

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

09/02/2009
900142419

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Shabby Chic Brands, LLC		09/01/2009	LIMITED LIABILITY COMPANY: CA

RECEIVING PARTY DATA

Name:	Paradox Lending LLC
Street Address:	301 S. College Street, Suite 3850
Internal Address:	c/o Babcock & Brown; Attn: Ed Hill
City:	Charlotte
State/Country:	NORTH CAROLINA
Postal Code:	28202
Entity Type:	LIMITED LIABILITY COMPANY: DE

PROPERTY NUMBERS Total: 27

Property Type	Number	Word Mark
Registration Number:	2898987	RA
Registration Number:	2876676	RA
Registration Number:	2763507	RA TREASURES BY RACHEL ASHWELL
Registration Number:	2746924	RACHEL ASHWELL
Registration Number:	2937566	RACHEL ASHWELL
Registration Number:	2967641	RACHEL ASHWELL HOME RA SHABBY CHIC EST. 1989
Registration Number:	1753006	SHABBY CHIC
Registration Number:	1759914	SHABBY CHIC
Registration Number:	1949879	SHABBY CHIC
Registration Number:	2037399	SHABBY CHIC
Registration Number:	2284912	SHABBY CHIC
Registration Number:	2297906	SHABBY CHIC
Registration Number:	2315707	SHABBY CHIC

OP \$630.00 2898987

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

Registration Number:	2438933	SHABBY CHIC
Registration Number:	2585082	SHABBY CHIC
Registration Number:	2703186	SHABBY CHIC
Registration Number:	2757921	SHABBY CHIC
Registration Number:	2585081	SHABBY CHIC BABY
Registration Number:	2315476	SHABBY CHIC BY RACHEL ASHWELL
Registration Number:	2330202	SHABBY CHIC BY RACHEL ASHWELL
Registration Number:	1869597	SHABBY CHIC FURNISHINGS
Registration Number:	2438798	SHABBY CHIC STUDIO
Registration Number:	2880142	SIMPLY SHABBY CHIC
Registration Number:	2917782	SIMPLY SHABBY CHIC
Registration Number:	2998803	SIMPLY SHABBY CHIC
Registration Number:	3055992	SSC
Registration Number:	2783487	TREASURES BY RACHEL ASHWELL

CORRESPONDENCE DATA

Fax Number: (704)343-2300
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 704-343-2354
 Email: tparott@mcguirewoods.com
 Correspondent Name: McGuireWoods LLP
 Address Line 1: 201 North Tryon Street
 Address Line 2: Attn: William Thomas Parrott IV
 Address Line 4: Charlotte, NORTH CAROLINA 28202

ATTORNEY DOCKET NUMBER:	4506325-0001
NAME OF SUBMITTER:	William Thomas Parrott IV
Signature:	/William Thomas Parrott IV/
Date:	09/02/2009

Total Attachments: 25
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page1.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page2.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page3.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page4.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page5.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page6.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page7.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page8.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page9.tif
 source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page10.tif

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page11.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page12.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page13.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page14.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page15.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page16.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page17.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page18.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page19.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page20.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page21.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page22.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page23.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page24.tif
source=Shabby Chic Brands, LLC - Paradox Lending, LLC#page25.tif

TRADEMARK

REEL: 004059 FRAME: 0893

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is made as of September 1, 2009 (this "Security Agreement"), by SHABBY CHIC BRANDS, LLC, a California limited liability company ("Grantor"), in favor of PARADOX LENDING LLC, a Delaware limited liability company ("Paradox"), pursuant to the Loan and Security Agreement referred to below.

RECITALS

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of the date hereof by and between the Grantor and Paradox (as the same may from time to time be amended, modified, supplemented or restated, the "Loan and Security Agreement"), Paradox has agreed to make a Term Loan to the Grantor in the amount and manner set forth in the Loan and Security Agreement (the "Term Loan"); and

WHEREAS, the Grantor's execution and delivery of this Security Agreement is a condition to the obligation of Paradox to make the Term Loan.

AGREEMENT

NOW, THEREFORE, in order to induce Paradox to enter into the Loan and Security Agreement and make the Term Loan available and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Grantor hereby represents, warrants, covenants and agrees with Paradox, 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 "Collateral" shall have the meaning assigned to such term in Section 2 of this Security Agreement.

1.2 "Copyright License" means any written agreement, in which the 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 the Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which the 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 the Grantor and now or hereafter covered by such license agreements.

1.3 "Copyrights" means all of the following in which the 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, 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.

1.4 "License" means any Copyright License, Patent License, Trademark License or other license of trade secrets now held or hereafter acquired by the Grantor.

1.5 "Lien" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

1.6 "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.

1.7 "Patent License" means any written agreement, in which the Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any right with respect to any Patent (whether the Grantor is the licensee or the licensor thereunder) including, without limitation, licenses pursuant to which the 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 the Grantor and now or hereafter covered by such license agreements.

1.8 "Patents" means all of the following in which the 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, molds and prototypes; (f) any income, royalties, damages, claims and payments now and hereafter due and/or payable with respect to patents, including,

CO: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

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.

1.9 "Secured Obligations" has the meaning given to the term "Obligations" in the Loan and Security Agreement.

1.10 "Trademark License" means any written agreement, in which the Grantor now holds or hereafter acquires any right, title or interest, which agreement grants any license right in and to any Trademark (whether the Grantor is the licensee or the licensor (hereunder) including, without limitation, licenses pursuant to which the 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 the Grantor and now or hereafter covered by such license agreements.

1.11 "Trademarks" means any of the following in which the 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, 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.

1.12 "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 Paradox'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.

1.13 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 the Grantor.

1.14 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 Paradox to enter into the Loan and Security Agreement, Grantor hereby grants to Paradox a security interest in all of the 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, but excluding any "intent to use" trademark application filed in the United States Patent and Trademark Office for which a statement of use has not been filed (but only until such statement is filed); provided, however, that the security interest granted to Paradox herein shall encumber, and "Collateral" shall include, any common law rights with respect to any Trademark described in or subject to such "intent to use" application;

2.2 The accounts listed in Schedule E 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, Grantor expressly agrees that it shall remain liable under each of its material 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. Paradox shall not have any obligation or liability under any License by reason of or arising out of this Security Agreement or the granting to Paradox of a Lien therein or the receipt by Paradox of any payment relating to any License pursuant hereto, nor shall Paradox be required or obligated in any manner to perform or fulfill any of the obligations of the 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. Grantor agrees that any rights granted under this Security Agreement to Paradox with respect to all of the Collateral shall be without liability for royalties or other related charges from Paradox to the Grantor.

3.2 Paradox authorizes 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"), and Paradox may, upon the occurrence and during the continuation of any Event of Default and with prior written notice to the Grantor, limit or terminate said authority at any time. Grantor agrees to perform such collection in a commercially reasonable manner. Upon the occurrence and during the continuation of any Event of Default, at the request of Paradox, 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 Paradox may at any time, upon the occurrence and during the continuation of any Event of Default, with prior written notice to the Grantor of its intention to do so, notify any Account Debtors of the Grantor or any parties to the Licenses of the Grantor that the Accounts and the right, title and interest of the Grantor in and under such Licenses have been assigned to Paradox and that payments shall be made directly to Paradox. Upon the request of Paradox at any time after the occurrence and during the continuation of an Event of Default, Grantor shall so notify such Account Debtors and parties to such Licenses. Upon the occurrence and during the continuation of any Event of Default, Paradox 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 Paradox's reasonable satisfaction, the existence, amount and terms of any such Accounts or Licenses.

4. REPRESENTATIONS AND WARRANTIES. Grantor hereby represents and warrants to Paradox that:

4.1 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 (except for any Prior Claims), 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 (except for any Prior Claims), 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 which has been granted, consented to or executed by Grantor, other than in favor of Paradox, and (ii) 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 the 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 Patent and Trademark Office, Paradox will have a fully perfected first priority (except to the extent of any Prior Claims or to the extent perfection and first priority with respect to registered Copyrights requires any filing with the United States Copyright Office) security interest in all of the Collateral in which the Grantor now has rights in the United States. This Security Agreement

will create a legal and valid and fully perfected first priority (subject only to any Prior Claims) security interest in the Collateral in which the Grantor later acquires rights, when the Grantor acquires those rights and Paradox makes additional filings with the United States Copyright Office, United States Patent and Trademark Office and/or other offices as are necessary to perfect Paradox's security interest in subsequent ownership rights and interests of the Grantor in the Collateral.

4.4 So long as any Secured Obligation (other than Continuing Future Indemnification Obligations) remains outstanding, Grantor will not execute, and there will not be on file in any public office, any effective financing statement or other document or instrument covering the Collateral; provided that Grantor makes no representation or warranty with respect to the existence or filing of any financing statement not filed, granted or consented to by Grantor evidencing any Prior Claims, and Grantor agrees only that it will cooperate with Paradox and take all steps reasonably requested by Paradox to release or discharge any effective financing statement or other document or instrument covering the Collateral and evidencing or securing any Prior Claims.

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

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

4.7 [Intentionally omitted.]

4.8 [Intentionally omitted.]

4.9 To the best of Grantor's knowledge and belief, there are no obligations to, covenants to or restrictions from third parties granted by Grantor affecting the Grantor's use, disclosure, enforcement, transfer or licensing of the Collateral (other than this Security Agreement, the Loan and Security Agreement, the other Credit Documents and any Prior Claims that may encumber the Collateral).

4.10 Notwithstanding the foregoing in this Section 4, the Grantor makes no representation or warranty with respect to any Copyright or Patent or any license of any Copyright or Patent.

5. COVENANTS. Grantor covenants and agrees with Paradox that from and after the date of this Security Agreement and until the Secured Obligations (other than Continuing Future Indemnification Obligations) have been performed and paid in full:

5.1 **Disposition of Collateral.** Grantor shall not sell, lease, assign, transfer or otherwise dispose of any material portion of the Collateral (except for (i) the granting of Licenses and (ii)

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

any Collateral not consisting of or related to the Collateral acquired by the Grantor in the Purchase and otherwise not related to the Rachel Ashwell or Shabby Chic brands), or contract to do so. Grantor shall not, without Paradox's prior written consent (which consent shall not be unreasonably withheld or delayed), enter into any agreement (other than a License) or amend, alter or modify any existing agreement (other than a License) related to all or any material portion of the Collateral. 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. Grantor shall not relocate its chief executive office, principal place of business or its records from such address(es) provided to Paradox pursuant to Section 4.5 above without prior written notice to Paradox.

5.3 Limitation on Liens on Collateral. Grantor shall not, 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; provided that with respect to Prior Claims, Grantor agrees only that it will, at Paradox's expense, cooperate with Paradox and take all steps reasonably requested by Paradox to release or defend the Collateral from all Prior Claims.

5.4 Maintenance of Records. 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 the Grantor or Paradox in, any material Collateral, Grantor shall (i) use commercially reasonable efforts to prosecute any Patent, Trademark or Copyright pending as of the date hereof or thereafter, and (ii) promptly make applications for or cause to be registered (to the extent not already registered and consistent with good faith business judgment) any Copyright, Patent or Trademark which is (a) created, developed or otherwise acquired after the date hereof and (b) is individually or in the aggregate, material to the conduct of the Grantor's business, with the United States Copyright Office or the 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 the Grantor or Paradox in, any material Collateral, 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 Grantor. 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 the Grantor or Paradox in, any material Collateral, Grantor shall not, without Paradox'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. 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 Paradox under this Security Agreement, and any such action if it shall take place shall be null and void and of no effect whatsoever. If the Grantor fails to comply with any of the foregoing provisions of this Section 5.5, Paradox shall have the right (but shall not be obligated) to do so on behalf of the Grantor to the extent permitted by law, but at Grantor's expense, and Grantor hereby agrees to reimburse Paradox in full for all expenses, including the fees and disbursements of counsel incurred by Paradox in procuring, protecting, defending and maintaining the Collateral. In the event that the 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, Paradox may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of the Grantor, and all monies so paid out shall be Secured Obligations of Grantor repayable on demand, together with interest at the rate applicable to the Term Loan.

5.6 Notification Regarding Changes in Intellectual Property. Grantor shall advise Paradox on a semi-annual basis of any right, title or interest of the 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 Grantor hereby authorizes and appoints Paradox as the 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. Grantor hereby authorizes Paradox 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. Paradox will make good faith efforts to provide copies of such amended Schedules A and B to Grantor, provided that, Paradox's failure to provide such copies shall not constitute a breach of this Agreement nor render such amendments ineffective. In addition to any requirements in this Security Agreement for notification, Grantor shall also provide Paradox with semi-annual reports that identify the status of the Collateral, any new Copyrights, Patents, Trademarks and/or Licenses, any newly filed applications, 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 infringers and the discovery of any prior art or any other information that may affect the validity or enforceability of the Collateral.

5.7 Defense of Intellectual Property. Grantor shall (i) protect, defend and maintain the validity and enforceability of all material current and future Copyrights, Patents and Trademarks, (ii) use its commercially reasonable efforts to detect material infringements of such Copyrights, Patents and Trademarks and promptly advise Paradox in writing of material infringements detected and (iii) not allow any material Copyrights, Patents or Trademarks to be abandoned, forfeited or dedicated to the public. Grantor shall not commence, or cause to be commenced, any action, proceeding, lawsuit, mediation or arbitration relating to the Collateral without the prior written consent of Paradox, such consent not to be unreasonably withheld or delayed, nor shall the Grantor engage in any activity or conduct that could give rise to declaratory judgment jurisdiction. At Grantor's sole expense, Paradox shall have the right (but shall not be obligated) to select counsel and/or participate in any action, proceeding, lawsuit, mediation or arbitration

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

that could adversely affect the rights in, validity or enforceability of the Collateral; provided, that with respect to any such action, proceeding, lawsuit, mediation or arbitration arising out of Prior Claims, such selection of counsel and/or participation by Paradox shall be at Paradox's sole expense. 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 the Grantor or Paradox in, the Collateral must be approved, in writing, by Paradox.

5.8 Further Assurances; Pledge of Instruments. At any time and from time to time, upon the written reasonable request of Paradox, and at the sole expense of Grantor, 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 Paradox may reasonably deem necessary or desirable to obtain the full benefits of this Security Agreement, including, without limitation, facilitating the filing of UCC-1 Financing Statements in all applicable jurisdictions and this Security Agreement (and any amendment hereto) or any other document that Paradox 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 foreign equivalents of these offices, as applicable.

5.9 [Intentionally omitted.]

5.10 Continuous Perfection. Grantor not 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 the Grantor gives Paradox thirty (30) days prior written notice thereof and takes all action necessary or reasonably requested by Paradox 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, Grantor hereby irrevocably appoints Paradox (and any of Paradox's designated officers or employees) as the 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 Paradox's security interest in the Accounts and Licenses; (b) endorse the Grantor's name on any checks or other forms of payment or security that may come into Paradox's possession in connection with the Collateral; (c) sign the 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 the 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 Paradox determines to be reasonable; (f) modify, in its sole discretion, any intellectual property security agreement entered into between the Grantor and Paradox without first obtaining the 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 the 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 the Grantor no longer has or claims any right, title or interest; (g) endorse the Grantor's name on all applications, documents, papers and instruments necessary or desirable for Paradox in the use of the Collateral, (h) take any other actions with respect to the Collateral as Paradox deems in the best interest of Paradox (consistent with any enforceable restrictions in Licenses to the Grantor); or (f) assign, pledge, convey or transfer title in or dispose of the Collateral to anyone, including Paradox 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 or the Loan and Security Agreement and consistent with any enforceable restrictions in Licenses to the Grantor). Grantor hereby irrevocably appoints Paradox (and any of Paradox's designated officers or employees) as the 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 the Grantor where permitted by law; and (y) with respect to the Trademarks, file a copy of this Security Agreement with the U.S. Patent and Trademark Office. The appointment of Paradox as Grantor's attorney in fact, and each and every one of Paradox's rights and powers, being coupled with an interest, is irrevocable until all of the Secured Obligations (other than Continuing Future Indemnification Obligations) have been fully repaid and performed and Paradox's obligation to provide financial accommodations under the Credit Documents is terminated. 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, Paradox may exercise in addition to all other rights and remedies granted to it under this 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, Grantor expressly agrees that in any such event, and during the existence and continuation of an Event of Default, Paradox, 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 the 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 the Grantor), in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of Paradox'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. Paradox 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 Grantor hereby releases. During the period of any Event of Default, all use of the Trademarks by the Grantor shall inure to the benefit of Paradox. Paradox shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in Section 6.4 hereof, Grantor remaining liable for any deficiency remaining unpaid after such application, and to the extent

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

required by the UCC, only after so paying over such net proceeds and after the payment by Paradox of any other amount required by any provision of law, need Paradox account for the surplus, if any, to the Grantor. To the maximum extent permitted by applicable law, Grantor waives all claims, damages, and demands against Paradox arising out of the repossession, retention or sale of the Collateral except such as has been finally determined by a court of final jurisdiction to have been caused by the gross negligence or willful misconduct of Paradox. Grantor agrees that Paradox need not give more than ten (10) days' notice (which notification shall be deemed given when mailed or delivered on an overnight basis, postage prepaid, or personally delivered, addressed to 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. The Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Paradox is entitled, the Grantor also being liable for the reasonable fees of any attorneys employed by Paradox to collect such deficiency.

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

6.3 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 Paradox in the following order of priorities:

FIRST, to Paradox in an amount sufficient to pay in full the reasonable costs of Paradox in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances reasonably incurred or made by Paradox in connection therewith, including, without limitation, reasonable attorneys' fees;

SECOND, to Paradox in an amount equal to the then unpaid Secured Obligations; and

FINALLY, upon payment in full of the Secured Obligations (other than Continuing Future Indemnification Obligations), to the Grantor or its representatives, in accordance with the UCC or as a court of competent jurisdiction may direct.

7. **PARADOX'S RIGHT TO SUE.** From and after the occurrence and during continuation of an Event of Default, Paradox 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 Paradox commences any such suit, Grantor shall, at the request of Paradox, use commercially reasonable efforts to do any and all lawful acts and execute any and all proper documents required by Paradox in aid of such enforcement.

8. **RESERVED.**

9. LIMITATION ON PARADOX'S DUTY IN RESPECT OF COLLATERAL.

Paradox shall deal with the Collateral in the same manner as it deals with similar property for its own account. Paradox shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it takes such action as the Grantor requests in writing, but failure of Paradox to comply with any such request shall not in itself be deemed a failure to act reasonably and no failure of Paradox to do any act not so requested shall be deemed a failure to act reasonably.

10. RESERVED.

11. MISCELLANEOUS.

11.1 No Waiver; Cumulative Remedies.

11.1.1 Paradox 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.

11.1.2 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. Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Paradox but rather is intended to facilitate the exercise of such rights and remedies. Paradox 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.

11.1.3 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 Grantor and Paradox.

11.2 Releases.

11.2.1 This Security Agreement is made for collateral purposes only. Subject to Section 11.2.2 below, at such time as the Secured Obligations (other than Continuing Future Indemnification Obligations) shall have been paid and performed in full and the Grantor has no further obligations under or with respect to the Loan and Security Agreement or the other Credit Documents (other than Continuing Future Indemnification Obligations), the Collateral shall be automatically released from the Liens created hereby, and this Security Agreement and all obligations of Paradox and the Grantor 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 Grantor. At the request and sole expense of the Grantor following any such termination, Paradox shall deliver to Grantor all termination statements, releases or other instruments as may be necessary or proper to revert in the Grantor (without recourse to or

warranty by Paradox, except for encumbrances created by Paradox, provided that no such recourse or warranty shall apply to any Collateral sold or otherwise disposed of by Paradox pursuant to this Security Agreement) full title to the Collateral granted in this Security Agreement, subject to any acceptance or disposition of Collateral which may have been made by Paradox pursuant to this Security Agreement.

11.2.2 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 11.2.2 shall survive repayment of all of the Secured Obligations, and the termination of this Security Agreement in any manner.

11.3 **Successor and Assigns.** This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and permitted assigns of the Grantor, and shall, together with the rights and remedies of Paradox hereunder, inure to the benefit of Paradox, any future holder of any of the Secured Obligations and their respective successors and assigns. Paradox may, without cost or expense to the Grantor, assign all or any part of, or any interest (undivided or divided) in, Paradox'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 Paradox, the assignee shall have the same rights and benefits against Grantor hereunder as it would have had if such assignee were Paradox. Grantor may not assign this Security Agreement without the prior written consent of Paradox, which consent may be granted or withheld at the sole discretion of Paradox. 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 Paradox hereunder.

11.4 **Notices.** All notifications and other communications permitted or required under this Agreement shall be in writing and shall be delivered to the Persons and in the manner specified in the Loan and Security Agreement.

11.5 **Counterparts.** This Security Agreement 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.

11.6 **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.

11.7 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.

11.8 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 THE CITY OF NEW YORK, 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 PARTIES HERETO IRREVOCABLY WAIVES (I) 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 THE SECURED PARTY TO BRING PROCEEDINGS AGAINST THE GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

11.9 Advice of Counsel. Grantor represents to Paradox that the Grantor's attorneys have reviewed this Security Agreement and that it has discussed this Security Agreement with its attorneys.

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

11.11 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)

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

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.

SEABBY CHIC BRANDS, LLC

By: R. J. Toubassy
Ramez Toubassy, President

<p>ADDRESS OF GRANTOR:</p> <p><u>Chief Executive Office:</u> 10100 Santa Monica Blvd., #600 Los Angeles, CA 90067</p>
<p><u>Principal Accounting Office:</u> 10100 Santa Monica Blvd., #600 Los Angeles, CA 90067</p>
<p>TYPE OF ORGANIZATION: Limited liability company JURISDICTION OF ORGANIZATION: California CORPORATE ID NUMBER: 200914710062</p>

18482853

INTELLECTUAL PROPERTY SECURITY AGREEMENT
Signature Page

TRADEMARK
REEL: 004059 FRAME: 0909

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

ACCEPTED AND ACKNOWLEDGED BY:

PARADOX LENDING LLC

By: 
Edward Hill
Senior Vice President

ADDRESS:
Paradox Lending LLC
c/o Babcock & Brown
301 S. College Street, Suite 3850
Charlotte, NC 28202
Attention: Ed Hill

0492953

INTELLECTUAL PROPERTY SECURITY AGREEMENT
Signature Page

TRADEMARK
REEL: 004059 FRAME: 0910

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

Schedule A To Security Agreement

INTELLECTUAL PROPERTY

Copyrights

Owner: Shabby Chic Brands, LLC

Trademarks

I. United States Trademarks

Owner: Shabby Chic Brands, LLC

REFERENCE #	MARK	FILED	APP #	REG DT	REG #	STATUS	CLASSES
UNITED STATES							
49924.0034	FEATHERED CROWN LOGO	06/05/2003	78529,889	11/02/2004	2,808,967	REGISTERED	024, 028
49924.0035	RA	08/05/2003	78535,891	08/24/2004	2,876,670	REGISTERED	020, 024
49924.0037	RA TREASURES BY RACHEL ASHWELL	03/11/2002	78380,820	08/18/2003	2,783,507	REGISTERED	021, 024
49924.0037	RACHEL ASHWELL	10/03/2002	78468,883	06/05/2003	2,740,824	REGISTERED	041
49924.0038	RACHEL ASHWELL	03/28/2004	78583,837	04/05/2005	2,957,888	REGISTERED	003, 011, 016, 018, 020, 021, 024, 025, 027, 035
49924.0040	RACHEL ASHWELL HOME RA SHABBY CHIC EST. 1969 & Design	11/25/2002	78471,890	07/12/2005	2,887,841	REGISTERED	003, 011, 016, 018, 020, 021, 024, 025, 027
49924.0041	SHABBY CHIC	03/01/1992	74257,044	02/16/1993	1,753,058	REGISTERED	042
49924.0042	SHABBY CHIC	06/25/1992	74288,702	05/23/1993	1,790,014	REGISTERED	024, 028
49924.0043	SHABBY CHIC	01/05/1993	74382,867	01/23/1993	1,849,870	REGISTERED	025
49924.0044	SHABBY CHIC	11/22/1993	74401,828	02/11/1997	2,037,328	REGISTERED	003
49924.0045	SHABBY CHIC	06/21/1996	75688,217	07/02/1998	2,284,972	REGISTERED	018
49924.0046	SHABBY CHIC	08/28/1998	75544,848	12/07/1999	2,287,908	REGISTERED	011
49924.0047	SHABBY CHIC	08/22/1998	75508,277	02/09/2000	2,315,707	REGISTERED	018
49924.0048	SHABBY CHIC	06/22/1998	75588,200	03/27/2001	2,408,933	REGISTERED	027
49924.0049	SHABBY CHIC	06/16/2001	78272,249	08/25/2002	2,586,062	REGISTERED	025
49924.0050	SHABBY CHIC	12/14/2001	78388,443	04/01/2003	2,703,188	REGISTERED	025
49924.0051	SHABBY CHIC	10/23/2000	78160,878	08/02/2003	2,767,921	REGISTERED	024
49924.0052	SHABBY CHIC BABY	06/18/2001	78272,248	08/26/2002	2,585,081	REGISTERED	024, 025
49924.0053	SHABBY CHIC BY RACHEL ASHWELL	03/10/1998	75450,328	02/08/2000	2,318,478	REGISTERED	021, 024, 025
49924.0054	SHABBY CHIC BY RACHEL ASHWELL	01/20/1998	75428,546	03/14/2000	2,330,202	REGISTERED	025
49924.0055	SHABBY CHIC FURNISHINGS & Design	07/31/1992	74283,873	12/27/1994	1,809,597	REGISTERED	020, 024, 042
49924.0058	SHABBY CHIC STUDIO	09/25/1997	75383,314	03/27/2001	2,438,798	REGISTERED	021, 024, 025, 035

19492953

TRADEMARK

REEL: 004059 FRAME: 0911

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

REFERENCE #	MARK	FILED	APP #	REG DT	REG #	STATUS	CLASSES
49924.0001	SHABBY CHIC STUDIO	08/25/1997	78383,314	03/27/2001	2,436,798	REGISTERED	020, 024, 025, 035
49924.0058	SIMPLY SHABBY CHIC	04/18/2003	70707,830	08/31/2004	2,880,142	REGISTERED	018, 020, 024, 027
49924.0059	SIMPLY SHABBY CHIC	02/13/2003	78460,308	01/11/2005	2,977,782	REGISTERED	011, 020, 021
49924.0080	SIMPLY SHABBY CHIC FLOWERS LOGO	03/15/2004	78530,852	08/20/2005	2,856,803	REGISTERED	011, 018, 019, 020, 021, 024, 025, 027
49924.0082	SSC	03/15/2004	78530,853	01/31/2008	3,055,882	REGISTERED	011, 018, 024, 021, 024, 027
49924.0084	TREASURES BY RACHEL ASHWELL	01/22/2002	70700,731	08/18/2003	2,783,487	REGISTERED	024

Domain Names:

www.shabbychic.com

www.rachelashwellshabbychic.com

II. Foreign Trademarks

Owner: Shabby Chic Brands, LLC

REFERENCE #	MARK	FILED	APP #	REG DT	REG #	STATUS	CLASSES
AUSTRALIA							
49924.0006	SHABBY CHIC	08/19/1992	A280,825	08/19/1992	A300,025	REGISTERED	20
49924.0007	SHABBY CHIC	04/07/1995	050,060	04/07/1995	020,086	REGISTERED	
CANADA							
49924.0010	RACHEL ASHWELL	08/07/2002	1,149,080	05/08/2008	713858	REGISTERED	1, 1
49924.0011	RACHEL ASHWELL, RA, SHABBY CHIC Design	07/10/2000	1,183,026	05/08/2008	713807	REGISTERED	1, 1
49924.0008	SHABBY CHIC	07/21/1992	708,399	05/13/1994	TMA427,233	REGISTERED	1
49924.0009	SHABBY CHIC	02/22/2002	1,132,012	08/12/2004	818984	REGISTERED	1, 1
49924.0013	SIMPLY SHABBY CHIC	10/12/2004	1,203,440	08/08/2008	080210	REGISTERED	1, 1
49924.0012	SIMPLY SHABBY CHIC Design	10/12/2004	1,203,438	01/18/2007	678738	REGISTERED	1, 1
49924.0014	SSC	10/12/2004	1,203,436	12/07/2008	678770	REGISTERED	1, 1
CHINA							
49924.0015	SHABBY CHIC	12/25/2001	3,050,933	02/21/2005	3,050,933	REGISTERED	20
49924.0018	SHABBY CHIC	12/25/2001	3,050,932	10/21/2006	3,050,932	REGISTERED	24
EUROPEAN UNION (CTM)							
49924.0019	RACHEL ASHWELL	08/05/2002	2787157	10/20/2003	2707157	REGISTERED	20, 21, 24, 35
49924.0017	SHABBY CHIC	07/20/1992	00082058	10/24/2008	082,035	REGISTERED	20, 24, 35, 42
49924.0019	RACHEL ASHWELL RA SHABBY CHIC Design	06/17/2003	003229473	02/23/2005	3229473	REGISTERED	

19492953

TRADEMARK

REEL: 004059 FRAME: 0912

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

REFERENCE #	MARK	FILED	APP #	REG DT	REG #	STATUS	CLASSES
FRANCE 49924.0020	SHABBY CHIC		92,430,087	09/07/1992	92,430,087	REGISTERED	16, 28, 24
HONG KONG 49924.0021	SHABBY CHIC BY RACHEL ASHWELL			12/21/2004	3083 41621	REGISTERED	29, 24
INDONESIA 49924.0022	SHABBY CHIC			01/18/2002	526156	REGISTERED	24
ITALY 49924.0023	SHABBY CHIC	07/31/2002	649199	05/10/2006	1007128	REGISTERED	29, 24
JAPAN 49924.0024	SHABBY CHIC	06/22/1992	194-127420	03/31/1996	3,001,025	REGISTERED	29
49924.0025	SHABBY CHIC	01/03/1997	H00-000052	07/17/1998	4,198,737	REGISTERED	24
MEXICO 49924.0026	SHABBY CHIC			04/22/1993	429,617	REGISTERED	29
NEW ZEALAND 49924.0027	SHABBY CHIC			02/02/1996	246810	REGISTERED	29
49924.0028	SHABBY CHIC			09/08/1996	248,733	REGISTERED	24
NORWAY 49924.0029	SHABBY CHIC			01/17/2002	212,706	REGISTERED	29, 24, 35
SWITZERLAND 49924.0030	SHABBY CHIC			11/08/2000	487,173	REGISTERED	29, 24, 35, 38
TAIWAN 49924.0032	SHABBY CHIC			05/19/2003	01044457	REGISTERED	24
49924.0031	SHABBY CHIC			6/18/2003	01047334	REGISTERED	29
UNITED KINGDOM 49924.0033	SHABBY CHIC			09/24/1992	1,513,491	REGISTERED	29
WIPO 49924.0080	RACHEL ASHWELL			11/21/2008	986 071	REGISTERED	025
49924.0087	SHABBY CHIC			11/21/2008	988 074	REGISTERED	025

Trademark Applications:

CHINA 49924.0090-CN	RACHEL ASHWELL	11/21/2008	A8014521			PENDING	025
49924.0097-CN	SHABBY CHIC	11/21/2008	A8014522			PENDING	025

19492953

O:MC GUIREWOODS LLP COMPANY:201 NORTH TRYON STREET

Patents

I. United States

Owner: Shabby Chic Brands, LLC

II. Foreign

Owner: Shabby Chic Brands, LLC

19492913

TRADEMARK

REEL: 004059 FRAME: 0914

O:MC GUIREWOODS LLP COMPANY:201 NORTH TRYON STREET

Schedule B To Security Agreement**LICENSES****Copyrights**

None.

Trademarks

1. Amended and Restated Product Development and License Agreement dated as of February 1, 2006, as modified by the Renewal and Assignment of Restated Product Development and License Agreement dated as of January 28, 2008, among Rachel Ashwell Designs, Inc., Target Brands, Inc. and Target Corporation, as further modified by the Renewal and Amendment of Amended and Restated Product Development and License Agreement dated as of September 1, 2009, between Shabby Chic Brands, LLC and Target Corporation, and as further modified, amended, restated or supplemented from time to time.
2. License Agreement dated as of June 1, 2008 among Rachel Ashwell Designs, Inc., ROAR, LLC and Jerry Leigh of California, Inc., as modified, amended, restated or supplemented from time to time.

Patents

None.

VM92953

TRADEMARK

REEL: 004059 FRAME: 0915

NO: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

Schedule C To Security Agreement

PENDING LITIGATION

None.

19492933

TRADEMARK

REEL: 004059 FRAME: 0916

O:MC GUIREWOODS LLP COMPANY:201 NORTH TRYON STREET

Schedule D To Security Agreement

UCC Filing Jurisdictions

- California (Shabby Chic Brands, LLC)

Other Filings

1. U.S. Copyright Office

Grantor hereby authorizes Paradox to file a copy of this Security Agreement with the U.S. Copyright Office for each Copyright License and Copyright set forth in Schedules A and B hereto.

2. U.S. Patent and Trademark Office

A. Patents

Grantor hereby authorizes Paradox to file a copy of this Security Agreement with the U.S. Patent and Trademark Office for each Patent set forth in Schedule A.

B. Trademarks

Grantor hereby authorizes Paradox to file a copy of this Security Agreement with the U.S. Patent and Trademark Office for each Trademark now or hereafter set forth in Schedule A hereto and at the local UCC level as necessary.

V9492953

TRADEMARK
REEL: 004059 FRAME: 0917

O: MCGUIREWOODS LLP COMPANY: 201 NORTH TRYON STREET

Schedule E to Security Agreement

IP ACCOUNTS

**Shabby Chic Brands, LLC
Citibank NA
1801 Avenue of the Stars
First Floor
Los Angeles, CA 90067
Account number: 203331608**

19492953