

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Diamonds Direct USA Inc.		12/18/2013	CORPORATION: NORTH CAROLINA
Diamonds Direct USA of Raleigh, LLC		12/18/2013	LIMITED LIABILITY COMPANY: NORTH CAROLINA
Diamonds Direct USA of Alabama LLC		12/18/2013	LIMITED LIABILITY COMPANY: ALABAMA
Diamonds Direct USA of Austin LLC		12/18/2013	LIMITED LIABILITY COMPANY: TEXAS
Diamonds Direct USA of Richmond LLC		12/18/2013	LIMITED LIABILITY COMPANY: VIRGINIA

RECEIVING PARTY DATA

Name:	AloStar Bank of Commerce
Street Address:	3630 Peachtree Road NE
Internal Address:	Suiet 1050
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30326
Entity Type:	Alabama banking association: ALABAMA

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Serial Number:	85758413	THE RIGHT DIAMOND
Serial Number:	85749676	DIAMONDS DIRECT

CORRESPONDENCE DATA

Fax Number: 4045228409
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

CH \$65.00 85758413

Phone: 404-420-5527
Email: rjk@phrd.com
Correspondent Name: Rhonda J. Kenyeri, Paralegal -- PHR&D
Address Line 1: 285 Peachtree Center Avenue
Address Line 2: Suite 1500
Address Line 4: Atlanta, GEORGIA 30303

ATTORNEY DOCKET NUMBER:

ALOSTAR / DIAMONDS DIRECT

NAME OF SUBMITTER:

Bobbi Accord

Signature:

/ba/

Date:

12/18/2013

Total Attachments: 10

source=Trademark#page1.tif
source=Trademark#page2.tif
source=Trademark#page3.tif
source=Trademark#page4.tif
source=Trademark#page5.tif
source=Trademark#page6.tif
source=Trademark#page7.tif
source=Trademark#page8.tif
source=Trademark#page9.tif
source=Trademark#page10.tif

TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement") is made as of this 18th day of December, 2013, by and among (i) **ALOSTAR BANK OF COMMERCE**, a state banking institution incorporated or otherwise organized under the laws of the State of Alabama, as agent for the Lenders (as hereinafter defined) having an office at 3630 Peachtree Road, N.E., Suite 1050, Atlanta, GA 30326 (together with its successors in such capacity, "Agent"), and (ii) **DIAMONDS DIRECT USA INC.**, a North Carolina corporation ("Parent"), **DIAMONDS DIRECT USA OF RALEIGH, LLC**, a North Carolina limited liability company ("Raleigh"), **DIAMONDS DIRECT USA OF ALABAMA LLC**, an Alabama limited liability company ("Alabama"), **DIAMONDS DIRECT USA OF AUSTIN LLC**, a Texas limited liability company ("Austin"), and **DIAMONDS DIRECT USA OF RICHMOND LLC**, a Virginia limited liability company ("Richmond"; and together with Parent, Raleigh, Alabama and Austin, individually, "Grantor", and collectively, "Grantors"), each having its chief executive office at 4521 Sharon Road, Suite 101, Charlotte, North Carolina 28211.

Recitals:

Grantors desire to obtain loans and other financial accommodations from certain financial institutions (collectively, the "Lenders") that are parties from time to time to that certain Loan and Security Agreement dated on or about the date hereof (as at any time amended, restated, supplemented or otherwise modified, the "Loan Agreement") by and among Grantors, Agent and Lenders.

Lenders are willing to make loans and other financial accommodations to Grantors from time to time pursuant to the terms of the Loan Agreement, provided that Grantors execute this Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees with Agent as follows:

1. Capitalized terms used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meanings ascribed to them in the Loan Agreement.

2. To secure the prompt payment and performance of all of the Obligations, each Grantor hereby grants, assigns and pledges to Agent, for the benefit of the Secured Parties, a continuing security interest in and Lien upon all of the following property of such Grantor, whether now existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all trademarks, trademark registrations, trade names and trademark applications, including, without limitation, the trademarks and applications listed on Exhibit A attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, trade names and applications, together with the items described in clauses (i)-(iv), collectively, the "Trademarks");

(b) the goodwill of each Grantor's business connected with and symbolized by the Trademarks; and

(c) all proceeds of the foregoing.

3. Each Grantor represents and warrants to Agent that:

(a) Each of the Trademarks is subsisting and has not been adjudged invalid or unenforceable;

(b) Upon filing of this Agreement in the United States Patent and Trademark Office (or any similar office within the United States or any political subdivision thereof), this Agreement will create a legal, valid and perfected Lien upon and security interest in the Trademark Collateral that is registered in that office and that is listed on Exhibit A attached hereto, enforceable against such Grantor and all third Persons in accordance with its terms;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any Person;

(d) Such Grantor has the unqualified right to enter into this Agreement and perform its terms;

(e) Each of the Trademarks is valid and enforceable;

(f) Such Grantor is the sole and exclusive owner of the entire right, title and interest in and to all of the Trademark Collateral, free and clear of any Liens, charges and encumbrances (except licenses permitted pursuant to Section 6 below), including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by such Grantor not to sue third Persons, except Permitted Liens; and

(g) To such Grantor's knowledge, on and as of the date hereof, there is no violation by others of any right of such Grantor with respect to any Trademark Collateral listed in Exhibit A pledged by it under the name of such Grantor.

4. Each Grantor covenants and agrees with Agent that:

(a) Such Grantor will maintain the quality of the products associated with the Trademarks, at a level consistent with the quality at the time of this Agreement, and will, upon Agent's request, provide Agent quarterly with a certificate to that effect in the form attached hereto as Exhibit B executed by an officer of such Grantor;

(b) Such Grantor will not change the quality of the products associated with the Trademarks without Agent's prior written consent;

(c) Except for Trademarks abandoned by such Grantor in the ordinary course of business (provided such abandonment could not be reasonably expected to have a Material Adverse Effect), such Grantor has used and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the registered Trademarks, including, without limitation, filing an affidavit of use with the United States Patent and

Trademark Office (or any similar office within the United States or any political subdivision thereof) and any applicable foreign filing office for each registered Trademark as required by applicable law to maintain the registration thereof without loss of protection therefor;

(d) Promptly following its becoming aware thereof, such Grantor shall notify Agent of (i) any adverse determination in any proceeding in the United States Patent and Trademark Office with respect to any Trademarks necessary for the conduct of business of such Grantor or (ii) the institution of any proceeding or any adverse determination in any federal, state or local court or administrative body regarding such Grantor's claim of ownership in or right to use any of the Trademark material to the use and operation of the Collateral, its right to register such Trademarks or its right to keep and maintain such registration in full force and effect;

(e) Promptly upon Agent's reasonable request therefor, such Grantor shall furnish to Agent detailed statements and amended schedules further identifying and describing the Trademark Collateral and such other materials evidencing or reports pertaining to the Trademark Collateral as Agent may from time to time request; and

(f) Such Grantor shall use reasonable commercial efforts to obtain the consent of third parties to the extent such consent is necessary or desirable to create a valid, perfected security interest in favor of Agent in any Trademark Collateral.

5. Each Grantor hereby grants to Agent and Agent's employees and agents the visitation, audit, and inspection rights with respect to such Grantor and the Trademark Collateral as set forth in the Loan Agreement.

6. Until Full Payment of all of the Obligations, no Grantor shall enter into any license agreement relating to any of the Trademarks with any Person except non-exclusive licenses to customers, vendors, suppliers, agents or other service providers of such Grantor in the regular and ordinary course of such Grantor's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with such Grantor's obligations under this Agreement.

7. If, before Full Payment of all of the Obligations, any Grantor shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, the provisions of Section 2 hereof shall automatically apply thereto, and such Grantor shall give to Agent prompt notice thereof in writing.

8. Each Grantor irrevocably authorizes and empowers Agent to modify this Agreement by amending Exhibit A to include any future trademarks and trademark applications under Section 2 or Section 7 hereof.

9. At any time that an Event of Default exists, Agent shall have, in addition to all other rights and remedies given it by this Agreement and the other Loan Documents, all rights and remedies under applicable law and all rights and remedies of a secured party under the UCC and all other rights and remedies under any other applicable law. Without limiting the generality of the foregoing, Agent may immediately, for the benefit of Secured Parties, without demand of performance and without notice (except as described in the next sentence, if required by applicable law), or demand whatsoever to any Grantor, each of which each Grantor hereby expressly waives, collect directly any payments due any Grantor in respect of the Trademark Collateral, or sell at public or private sale or otherwise realize

upon all or from time to time, any of the Trademark Collateral. Each Grantor hereby agrees that ten (10) days written notice to such Grantor of any public or private sale or other disposition of any of the Trademark Collateral shall be reasonable notice (unless the Trademark Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market (in which such advance notice as may be practicable under the circumstances shall be reasonable notice)); provided, however, that no notice shall be required hereunder if not otherwise required by applicable law. At any such sale or disposition, Agent may, to the extent permitted by law, purchase the whole or any part of the Trademark Collateral sold, free from any right of redemption on the part of any Grantor, which right each Grantor hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Trademark Collateral all reasonable costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations in such order and manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after Full Payment of the Obligations shall be paid over to the Grantors. If any deficiency shall arise, Grantors shall remain jointly and severally liable therefor.

10. If any Event of Default shall have occurred and be continuing, upon the written demand of Agent, Grantors shall execute and deliver to Agent an assignment or assignments of the registered Trademarks and such other documents as are necessary or appropriate to carry out the intent and purposes hereof to the extent such assignment does not result in any loss of rights therein under applicable law. Within five (5) Business Days of written notice thereafter from Agent, each Grantor shall make available to Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of the Event of Default as Agent may reasonably designate to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Grantor under the registered Trademarks, and such Persons shall be available to perform their prior functions on Agent's behalf.

11. Each Grantor hereby makes, constitutes and appoints Agent and any officer or agent of Agent as Agent may select, as such Grantor's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall exist: to endorse such Grantor's name on all applications, documents, papers and instruments necessary for Agent to continue the registration of or to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Trademark Collateral to any other Person. Each Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until Full Payment of the Obligations.

12. Any and all reasonable fees, costs and expenses, of whatever kind or nature (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Agent in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in any other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, Liens or otherwise protecting, maintaining, or preserving the Trademark Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademark Collateral, shall be borne and paid by Grantors (it being the intent of each Grantor and Agent that Grantors shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all renewal fees with respect to the Trademarks) or, if paid by Agent in its sole discretion, shall be reimbursed by Grantors **on demand** by

Agent and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the per annum interest rate then applicable for Base Rate Loans.

13. Each Grantor shall use its commercially reasonable efforts to detect any infringers of the Trademarks and shall notify Agent in writing of material infringements detected. Each Grantor shall have the duty, through counsel acceptable to Agent, to prosecute diligently any trademark application for a Trademark pending as of the date of this Agreement or thereafter until Full Payment of the Obligations, to make federal application on registrable but unregistered Trademarks (subject to such Grantor's reasonable discretion in the ordinary course of business or, during the existence of an Event of Default or a Default, promptly upon Agent's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to enforce the Trademarks and to do any and all acts which are deemed necessary or desirable by Agent to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with such applications or proceedings shall be borne by the Grantors. No Grantor shall abandon any right to file a trademark application, or any pending trademark application or trademark without the consent of Agent, unless such Grantor has determined that such trademark application or trademark is no longer necessary or material to the conduct of its business.

14. Notwithstanding anything to the contrary contained in Section 13 hereof, at any time that an Event of Default exists, Agent shall have the right, but shall in no way be obligated, to bring suit instead in its own name to enforce the Trademarks and any license hereunder, or to defend any suit or counterclaim in its own name to protect the Trademarks or any license hereunder, in either of which events the Grantors shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent to aid such enforcement, or defense, and such Grantor shall promptly, **upon demand**, reimburse and indemnify Agent for all reasonable costs and expenses incurred in the exercise of Agent's rights under this Section 14.

15. If any Grantor fails to comply with any of its obligations hereunder and at the time of such failure or as a result thereof an Event of Default exists, then to the extent permitted by applicable law, Agent may discharge such obligations in such Grantor's name or in Agent's name, in Agent's sole discretion, but at such Grantor's expense, and such Grantor agrees to reimburse Agent in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Trademarks or Agent's interest therein pursuant to this Agreement.

16. No course of dealing between Grantors and Agent or any Lender, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any Lender, any right, power or privilege hereunder or under any of the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

17. All of Agent's rights and remedies with respect to the Trademark Collateral, whether established hereby or by any of the other Loan Documents, or by any other agreements or by applicable law shall be cumulative and may be exercised singularly or concurrently.

18. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

19. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or conditions, whether expressed or implied, oral or written. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 8 hereof.

20. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of each Secured Party and upon the successors and permitted assigns of each Grantor. No Grantor shall assign its rights or delegate its duties hereunder without the prior written consent of Agent.

22. Each Grantor hereby waives notice of Agent's acceptance hereof.

22. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.

23. This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any manually executed signature page to this Agreement delivered by a party by facsimile or other electronic transmission shall be deemed to be an original signature hereto.

24. **To the fullest extent permitted by applicable law, each Grantor and Agent waive the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Trademark Collateral.**

25. Each Grantor and Agent acknowledge that this Agreement, and the rights and obligations of the parties hereto, is subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control. Without limiting the generality of the foregoing, any reference to "priority" or words of similar effect in describing any of the security interests created hereunder or under any other Loan Document in connection with Liens granted to the Second Lien Term Loan Agent shall be understood to refer to such priority as set forth in the Intercreditor Agreement

[Remainder of page intentionally left blank; signatures appear on following pages.]

WITNESS the execution hereof under seal on the day and year first above written.

ATTEST:

Kelly Lo, Secretary

DIAMONDS DIRECT USA INC.

By: _____

Name: Itay Berger

Title: President

[CORPORATE SEAL]

ATTEST:

Kelly Lo, Secretary of Diamonds
Direct USA Inc., as sole member

**DIAMONDS DIRECT USA OF RALEIGH, LLC
DIAMONDS DIRECT USA OF ALABAMA LLC
DIAMONDS DIRECT USA OF AUSTIN LLC
DIAMONDS DIRECT USA OF RICHMOND LLC**

By: **DIAMONDS DIRECT USA INC.,**
as sole member of each such entity

By: _____

Name: Itay Berger

Title: President

[CORPORATE SEAL]

[Signatures continue on the following page.]

Accepted:

ALOSTAR BANK OF COMMERCE, as Agent

By: _____

Name: **Tim Velzy**

Title: Director

EXHIBIT A

Trademarks

<u>Trademark</u>	<u>Owner</u>	<u>Jurisdiction</u>	<u>Registration Number</u>	<u>Registration Date</u>
DIAMONDS DIRECT	Diamonds Direct USA of Alabama LLC	Alabama Secretary of State	113-174	July 10, 2012
DIAMONDS DIRECT (& design)	Diamonds Direct USA, Inc.	Commonwealth of Virginia, State Corporation Commission	1011160	April 16, 2012
DIAMONDS DIRECT	Diamonds Direct USA, Inc.	Commonwealth of Virginia, State Corporation Commission	101157	January 26, 2012
DIAMONDS DIRECT	Diamonds Direct USA Inc.	North Carolina Department of the Secretary of State	021034	January 1, 1996

Trademark Applications

<u>Trademark</u>	<u>Owner</u>	<u>Jurisdiction</u>	<u>Serial Number</u>	<u>Application Date</u>
THE RIGHT DIAMOND	Diamonds Direct USA Inc.	United States Patent and Trademark Office	85758413	October 19, 2012
DIAMONDS DIRECT	Diamonds Direct USA, Inc.	United States Patent and Trademark Office	85749676	October 9, 2012

EXHIBIT B

Certificate

The undersigned officer of _____, a _____ ("Grantor"), does hereby certify to **ALOSTAR BANK OF COMMERCE**, a state banking institution incorporated or otherwise organized under the laws of the State of Alabama, in its capacity as agent ("Agent") for certain financial institutions ("Lenders") as are parties from time to time to the Loan and Security Agreement dated as of December 18, 2013, among Agent, Lenders, Grantor, and certain affiliates and subsidiaries of Grantor, that the quality of the products associated with the trademarks, trademark registrations, trade names and trademark applications listed on Exhibit A of the Trademark Security Agreement dated as of December 18, 2013, between, among others, Grantor and Agent (as amended from time to time to include additional trademarks, trademark registrations, trade names and trademark applications acquired by Grantor after the date thereof, the "Agreement"), has been maintained at a level consistent with the quality of such products at the time of the execution of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, this ___ day of _____, 20__.

By: _____
Name: _____
Title: _____