

# TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	<b>NEW ASSIGNMENT</b>		
<b>NATURE OF CONVEYANCE:</b>	Patent and Trademark Security Agreement		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Gerli & Co., Inc.		04/01/2011	CORPORATION: DELAWARE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Keltic Financial Partners II, LP		
<b>Street Address:</b>	580 White Plains Road		
<b>Internal Address:</b>	Suite 610		
<b>City:</b>	Tarrytown		
<b>State/Country:</b>	NEW YORK		
<b>Postal Code:</b>	10591		
<b>Entity Type:</b>	LIMITED PARTNERSHIP: DELAWARE		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	2775747	CHENEY	
<b>Registration Number:</b>	3030031	CHENEY SILKS	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(856)321-2415		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
<b>Phone:</b>	856-321-2405		
<b>Email:</b>	mbonner@stradley.com		
<b>Correspondent Name:</b>	Michael P. Bonner, Esq.		
<b>Address Line 1:</b>	200 Lake Drive East		
<b>Address Line 2:</b>	Suite 100		
<b>Address Line 4:</b>	Cherry Hill, NEW JERSEY 08002		
<b>ATTORNEY DOCKET NUMBER:</b>	181382-0032		
<b>NAME OF SUBMITTER:</b>	Michael P. Bonner		
<b>Signature:</b>	/s/ Michael P. Bonner		

**TRADEMARK**

**900190535**

**REEL: 004530 FRAME: 0803**

CH \$65.00 2775747

Date:

04/28/2011

**Total Attachments: 10**

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## **PATENT AND TRADEMARK SECURITY AGREEMENT**

This Patent and Trademark Security Agreement (the "Agreement"), dated as of April 1, 2011, is made by and between Gerli & Co., Inc., a Delaware corporation (the "Debtor"), and Keltic Financial Partners II, LP, a Delaware limited partnership (the "Lender").

### **Recitals**

A. Lender, Debtor and certain affiliates of Debtor are parties to a Loan Agreement (as amended, supplemented or restated from time to time, the "Loan Agreement") dated the same date as this Agreement, setting forth the terms on which Lender may now or hereafter extend credit to or for the account of Debtor.

B. As a condition to extending credit to or for the account of Debtor, Lender has required the execution and delivery of this Agreement by Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. **Definitions.** All terms defined in the Recitals hereto or in the Loan Agreement that are not otherwise defined herein shall have the meanings given to them in the Loan Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of Debtor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. **Security Interest.** Debtor hereby irrevocably pledges and assigns to, and grants Lender a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Loan Agreement and the other Loan Documents, the Security Interest is coupled with a security interest in substantially all of the personal property of Debtor. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. **Representations, Warranties and Agreements.** Debtor represents, warrants and agrees as follows:

(a) **Patents.** Exhibit A accurately lists all Patents owned or controlled by Debtor as of the date hereof, or to which Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then Debtor shall within 30 days provide written notice to Lender with a replacement Exhibit A, which upon acceptance by Lender shall become part of this Agreement.

(b) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to Debtor's or any Affiliate's business(es). If after the date hereof, Debtor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to Debtor's or any Affiliate's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then Debtor shall promptly provide written notice to Lender with a replacement Exhibit B, which upon acceptance by Lender shall become part of this Agreement.

(c) **Affiliates.** As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by Debtor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to Debtor; or (ii) notify Lender of such item(s) and cause such Affiliate to execute and deliver to Lender a patent and trademark security agreement substantially in the form of this Agreement.

(d) **Title.** Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. Debtor (i) will have, at the time Debtor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(e) **No Sale.** Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without Lender's prior written consent.

(f) **Defense.** Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(g) **Maintenance.** Debtor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing Lender: (i) sufficient written notice, of at least 30 days, to allow Lender to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto,

and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) **Lender's Right to Take Action.** If Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Lender gives Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if Debtor notifies Lender that it intends to abandon a Patent or Trademark, Lender may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Debtor (or, at Lender's option, in Lender's own name) and may (but need not) take any and all other actions which Lender may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor shall pay Lender on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with or as a result of Lender's taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Lender at the default rate set forth in Section 3.1 of the Loan Agreement.

(j) **Power of Attorney.** To facilitate Lender's taking action under subsection (h) and exercising its rights under Section 6, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Lender, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 3, or, necessary for Lender, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Loan Agreement as provided therein and the payment and performance of all Obligations.

4. **Debtor's Use of the Patents and Trademarks.** Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs.

5. **Events of Default.** Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Loan Agreement, shall occur; or (b) Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter, Lender may, at its option, take any or all of the following actions:

(a) Lender may exercise any or all remedies available under the Loan Agreement and the other Loan Documents.

(b) Lender may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Lender may enforce the Patents and Trademarks and any licenses thereunder, and if Lender shall commence any suit for such enforcement, Debtor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement.


7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Lender. A waiver signed by Lender shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Lender's rights or remedies. All rights and remedies of Lender shall be cumulative and may be exercised singularly or concurrently, at Lender's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Loan Agreement. Lender shall not be obligated to preserve any rights Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Lender and their respective participants, successors and assigns and shall take effect when signed by Debtor and delivered to Lender, and Debtor waives notice of Lender's acceptance hereof. Lender may execute this Agreement if appropriate for the purpose of filing, but the failure of Lender to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of New York without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

KELTIC FINANCIAL PARTNERS II, LP  
By: KELTIC FINANCIAL SERVICES LLC,  
its general partner

By:   
Name: John P. Reilly  
Title: President and CEO

GERLI & CO., INC.

By: \_\_\_\_\_  
Name: James J. Harowicz  
Title: Chief Financial Officer

[Signature Page for Gerli Patent and Trademark Security Agreement]

B # 1350087 v.1

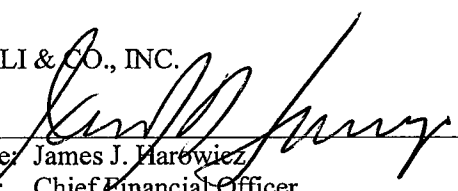
**TRADEMARK**  
**REEL: 004530 FRAME: 0809**

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

KELTIC FINANCIAL PARTNERS II, LP  
By: KELTIC FINANCIAL SERVICES LLC,  
its general partner

By: \_\_\_\_\_  
Name: John P. Reilly  
Title: President and CEO

GERLI & CO., INC.

By:  \_\_\_\_\_  
Name: James J. Harówicz  
Title: Chief Financial Officer

[Signature Page for Gerli Patent and Trademark Security Agreement]

B # 1350087 v.1

**TRADEMARK**  
**REEL: 004530 FRAME: 0810**



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of March, 2011, by James J. Harowicz, the Chief Financial Officer of Gerli & Co., Inc., a Delaware corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

STATE OF New York )  
COUNTY OF Westchester )

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of March, 2011, by John P. Reilly the President and CEO of Keltic Financial Services LLC, the general partner of Keltic Financial Partners II, LP, on behalf of said entity.

Eileen O'Neill  
Notary Public

**EILEEN O'NEILL**  
Notary Public - State of New York  
No. 01ON6229630  
Qualified in Rockland County  
My Commission Expires October 12, 2014

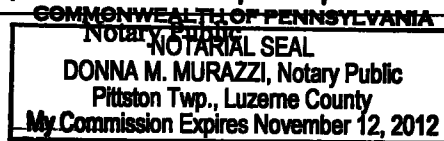
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B # 1350087 v.1

**TRADEMARK**  
**REEL: 004530 FRAME: 0811**

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this 31 day of March, 2011, by James J. Harowicz, the Chief Financial Officer of Gerli & Co., Inc., a Delaware corporation, on behalf of the corporation.



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of March, 2011, by John P. Reilly the President and CEO of Keltic Financial Services LLC, the general partner of Keltic Financial Partners II, LP, on behalf of said entity.

\_\_\_\_\_  
Notary Public

[Signature Page for Gerli Patent and Trademark Security Agreement]

B # 1350087 v.1

**TRADEMARK**  
**REEL: 004530 FRAME: 0812**

EXHIBIT A

PATENTS

	<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
None			

PATENT APPLICATIONS

	<u>Title</u>	<u>Serial Number</u>	<u>Filing Date</u>
None			

**EXHIBIT B**

**UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS**

**TRADEMARK REGISTRATIONS**

<b><u>Mark</u></b>	<b><u>Registration Number</u></b>	<b><u>Registration Date</u></b>
Cheney	2775747	October 21, 2003
Cheney Silks	3030031	December 13, 2005

**TRADEMARK APPLICATIONS**

<b><u>Mark</u></b>	<b><u>Application Number</u></b>	<b><u>Application Date</u></b>
None		

**UNREGISTERED MARKS**

None