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 |
|--------------------------------|----------|----------------|-------------------------|
| MARKWINS BEAUTY PRODUCTS, INC. | | 07/28/2009 | CORPORATION: CALIFORNIA |

RECEIVING PARTY DATA

| Name: | CATHAY BANK |
|-----------------|---|
| Street Address: | 777 North Broadway |
| City: | Los Angeles |
| State/Country: | CALIFORNIA |
| Postal Code: | 90012 |
| Entity Type: | NATIONAL BANKING ASSOCIATION: UNITED STATES |

PROPERTY NUMBERS Total: 42

| Property Type | Number | Word Mark |
|----------------|----------|---------------------------------|
| Serial Number: | 78487586 | WILD SHINE |
| Serial Number: | 78487558 | MEGALAST |
| Serial Number: | 78441838 | MBP |
| Serial Number: | 78432730 | DERMETICS |
| Serial Number: | 78213520 | MEGASPARKLE |
| Serial Number: | 78755481 | TROPEZ |
| Serial Number: | 78514057 | GLASSY GLOSS |
| Serial Number: | 78514091 | MEGAEYES |
| Serial Number: | 78514168 | IDOL EYES |
| Serial Number: | 78526170 | DISCOVER YOUR WILD SIDE |
| Serial Number: | 78631757 | WHAT ARE YOU WILD ABOUT? |
| Serial Number: | 77210155 | PODULARS |
| Serial Number: | 76612767 | WET N WILD FRESH FACE SKIN CARE |
| | | TRADEMARK |

REEL: 004033 FRAME: 0398

00 784875

900139733

| Serial Number: | 75755802 | MEGAWINK |
|----------------|----------|--------------------|
| Serial Number: | 75545666 | WET'N' WILD U.S.A. |
| Serial Number: | 75313802 | MEGAFLAVORS |
| Serial Number: | 75301651 | BEAUTY BEST |
| Serial Number: | 75254608 | FAST-DRI |
| Serial Number: | 75207683 | NAILSCENTS |
| Serial Number: | 74802520 | MEGACOLORS |
| Serial Number: | 74440274 | MIGHTY LASH |
| Serial Number: | 74404029 | MEGABOND |
| Serial Number: | 74402952 | FRUIT GLOSSIES |
| Serial Number: | 74365692 | BRONZZER |
| Serial Number: | 74277141 | ENAMELETTES |
| Serial Number: | 74271715 | QUICK-TIPS |
| Serial Number: | 74123037 | BLACK RADIANCE |
| Serial Number: | 74107148 | PAVION |
| Serial Number: | 73710252 | SILK FINISH |
| Serial Number: | 73725143 | VELVET LIP POWDER |
| Serial Number: | 73725144 | COLOR EXPLOSIONS |
| Serial Number: | 73725145 | POWDER POUT |
| Serial Number: | 73730208 | EXCLUSIVELY YOURS |
| Serial Number: | 73739595 | COVER ALL |
| Serial Number: | 73751248 | FRENCHIES |
| Serial Number: | 73754182 | INTRACOLOR |
| Serial Number: | 73806076 | MEGALASH |
| Serial Number: | 73836237 | MEGALINER |
| Serial Number: | 73576406 | FANTASY MAKERS |
| Serial Number: | 73230858 | WET 'N WILD |
| Serial Number: | 72415690 | BLINKERS |
| Serial Number: | 71366268 | DERMETICS |

CORRESPONDENCE DATA

Fax Number: (213)830-8743

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 213.680.6400

Email: kimberley.lathrop@bingham.com

Correspondent Name: Kimberley A. Lathrop

| Address Line 1: Address Line 2: Address Line 4: | 355 South Grai Bingham McCu Los Angeles, (| tchen LLP |
|---|--|------------------------|
| ATTORNEY DOCKET NUM | IBER: | 2022306.326810 |
| NAME OF SUBMITTER: | | Kimberley A. Lathrop |
| Signature: | | /Kimberley A. Lathrop/ |
| Date: | | 07/29/2009 |
| Total Attachments: 7 source=Executed Trademark Security Agreement#page1.tif source=Executed Trademark Security Agreement#page2.tif source=Executed Trademark Security Agreement#page3.tif source=Executed Trademark Security Agreement#page4.tif source=Executed Trademark Security Agreement#page5.tif source=Executed Trademark Security Agreement#page6.tif source=Executed Trademark Security Agreement#page7.tif | | |

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (this "<u>Agreement</u>"), dated as of July 28, 2009, is entered into is entered into by and between Markwins Beauty Products, Inc., a California corporation ("<u>Grantor</u>"), and Cathay Bank ("<u>Lender</u>").

RECITALS

- A. Grantor and Lender have entered into that certain Business Loan Agreement dated as of January 26, 2006 (as amended from time to time, including pursuant to the Loan Modification Agreement dated as of August 17, 2007 and the Second Loan Modification dated as of the date hereof, the "Loan Agreement"), and Lender has agreed to make loans to Grantor (collectively, the "Loans").
- B. In order to induce Lender to continue to make Loans to Grantor upon the terms and subject to the conditions contained in the Loan Agreement, Grantor has agreed to grant to Lender continuing security interests in and liens upon all Trademark Collateral (as defined below) of Grantor in order to secure all of the Loan Obligations (as defined below).
- NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby absolutely, unconditionally and irrevocably agrees with Lender as follows:
- 1. <u>Definitions</u>. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Loan Agreement, and the following terms shall have (unless otherwise provided elsewhere in this Agreement) the following respective meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):
- (a) "Trademark Collateral" shall mean all of the rights, title and interests of Grantor in, to and under all of the following, whether presently existing or at any time or from time to time hereafter created, arising or acquired; provided, that the defined terms "Trademarks" and "Trademark Collateral" shall only include trademarks registered in the United States or any State thereof and shall not include any foreign trademarks:
 - (i) (A) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, logos, designs, or other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether published or registered in the United States Patent and Trademark Office or in any similar office or agency of the United States or any State thereof, and all common-law rights related thereto, including any of the foregoing referred to in Schedule I, (B) the right to, and to obtain, all renewals thereof, (C) all rights to sue at law or in equity, or otherwise recover, for any past, present, and future infringements, dilutions, or other violations of any of the foregoing, or for any injury to goodwill, (D) all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages, and proceeds of suit, and (E) all other rights of any kind whatsoever accruing thereunder or pertaining thereto (collectively, "Trademarks");

<u>provided</u>, <u>however</u>, that no security interest shall attach to any "intent-to-use" application prior to the filing of and acceptance by the United States Patent and Trademark Office of a "Statement of Use" or "Amendment to Allege Use" with respect thereto to the extent, if any, that solely during the period, if any, in which the grant of a security interest therein would impair the validity or enforceability of any registration issuing from such "intent-to-use" application under applicable federal law;

- (ii) all goodwill of the businesses of Grantor connected with the use of, or otherwise symbolized by, each Trademark; and
- (iii) all income, products and proceeds of each of the foregoing, including, without limitation, all claims by Grantor against third parties for past, present or future (A) infringement or dilution of any Trademark, and (B) injury to any goodwill associated with any Trademark.
- (b) "Loan Agreement" shall have the meaning given to such term in the Recitals above.
- (c) "<u>Loan Obligations</u>" shall mean any and all of the obligations of Grantor under the Loan Agreement.

All other terms contained in this Agreement shall, unless the context shall indicate otherwise, have the meanings provided for by the Uniform Commercial Code to the extent that such other terms are used or defined therein and are not otherwise defined in the Loan Agreement. References to the Loan Agreement include any amendment, modification, supplement, restatement, replacement or refinancing (in whole or in part) thereof, whether by way of increase or reduction to any of the commitments or the principal amount of any of the loans, addition or elimination of any credit facilities thereunder, extension of any term, addition or deletion of any party thereto, or otherwise.

- 2. Grant of Security Interests. To secure the prompt and complete payment and performance of all and each of the Loan Obligations, as and when the same shall become due and payable, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due and payable but for the operation of the automatic stay under the Title 11 of the United States Code (11 U.S.C. § 101 et seq.) (the Bankruptcy Code)), Grantor hereby grants to Lender a continuing security interest in and lien upon all of the rights, title and interests of Grantor to, in and under the Trademark Collateral.
- 3. Representations and Warranties. Grantor represents and warrants to Lender that, as of the date hereof, Grantor does not have any ownership interest in, or title to, any Trademark registered in the United States except as set forth in Schedule I hereto. This Agreement is effective to create valid and continuing security interests in and liens upon, and, upon the recording hereof with the United States Patent and Trademark Office, perfected liens in favor of Lender on Grantor's Trademarks, to the extent such perfection can be achieved by making such filings; and such perfected security interests and liens shall be enforceable as such as against any and all creditors of or purchasers from Grantor.

- 4. <u>Security Agreement</u>. The security interests and liens granted by Grantor to Lender pursuant to this Agreement are granted in conjunction with the security interests and liens granted by Grantor to Lender pursuant to the Loan Agreement. Grantor and Lender expressly agree that each of the security interests and liens granted under this Agreement in the Trademark Collateral are intended to be treated as a single security interest for purposes of Article 9 of the Uniform Commercial Code. and other applicable law. The exercise by Lender of any rights or remedies with respect to any of the Trademark Collateral shall be deemed to be an exercise of such rights or remedies in connection with both this Agreement and also the Loan Agreement. In the event of any inconsistency between the terms and conditions of this Agreement and the Loan Agreement, then the terms and conditions of the Loan Agreement shall prevail.
- 5. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective in the event that any petition shall be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Loan Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned, 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 rescinded, reduced, restored or returned, the Loan Obligations shall be reinstated and shall be deemed reduced only by such amount paid in cash and not so rescinded, reduced, restored or returned.
- 6. <u>Notices</u>. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties hereto by any other party hereto, or whenever any of the parties hereto desires to give and serve upon any other party hereto any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the notice provisions of the Loan Agreement.
- 7. <u>Termination</u>. Subject always to <u>Section 5</u> hereof, this Agreement shall terminate once the Loan Obligations have been paid in full and the obligation of Lender to make loans under the Loan Agreement has terminated (the "<u>Termination Date</u>"). Upon any termination of the liens created hereunder upon the Termination Date, Lender shall, at the sole cost and expense of Grantor, promptly execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence the termination of the liens created hereby.
- 8. Choice Of Law And Venue; Jury Trial Waiver. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA. EACH OF GRANTOR AND LENDER HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF CALIFORNIA. EACH OF LENDER AND GRANTOR ACKNOWLEDGES THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH OF THEM, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL OF THEIR CHOICE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL

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BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTION OF ANY OF THEM. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY LENDER OR GRANTOR, EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY EACH OF THEM.

9. <u>Counterparts; Delivery by Facsimile, etc.</u> This Agreement may be executed in counterparts, which counterparts, when so executed and delivered, shall together constitute but one original. Delivery of the signature pages to this Agreement by facsimile or other electronic means of transmission shall be as effective as delivery of manually executed counterparts of this Agreement.

[signature page follows]

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above by their duly authorized representatives.

GRANTOR

| CHATON |
|---------------------------------|
| MARKWINS BEAUTY PRODUCTS, INC. |
| SX-Z (Gir) |
| Ву: |
| Name: 2RIC CHZN |
| Title: <u>C}0</u> |
| By: |
| Name: LINA G. CHEN |
| Title: <u>CAO</u> |
| |
| |
| LENDER |
| CATHAY BANK |
| By: Steroffer Du |
| Fille: VP / Commil Loan officer |
| • |

S-1 Trademark Security Agreement

A/73083349.

SCHEDULE I

TRADEMARKS

| Grantor | Country | Mark | Application No. |
|--------------------------------|---------------|------------------------------------|-----------------|
| Markwins Beauty Products, Inc. | United States | Wild Shine | 78-487586 |
| Markwins Beauty Products, Inc. | United States | Megalast | 78-487558 |
| Markwins Beauty Products, Inc. | United States | MBP | 78-441838 |
| Markwins Beauty Products, Inc. | United States | Dermetics | 78-432730 |
| Markwins Beauty Products, Inc. | United States | Megasparkle | 78-213520 |
| Markwins Beauty Products, Inc. | United States | Tropez | 78-755481 |
| Markwins Beauty Products, Inc. | United States | Glassy Gloss | 78-514057 |
| Markwins Beauty Products, Inc. | United States | Megaeyes | 78-514091 |
| Markwins Beauty Products, Inc. | United States | Idol Eyes | 78-514168 |
| Markwins Beauty Products, Inc. | United States | Discover Your Wild Side | 78-526170 |
| Markwins Beauty Products, Inc. | United States | What Are You Wild About? | 78-631757 |
| Markwins Beauty Products, Inc. | United States | Podulars | 77-210155 |
| Markwins Beauty Products, Inc. | United States | Wet N Wild Fresh Face Skin Care | 76-612767 |
| Markwins Beauty Products, Inc. | United States | Megawink | 75-755802 |
| Markwins Beauty Products, Inc. | United States | Wet 'N' Wild U.S.A. | 75-545666 |
| Markwins Beauty Products, Inc. | United States | Megaflavors | 75-313802 |
| Markwins Beauty Products, Inc. | United States | Beauty Best | 75-301651 |
| Markwins Beauty Products, Inc. | United States | Fast-Dri | 75-254608 |
| Markwins Beauty Products, Inc. | United States | Nailscents | 75-207683 |

A/73083349.5

| Grantor | Country | Mark | Application No. |
|--------------------------------|---------------|-------------------|-----------------|
| Markwins Beauty Products, Inc. | United States | Megacolors | 74-802520 |
| Markwins Beauty Products, Inc. | United States | Mighty Lash | 74-440274 |
| Markwins Beauty Products, Inc. | United States | Megabond | 74-404029 |
| Markwins Beauty Products, Inc. | United States | Fruit Glossies | 74-402952 |
| Markwins Beauty Products, Inc. | United States | Bronzzer | 74-365692 |
| Markwins Beauty Products, Inc. | United States | Enamelettes | 74-277141 |
| Markwins Beauty Products, Inc. | United States | Quick-Tips | 74-271715 |
| Markwins Beauty Products, Inc. | United States | Black Radiance | 74-123037 |
| Markwins Beauty Products, Inc. | United States | Pavion | 74-107148 |
| Markwins Beauty Products, Inc. | United States | Silk Finish | 73-710252 |
| Markwins Beauty Products, Inc. | United States | Velvet Lip Powder | 73-725143 |
| Markwins Beauty Products, Inc. | United States | Color Explosion | 73-725144 |
| Markwins Beauty Products, Inc. | United States | Powder Pout | 73-725145 |
| Markwins Beauty Products, Inc. | United States | Exclusively Yours | 73-730208 |
| Markwins Beauty Products, Inc. | United States | Cover All | 73-739595 |
| Markwins Beauty Products, Inc. | United States | Frenchies | 73-751248 |
| Markwins Beauty Products, Inc. | United States | Intracolor | 73-754182 |
| Markwins Beauty Products, Inc. | United States | Megalash | 73-806076 |
| Markwins Beauty Products, Inc. | United States | Megaliner | 73-836237 |
| Markwins Beauty Products, Inc. | United States | Fantasy Makers | 73-576406 |
| Markwins Beauty Products, Inc. | United States | Wet 'N' Wild | 73-230858 |
| Markwins Beauty Products, Inc. | United States | Blinkers | 72-415690 |
| Markwins Beauty Products, Inc. | United States | Dermetics | 71-366268 |

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RECORDED: 07/29/2009