continuing security interest in all of M&C's right, title, and interest in, to, and under all of M&C's intellectual property (the "Intellectual Property"), which includes without limitation the following, whether now existing, owned, or used by M&C, or hereafter created, acquired, or used by M&C (collectively, the "Intellectual Property Collateral" or the "Collateral"):

(a) all of M&C's Patents and its rights under all Patent Intellectual Property Licenses to which it is a party, including, without limitation:

- (i) the Patents referred to on Schedule A hereto;
- (ii) all registrations and applications of M&C's Patents, including, without limitation, continuations, divisionals, provisionals, continuations in part, or reissues of applications and patents issuing thereon; and
- (ii) all products and proceeds of the foregoing, including, without limitation, any claim by M&C against third parties for past, present or future infringement of any Patent or any Patent licensed under any Intellectual Property License;

(b) all of M&C's Trademarks and its rights under all Trademark Intellectual Property Licenses to which it is a party, including, without limitation:

- (i) the Trademarks referred to on Schedule A hereto;
- (ii) all registrations, applications, and renewals of M&C's Trademarks;
- (iii) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark licensed under an Intellectual Property License; and
- (iv) all designs, processes, techniques, packaging, and product configurations that are used for providing goods and services designated by any of the Trademarks; and
- (v) all products and proceeds of the foregoing, including, without limitation, any claim by M&C against third parties for past, present or future
  - (i) infringement or dilution of any Trademark or any Trademark licensed under any Intellectual Property License, or
  - (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Intellectual Property License; and

(c) all of M&C's Copyrights and its rights under all Copyright Intellectual Property Licenses to which it is a party, including without limitation:

- (i) the Copyrights referred to on Schedule A hereto;
- (ii) all registrations, applications, and renewals of M&C's Copyrights; and
- (iii) all products and proceeds of the foregoing, including without limitation any claim by M&C against third parties for past, present or future infringement of any Copyright or any Copyright licensed under any Intellectual Property License.

3. AUTHORIZATION TO SUPPLEMENT. If M&C shall obtain rights to any new Intellectual Property (as defined in Paragraph 2 above), the provisions of this Agreement shall automatically apply thereto. M&C shall give FTC prompt written notice with respect to any new Intellectual Property, including, without limitation, all new federally registered trademarks and federal applications for trademark applications, if any. M&C represents that Schedule A is substantially accurate and complete but reserves the right from time to time to correct inaccuracies and/or omissions therein by giving FTC written notice thereof. Without limiting M&C's obligations under this Section 3, M&C hereby authorizes FTC to unilaterally modify this Security Agreement by amending Schedule A to include any such corrections and other modifications and any such new Intellectual Property of M&C. Notwithstanding the foregoing, no failure to so modify this Security Agreement or amend Schedule A shall in any way affect, invalidate or detract from FTC's continuing security interest in all of the Intellectual Property, whether or not listed on Schedule A.

4. REPRESENTATIONS AND WARRANTIES. M&C represents and warrants to FTC that:

(a) No financing statement or other filing listing any of the Intellectual Property Collateral as collateral is on file in any jurisdiction, other than any financing statement that may have been or will be filed on behalf of FTC, as secured party;

(b) M&C has not created and is not aware of any means, any lien, security interest, pledge, hypothecation, encumbrance, or other claim (each a "Lien") in, on, with respect to, or affecting any of the Intellectual Property Collateral other than the Lien created by this Security Agreement in favor of FTC;

(c) The execution, delivery and performance of this Security Agreement has been duly authorized by all required corporate, limited liability company, or other applicable actions of M&C and all consents, approvals, authorizations, permits and licenses necessary for M&C to enter into and perform its obligations under this Security Agreement have been obtained;

(d) This Security Agreement constitutes a valid, binding and enforceable obligation of M&C;

(e) The execution, delivery and performance of this Security Agreement do not violate any law or any agreement or undertaking to which M&C is a party or by which M&C may be bound and do not result in the imposition of any Lien upon any of the Intellectual Property Collateral other than the Lien in favor of FTC created by this Security Agreement;

(f) M&C is the legal and beneficial owners of the Intellectual Property, control the Intellectual Property Collateral, and with regard to the Trademarks it currently owns or uses, M&C has continuously used those Trademarks in interstate commerce in connection with the sale of M&C's products;

(g) there are no claims or demands of any persons or entities claiming any interest in any of the Intellectual Property Collateral, including, without limitation, disputes concerning the ownership, control of, or the right to use any of the Intellectual Property Collateral.

5. COVENANTS. M&C shall: (a) keep the Intellectual Property Collateral free and clear of any Lien of any kind other than the Lien created by this Security Agreement; (b) promptly pay, when due, all taxes and other charges and fees affecting or arising out of the Intellectual Property Collateral including, without limitation, all fees required to maintain M&C's registration of any of the Trademarks; (c) police, pursue and enforce M&C's rights with respect to the Intellectual Property Collateral, defend the Intellectual Property Collateral against all claims, disputes, demands, challenges, actions, causes of action or infringements by any persons or entities, and promptly notify FTC in writing of any such claims, disputes, demands, challenges, actions, causes of action or infringements, including, without limitation, any default or other notices regarding M&C's ownership of, right to use, or continued registration of the Intellectual Property Collateral which M&C receives or with respect to which M&C has knowledge; (d) give FTC at least 15 days prior written notice before changing one or more of M&C's names; (e) not sell, dispose of, transfer or abandon any of the Intellectual Property Collateral without FTC's prior

written consent; (f) continuously use the Trademarks (whether currently or hereinafter owned or used) in interstate commerce in connection with the sale of M&C's products, use trademark markings in connection with such use of the Trademarks, and file any required affidavits with respect to M&C's ongoing use of the Trademarks; and (g) permit FTC, by its officers and agents, to have access to and examine and copy records evidencing or relating to any of the Intellectual Property Collateral.

6. EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an Event of Default under this Security Agreement: (a) the failure of M&C to pay any of its obligations with respect to the Indebtedness within seven (7) calendar days of the due date thereof; (b) any representation or warranty of M&C to FTC in this Security Agreement, or in any other instrument or agreement with or in favor of FTC, shall prove to be inaccurate or untrue; (c) the breach by M&C of any covenant in this Security Agreement; or (d) the occurrence of any default or event of default under any instrument or agreement executed by M&C with or in favor of FTC with respect to which there is no cure period or which remains uncured at the end of the applicable cure period.

7. REMEDIES OF FTC.

(a) After the occurrence of an Event of Default under this Security Agreement, FTC may, without notice to or demand upon M&C (who waives any right to notice or demand it may have that may be waived):

- (i) use any and all of M&C's Intellectual Property, including, without limitation, trademarks, trade styles, trade names, licenses, franchises and the like to the extent of M&C's rights therein, in exercise of FTC's rights under this Security Agreement, without payment of compensation of any kind, and M&C hereby grants FTC a license and the right to grant sublicenses for that purpose;
- (ii) in such manner and to such extent as FTC may deem necessary to protect the Intellectual Property Collateral or the interests, rights, powers or duties of FTC, collect any and all income, rents, issues, profits and proceeds from the Intellectual Property Collateral, the same being hereby assigned and transferred to FTC, and from time to time apply or accumulate such income, rents, issues, profits and proceeds in such order and manner as FTC, in its sole discretion, shall determine, decide, and/or instruct;
- (iii) sell all or any part of the Intellectual Property Collateral at public or private sale at such place or places and at such time or times and in such manner and upon such terms, whether for cash or credit, as FTC in its sole discretion may determine; and
- (iv) exercise all the rights and remedies granted to a secured party under the California Uniform Commercial Code, as amended, and all other rights and remedies given to FTC under this Security Agreement or any other instrument or agreement or otherwise available at law or in equity.

(b) FTC agrees, however, that if there is an Event of Default pursuant to Paragraph 5(c) of this Agreement (regarding M&C's obligation to "police, pursue, and enforce" its rights with respect to the Intellectual Property Collateral), FTC will give M&C a written notice to cure. If within 5 calendar days after the date of the written notice to cure, M&C responds to FTC with a written commitment to cure, FTC shall give M&C 30 calendar days from the date of the notice to cure to cure the Event of Default. If M&C does not give FTC a written commitment to cure or does not cure within the cure period (as described in the previous sentence), FTC may exercise any and all of its rights under this Agreement and/or the FTC Agreements.

(c) FTC shall be under no obligation to make any of the payments, or do any of the acts referred to in this Section 7 or elsewhere in this Security Agreement. Any of the actions referred to in this Section 7 or elsewhere in this Security Agreement may be taken regardless of whether any notice of default or election to sell has been given under this Security Agreement (provided, however, that all notices required by law, the giving of which may not be waived, shall be given in accordance with such law), and regardless of the adequacy of the security for the Indebtedness.

(d) M&C agrees that FTC, by taking any action or exercising any right or remedy under this Section 7, does not release M&C from any obligation under this Security Agreement or any other instruments or agreements with FTC, and does not waive any rights FTC may have, and does not impair any declaration of default or election to cause the Intellectual Property Collateral to be sold or of any sale proceeding predicated on the same.

(e) M&C hereby waives notice of the sale of any Intellectual Property Collateral by FTC pursuant to any provision of this Security Agreement or any applicable provisions of the California Uniform Commercial Code, as amended, or other applicable law. In the event that notice of the sale of the Intellectual Property Collateral cannot be waived or FTC gives notice of such sale to M&C, FTC will give M&C notice of the time and place of any public sale of the Intellectual Property Collateral, or of the time after which any private sale or any other intended disposition thereof is to be made, by sending notice, by certified U.S. Mail, at least five days before the time of the sale or disposition, which provisions for notice M&C and FTC agree are reasonable.

(f) FTC may apply the net proceeds of any sale, lease or other disposition of the Intellectual Property Collateral (after deducting all costs and expenses of every kind incurred thereon, or incidental to the retaking, holding, preparing for sale, selling, leasing, or the like of the Intellectual Property Collateral, or in any way relating to the rights of FTC thereunder, including attorneys' fees and expenses hereinafter provided for) to the payment, in whole or in part, in such order as FTC may elect, of the Indebtedness, whether due or not due, absolute or contingent, making proper rebate for interest or discount on items not then due, and only after so applying such net proceeds and after the payment by FTC of any other amounts required by any existing or future provision of law (including Section 9-504(1)(c) of the Uniform Commercial Code of any jurisdiction in which any of the Intellectual Property Collateral may at the time be located) need FTC account for the surplus, if any. M&C shall remain liable to FTC for the payment of any deficiency.



(g) Whether or not an Event of Default shall have occurred, FTC may sell all or any part of the Intellectual Property Collateral, although the Indebtedness may be contingent or unmatured, whenever in its discretion FTC considers such sale necessary for its protection. The making of any demands by FTC shall not establish a course of conduct, nor constitute a waiver of the right of FTC to sell the Intellectual Property Collateral as herein provided, or of the right of FTC to accelerate the maturity of the Indebtedness as herein provided.

8. ADDITIONAL RIGHTS OF FTC AND DUTIES OF M&C REGARDING OBLIGATIONS AND COLLATERAL.

(a) M&C consents that the Indebtedness or any of the Intellectual Property Collateral may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised, settled or released and that any of the Intellectual Property Collateral may, from time to time, in whole or in part, be exchanged, released or surrendered, by FTC, all without in any way affecting or releasing the Indebtedness or any security interest hereby created.

(b) FTC shall not be liable for failure to collect or realize upon the Intellectual Property Collateral, or any part thereof, or for any delay in so doing, nor shall FTC be under any obligation to take any action whatsoever with regard thereto. FTC shall have no obligation to comply with any recording, re-recording, filing, re-filing or other legal requirements necessary to establish or maintain the validity, priority or enforceability of, or FTC's rights in and to, the Intellectual Property Collateral or any part thereof. FTC may exercise any right of M&C with respect to any of the Intellectual Property Collateral. FTC shall have no duty to exercise any of the aforesaid rights, privileges or options with respect to any of the Intellectual Property Collateral, and FTC shall not be responsible for any failure to do so or delay in so doing.

(c) In any statutory or non-statutory proceeding affecting M&C or any of the Intellectual Property Collateral, FTC or its nominee may, whether or not an Event of Default shall have occurred and regardless of the amount of the Indebtedness, file a proof of claim for the full amount of any of the Intellectual Property Collateral and vote such claim for the full amount thereof (i) for or against any proposal or resolution; (ii) for a trustee or trustees or for a committee of creditors; and/or (iii) for the acceptance or rejection of any proposed arrangement, plan of reorganization, wage earners' plan, composition or extension; and FTC or its nominee may receive any payment or distribution and give acquittance therefor and may exchange or release any of the Intellectual Property Collateral.

(d) Whether or not an Event of Default shall have occurred, FTC may, without notice to or demand upon M&C, (i) commence, appear in or defend any action or proceeding purporting to affect all or any part of the Intellectual Property Collateral or the interests, rights, powers or duties of FTC, whether brought by or against M&C or FTC or otherwise affecting either M&C or FTC; and/or (ii) pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of FTC may affect or appear to affect the Intellectual Property Collateral or the interests, rights, powers or duties of FTC.

9. COLLECTION RIGHTS OF FTC. If any of the Intellectual Property Collateral consists of Accounts, including, but not limited to, rights or claims of M&C to any payment, then at FTC's request, M&C shall promptly notify (in manner, form and substance satisfactory to FTC)

all persons or entities obligated to M&C that all payments in connection with those Accounts are to be made directly to FTC. M&C shall not settle, compromise or adjust any disputed amount, or allow any credit, rebate or discount with respect to any right or claim of M&C to any payment in connection with the Intellectual Property Collateral. After FTC shall have made a request of the type specified in the first sentence of this Section 9, any and all amounts received by M&C from the account debtor or other obligor or issuer so notified shall be promptly remitted to FTC, and until so remitted shall be segregated by M&C and held in trust for FTC.

10. ADDITIONAL SECURITY. If FTC shall at any time hold security for the Indebtedness in addition to the Intellectual Property Collateral, FTC may enforce the terms of this Security Agreement or otherwise realize upon the Intellectual Property Collateral, at its option, either before or concurrently with the exercise of remedies as to such other security. After a sale, if any, is made of such other security, FTC may apply the proceeds upon the Indebtedness without affecting the status of or waiving any right to exhaust all or any other security, including the Intellectual Property Collateral, and without waiving any breach or default or any right or power whether exercised under this Security Agreement, contained in this Security Agreement, or provided for in respect of any such other security.

11. PRESERVATION AND PROTECTION OF SECURITY INTEREST AND OTHER RIGHTS AND INTERESTS; POWER OF ATTORNEY. M&C will faithfully preserve and protect the Lien in the Intellectual Property Collateral in favor of FTC created by this Security Agreement; will, at M&C's own cost and expense, cause such Lien to be perfected and continue to be perfected and to be and remain prior to all other Liens; and, for such purpose, will from time to time, at the request of FTC, file or record, or cause to be filed or recorded, such instruments, documents and notices, including financing statements and continuation statements, as FTC may reasonably deem necessary or advisable from time to time in order to perfect and continue to perfect such Lien and to maintain the priority of such Lien over all other Liens. M&C will do all such other acts and things and will execute and deliver such instruments and documents, including, without limitation, security agreements, pledges, endorsements, assignments, and notices, as FTC may reasonably deem necessary or advisable from time to time in order to perfect and preserve the priority of the Lien in the Intellectual Property Collateral in favor of FTC as contemplated by this Security Agreement and to implement and enforce FTC's rights and interests with respect to the Intellectual Property Collateral. FTC, acting through its officers, employees and authorized agents, is hereby irrevocably appointed by M&C as the attorney-in-fact of M&C to do, at M&C's expense, all acts and things which M&C is required to do by the terms of this Security Agreement, or which FTC may reasonably deem necessary or advisable to preserve, perfect, continue to perfect and/or maintain the priority of such Liens in the Intellectual Property Collateral (including the signing of financing, continuation or other similar statements and notices on behalf of M&C), and to enforce, transfer, assign and defend the Intellectual Property Collateral in the exercise of FTC's rights under this Security Agreement (including, but not limited to, the filing of an Assignment of the Trademarks in the U.S. Trademark Office after the occurrence of an Event of Default under this Security Agreement). M&C hereby authorizes FTC to sign and file financing statements with respect to the Intellectual Property Collateral without the signature of M&C, and M&C agrees that it shall pay for or reimburse FTC for all filing fees for financing statements with respect to the Intellectual Property Collateral.

12. EFFECT ON FTC AGREEMENTS; CUMULATIVE REMEDIES. The provisions of this Security Agreement are not intended to limit or restrict in any way the rights and remedies of FTC under the FTC Agreements but rather are intended to supplement the exercise of such rights and remedies. All of the rights and remedies of FTC with respect to the Intellectual Property Collateral, whether established hereby, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently.
13. BINDING EFFECT; BENEFITS. This Security Agreement shall be binding upon M&C and its respective successors and assigns, and shall inure to the benefit of FTC and its successors and assigns.
14. MISCELLANEOUS. This Security Agreement shall be binding upon M&C. FTC may assign all or a portion of its rights under this Security Agreement and may deliver the Intellectual Property Collateral, or any part thereof, to any assignee and such assignee shall thereupon become vested with all the powers and rights given to FTC in respect thereof; and FTC shall thereafter be forever relieved and discharged from any liability or responsibility in the matter, but with respect to any of the Intellectual Property Collateral not so delivered or assigned, FTC shall retain all powers and rights given to FTC hereby. The execution and delivery hereafter to FTC by M&C of a new security agreement shall not terminate, supersede or cancel this Security Agreement, unless expressly provided therein. This Security Agreement may not be changed or terminated orally, but only by a writing executed by M&C and FTC. No delay on the part of FTC in exercising any of FTC's options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of this Security Agreement or any provision hereof or of any other agreement or instrument made or issued in connection herewith or contemplated hereby, nor consent to any departure by M&C therefrom, shall in any event be effective, irrespective of any course of dealing between the parties, unless the same shall be in a writing executed by a duly authorized officer of FTC, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on M&C in any case shall thereby entitle M&C to any other or further notice or demand in the same, similar or other circumstances. The remedies herein provided are cumulative and not exclusive of any other remedies provided at equity or by law and all such remedies may be exercised singly or concurrently. The descriptive headings used in this Security Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any provision hereof.
15. SIGNATURES. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. In proving this Agreement in any judicial proceeding, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signature delivered by a party by facsimile or pdf (email) transmission shall be deemed to be an original signature hereto.
16. APPLICABLE LAW; SEVERABILITY. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH ALL OF THE PROVISIONS OF THE CALIFORNIA UNIFORM COMMERCIAL CODE AND THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO

CONFLICTS OF LAW PRINCIPLES, EXCEPT FOR THE PERFECTION AND ENDORSEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS, OR, AS APPLICABLE, BY THE LAWS OF THE UNITED STATES OF AMERICA. WHENEVER POSSIBLE, EACH PROVISION OF THIS SECURITY AGREEMENT SHALL BE INTERPRETED IN SUCH A MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS SECURITY AGREEMENT SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISIONS OR THE REMAINING PROVISIONS OF THIS SECURITY AGREEMENT.

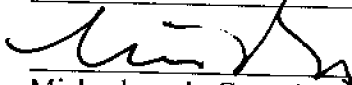
17. CONSENT TO JURISDICTION. M&C HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IRREVOCABLY AGREES THAT, SUBJECT TO FTC'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. M&C EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

18. JURY TRIAL WAIVER. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY OF ANY ACTION OR PROCEEDING ASSERTING ANY CAUSE OF ACTION, CLAIM, MOTION, THIRD PARTY CLAIM OR COUNTERCLAIM (COLLECTIVELY, "ACTIONS") ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT. THE PARTIES HEREBY WARRANT AND REPRESENT THAT THEY HAVE EACH HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS. THE PARTIES HERETO DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING APPLICABLE STATE AND FEDERAL LAWS. TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO AGREE THAT A JUDICIAL REFEREE WILL BE APPOINTED UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 TO DETERMINE ANY FACTUAL ISSUES IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS SECURITY AGREEMENT, THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO. THE PARTIES HERETO SHALL SELECT A SINGLE NEUTRAL REFEREE, WHO SHALL BE A RETIRED STATE OR FEDERAL JUDGE WITH AT LEAST FIVE YEARS OF JUDICIAL EXPERIENCE IN CIVIL MATTERS. IN THE EVENT THAT THE PARTIES HERETO CANNOT AGREE UPON A REFEREE, THE REFEREE SHALL BE APPOINTED BY THE COURT. THE PARTIES HERETO SHALL EQUALLY BEAR THE FEES AND EXPENSES OF THE REFEREE UNLESS THE REFEREE OTHERWISE PROVIDES IN THE STATEMENT OF DECISION.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement.

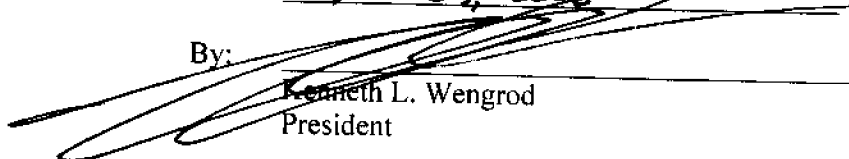
**M&C APPAREL, INC.**

Date: 4/2/08

By:   
Michaelangelo Gonzalez  
President

**ACCEPTED AND ACKNOWLEDGED BY  
FTC COMMERCIAL CORP.**

Date: April 03, 2008

By:   
Kenneth L. Wengrod  
President

**SCHEDULE A**

**TRADEMARKS**

<b>SERIAL NUMBER</b>	<b>REGISTRATION NUMBER</b>	<b>MARK</b>
78629757	3,106,443	MIKE & CHRIS