

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Firsttrust Bank		05/21/2008	National Banking Association:

RECEIVING PARTY DATA

Name:	Regency Corporation
Doing Business As:	DBA Regency Beauty Institute
Street Address:	7100 Northland Circle
Internal Address:	Suite 312
City:	Brooklyn Park
State/Country:	MINNESOTA
Postal Code:	55428
Entity Type:	CORPORATION: MINNESOTA

PROPERTY NUMBERS Total: 10

Property Type	Number	Word Mark
Registration Number:	2949083	REGENCY BEAUTY INSTITUTE
Registration Number:	2838140	REGENCY BEAUTY INSTITUTE
Registration Number:	2838224	WHERE EDUCATION, CREATIVITY AND QUALITY EQUAL SUCCESS
Registration Number:	2902844	SALONPARTNERS
Registration Number:	2904311	THE TALENT YOU'VE ALWAYS DREAMED OF+++
Registration Number:	3328729	STAR
Registration Number:	3342930	STAR STUDENT TRAINING AND REWARDS
Serial Number:	78936954	THE STAR PROGRAM
Serial Number:	78936910	THE REGENCY STAR PROGRAM
Serial Number:	77217934	REGENCY GUEST REWARDS

CORRESPONDENCE DATA

OP \$265.00 2949083

Fax Number: (215)405-3789
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 215-977-2189
Email: Inocella@wolfblock.com
Correspondent Name: Nicole M. Bodoh, Esquire
Address Line 1: 1650 Arch Street
Address Line 2: 22nd Floor
Address Line 4: Philadelphia, PENNSYLVANIA 19103

ATTORNEY DOCKET NUMBER:	FIR170-250886
NAME OF SUBMITTER:	Nicole M. Bodoh
Signature:	/nicolembodoh/
Date:	05/29/2008

Total Attachments: 13

source=FirstrustRegency#page1.tif
source=FirstrustRegency#page2.tif
source=FirstrustRegency#page3.tif
source=FirstrustRegency#page4.tif
source=FirstrustRegency#page5.tif
source=FirstrustRegency#page6.tif
source=FirstrustRegency#page7.tif
source=FirstrustRegency#page8.tif
source=FirstrustRegency#page9.tif
source=FirstrustRegency#page10.tif
source=FirstrustRegency#page11.tif
source=FirstrustRegency#page12.tif
source=FirstrustRegency#page13.tif

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") is dated May 21, 2008 and effective as of May 29, 2008 by and between REGENCY CORPORATION d/b/a Regency Beauty Institute ("Assignor"), and FIRSTRUST BANK ("Bank").

BACKGROUND

A. In accordance with the terms of that certain Loan and Security Agreement of even date herewith by and between Assignor and Bank (as the same may be amended, modified, supplemented, extended and/or renewed, the "Loan Agreement"), Bank agreed to extend to Assignor a revolving line of credit.

B. The Loan Agreement provides, inter alia, that Assignor will grant to Bank a security interest in all of Assignor's assets, including, without limitation, its patents, patent rights, patent applications, servicemarks, trademarks, servicemark and trademark applications, tradenames, goodwill, copyrights and licenses.

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, Assignor agrees as follows:

1. Incorporation of Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

2. Security Interest.

(a) Security Interest in Patents, Copyrights and Licenses. To secure the complete and timely payment and satisfaction of all Bank Indebtedness, Assignor hereby collaterally assigns, mortgages, pledges and grants to Bank a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed (collectively, with items named in Section 2(b) below, the "Collateral"):

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Exhibit "A", attached hereto and made a part hereof, and (A) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together

with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**";

(ii) copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by Assignor, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyrights, copyrights registrations and copyrights applications listed on Exhibit "B" attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (C) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**"); and

(iii) license agreements with any other party, whether Assignor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit "C" attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by Assignor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "**Licenses**").

The foregoing shall not include any permit, license or contractual obligation entered into by Assignor that prohibits the creation by Assignor of a lien on any right, title or interest in such permit, license or contractual obligation (or any of Assignor's rights or interests thereunder), or that requires the consent of any Person other than Assignor and its Affiliates which has not been obtained as a condition precedent to the creation by Assignor of such lien, but only to the extent, and for as long as, such prohibition or condition precedent is not terminated or rendered unenforceable or otherwise deemed ineffective by the Uniform Commercial Code or any other law.

(b) Security Interest in Trademarks. To secure the complete and timely payment and satisfaction of all Bank Indebtedness, Assignor hereby mortgages, pledges and grants to Bank a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed: servicemarks, trademarks, servicemark and trademark registrations, tradenames, servicemark and trademark applications, and all goodwill attendant thereto, including, without limitation, the servicemarks, trademarks and applications listed on Exhibit "D", attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without

limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing servicemarks, trademarks, servicemark and trademark registrations, servicemark and tradenames and applications together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks").

3. **Restrictions on Future Agreements.** Assignor agrees that until all Bank Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor will not, without Bank's prior written consent, enter into any agreement (including, without limitation, any license or royalty agreement) which violates Assignor's obligations under this Security Agreement or the Loan Agreement, and Assignor further agrees that it will not take any action, or permit any action to be taken by others, subject to its control, including licensees, or fail to take any commercially reasonable action, which would affect the validity or enforcement of the rights of Bank under this Security Agreement; provided however that nothing contained herein shall require Assignor to take any action or not take any action if, in Assignor's reasonable business judgment, such action or failure to act would not affect any material rights or property of Assignor.

4. **New Patents, Trademarks, and Licenses.** Assignor represents and warrants that the Patents, Registered Copyrights, Licenses and Trademarks listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the material patents, registered copyrights, licenses, trademarks and applications now owned by Assignor. If, before all Bank Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor shall (a) obtain rights to any new patentable inventions, trademarks, servicemarks, trademark registrations, tradenames, material copyrights or licenses, or (b) become entitled to the benefit of any patent or trademark or copyright application, trademark, trademark registration, servicemark, tradename, copyright or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of **Section 2** above shall automatically apply thereto and Assignor shall give to Bank written notice thereof within ninety (90) days of the date Assignor obtained such right or benefit. Assignor hereby authorizes Bank to modify this Security Agreement by amending **Exhibit "A", "B", "C" and/or "D"**, as applicable, to include any future patents, patent applications, trademarks, trademark registrations, servicemarks, trademark applications, tradenames, material copyrights and licenses which are Patents, Copyrights, Licenses or Trademarks, as applicable, under **Section 2** above or under this **Paragraph 4**. Assignor hereby agrees to provide to Bank such assignment or other documentation as Bank may reasonably request to record Bank's lien on such future Patents, Copyrights, Licenses or Trademarks.

5. **Royalties; Term.** Assignor hereby agrees that the use by Bank of any Patents, Copyrights, Licenses and Trademarks as permitted by this Agreement shall be worldwide and without any liability for royalties or other related charges from Bank to Assignor. The term of the security interest granted herein shall extend until the earlier of (a) the expiration of each of the respective Patents, Copyrights, Licenses and Trademarks assigned hereunder, or (b) the date on which all Bank Indebtedness has been paid in full and the Loan Agreement is terminated.

6. **Termination.** This Security Agreement is made for collateral purposes only. Upon payment in full of all Bank Indebtedness and termination of the Loan Agreement, Bank shall execute and deliver to Assignor a termination of Bank's security interest granted herein and all deeds, assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to

the Patents, Copyrights, Licenses and Trademarks, subject to any disposition thereof which may have been made by Bank to the extent permitted hereunder.

7. **Duties of Assignor.** Assignor shall have the duty (a) to prosecute diligently any material patent, trademark and copyright application pending as of the date hereof or thereafter until all Bank Indebtedness shall have been paid in full and the Loan Agreement is terminated, (b) to make application on material unpatented but patentable inventions and on material trademarks and material copyrights, as appropriate, in the exercise of reasonable commercial judgment, and (c) to take commercially reasonable steps to preserve and maintain all rights in material patent applications and material patents of the Patents, in trademark applications, material trademarks and material trademark registrations of the Trademarks and in material copyright applications and material copyrights of the Copyrights. Any expenses incurred in connection with such applications shall be borne by Assignor. Except as permitted herein, Assignor will not abandon any right to file a material patent, trademark or copyright application, or any pending material patent, trademark or copyright application or any Patent, Trademark, License or Copyright.

8. **Event of Default.** Upon the occurrence and during the continuance of an Event of Default, Bank may, without further notice to or consent of Assignor, and in addition to all other rights and remedies available to Bank, immediately record all assignments previously executed and delivered to Bank by Assignor and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Bank by Assignor of all rights, title and interest of Assignor, in and to the Collateral. Assignor hereby authorizes and agrees that Bank may, through the power of attorney granted in **Section 14** hereof, upon the occurrence and during the continuance of an Event of Default irrevocably execute and deliver in Assignor's name any and all such assignments and agreements and to take any and all other actions in Assignor's name as Bank shall deem reasonable or appropriate to transfer and convey all right, title and interest of Assignor in and to the Collateral to Bank or any other person or entity selected by Bank.

9. **Bank's Right to Sue.** After the occurrence and during the continuance of an Event of Default, Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Bank shall commence any such suit, Assignor shall, at the reasonable request of Bank, do any and all lawful acts and execute any and all proper documents reasonably required by Bank in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this **Section 10**.

10. **Waivers.** No course of dealing between Assignor and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such

jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

12. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

13. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Bank's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor hereby authorizes Bank to make, constitute and appoint any officer or agent of Bank as Bank may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to (a) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Bank to protect, evidence or perfect its security interest in the Patents, Trademarks, Copyrights and Licenses, but only if Assignor fails or refuses to execute and deliver such applications, documents, papers and/or instruments promptly after Bank's request therefor, (b) upon the occurrence and during the continuance of an Event of Default, endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Bank to enforce its security interest in the Patents, Trademarks, Copyrights and Licenses, (c) upon the occurrence and during the continuance of an Event of Default, take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Bank reasonably deems in the best interest of the Bank, (d) upon the occurrence and during the continuance of an Event of Default, grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, including Bank, and/or (e) upon the occurrence and during the continuance of an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Bank. Bank may also act under such power of attorney to take the actions referenced in **Section 4**. Bank hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Bank Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Assignor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Agreement but rather is intended to facilitate the exercise of such 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 Uniform Commercial Code as enacted in any applicable jurisdiction.

14. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of Bank and its nominees, successors and assigns.

15. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

**REGENCY CORPORATION d/b/a
Regency Beauty Institute**

By: 
Joseph Gaylord, Chief Financial Officer

FIRSTTRUST BANK

By: _____
Name/Title: _____

STATE OF Minnesota :

:

SS.

COUNTY OF Henrieville :

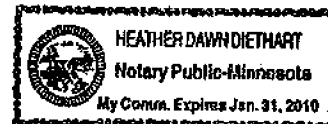
:

On this, the 21st day of May, 2008 before me, a Notary Public, personally appeared Joseph Gaylord, who acknowledged himself to be the Chief Financial Officer of REGENCY CORPORATION d/b/a REGENCY BEAUTY INSTITUTE and that he as such Chief Financial Officer, being authorized to do so, executed the foregoing Intellectual Property Security Agreement for the purposes therein contained by signing the name of the corporation by himself as Chief Financial Officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.~

Heather Diethart
Notary Public

My commission expires:



TRADEMARK

REEL: 003784 FRAME: 0976

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement
the day and year first above written.

**REGENCY CORPORATION d/b/a
Regency Beauty Institute**

By: _____
Joseph Gaylord, Chief Financial Officer

FIRSTTRUST BANK

By: 
Name/Title: Patrick R. Lophen, SVP

EXHIBIT "A"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Patents

None

EXHIBIT "B"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT
Copyrights

None

EXHIBIT "C"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Licenses

None

EXHIBIT "D"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Trademarks

Federal Registrations and Applications:

Mark: REGENCY BEAUTY INSTITUTE
Class: 41
Serial No.: 76/489369
Reg. No.: 2,949,083
Reg. Date: May 10, 2005
8 & 15 due: May 10, 2010 – May 20, 2011
Renewal due: May 10, 2015

Mark: REGENCY BEAUTY INSTITUTE AND DESIGN
Class: 41
Serial No.: 76/515450
Reg. No.: 2,838,140
Reg. Date: May 4, 2004
8 & 15 due: May 4, 2009 and May 4, 2010
Renewal due: May 4, 2014

Mark: WHERE EDUCATION, CREATIVITY AND QUALITY EQUAL SUCCESS
Class: 41
Serial No.: 76520781
Reg. No.: 2,838,224
Reg. Date: May 4, 2004
8 & 15 due: May 4, 2009 and May 4, 2014
Renewal due: May 4, 2014

Mark: SALONPARTNERS
Class: 41
Serial No.: 76/521224
Reg. No.: 2,902,844
Reg. Date: November 16, 2004
8 & 15 due: November 16, 2009 - November 16, 2010
Renewal due: November 16, 2014

Mark: THE TALENT YOU'VE ALWAYS DREAMED OF
Class: 41
Serial No.: 76/521307
Reg. No.: 2,904,311
Reg. Date: November 23, 2004

8 & 15 due: November 23, 2009 – November 23, 2010
Renewal due: November 23, 2014

Mark: STAR
Class: 41
Serial No.: 77112377
Reg. No.: 3,328,729
Reg. Date: November 6, 2007
8 & 15 due: November 6, 2012 and November 6, 2013
Renewal due: November 6, 2017

Mark: STAR STUDENT TRAINING AND REWARDS
Class: 41
Serial No.: 77109637
Reg. No.: 3,342,930
Reg. Date: November 27, 2007
8 & 15 due: November 27, 2012 and November 27, 2013
Renewal due: November 27, 2017

Mark: THE STAR PROGRAM
Class: 41
Serial No.: 78936954
Status: Pending

Mark: THE REGENCY STAR PROGRAM
Class: 41
Serial No.: 78936910
Status: Pending

Mark: REGENCY GUEST REWARDS
Class: 41
Serial No.: 77217934
Status: Pending