

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM326344

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Gerler and Son, Inc.		12/12/2014	CORPORATION: WASHINGTON

RECEIVING PARTY DATA

Name:	Deans Knight Capital Management Ltd.
Street Address:	1500-999 West Hastings Street
City:	Vancouver, BC
State/Country:	CANADA
Postal Code:	V6C 2W2
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 11

Property Type	Number	Word Mark
Registration Number:	4010263	ACTIVE IS AN ATTITUDE
Registration Number:	2331823	ALL THE SHOES, ALL THE SIZES, ALL THE TI
Registration Number:	3691675	FITWIZ
Serial Number:	77876458	KUNO
Registration Number:	4254310	OLS
Registration Number:	4263330	ONLINESHOES
Registration Number:	4263331	ONLINESHOES
Registration Number:	3048611	ONLINESHOES.COM
Registration Number:	3800710	ONLINESHOES.COM
Registration Number:	4240637	SOLELY OBSESSED WITH YOUR COMFORT AND ST
Registration Number:	2936161	THE SHOE ADVANTAGE

CORRESPONDENCE DATA

Fax Number: 6507986701

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: (650) 798-6700

Email: PLTrademarks@klgates.com

Correspondent Name: Britt L. Anderson, Esq., K&L Gates LLP

Address Line 1: 630 Hansen Way

Address Line 4: Palo Alto, CALIFORNIA 94304

TRADEMARK

ATTORNEY DOCKET NUMBER:	2069781.00001
DOMESTIC REPRESENTATIVE	
Name:	Britt L. Anderson, Esq., K&L Gates LLP
Address Line 1:	630 Hansen Way
Address Line 4:	Palo Alto, CALIFORNIA 94304
NAME OF SUBMITTER:	Britt L. Anderson
SIGNATURE:	/britt l. anderson/
DATE SIGNED:	12/16/2014
Total Attachments: 8 source=Gerler - Trademark Security Agreement (Executed)#page1.tif source=Gerler - Trademark Security Agreement (Executed)#page2.tif source=Gerler - Trademark Security Agreement (Executed)#page3.tif source=Gerler - Trademark Security Agreement (Executed)#page4.tif source=Gerler - Trademark Security Agreement (Executed)#page5.tif source=Gerler - Trademark Security Agreement (Executed)#page6.tif source=Gerler - Trademark Security Agreement (Executed)#page7.tif source=Gerler - Trademark Security Agreement (Executed)#page8.tif	

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Trademark Security Agreement") is made this 12th day of December, 2014, between Gerler and Son, Inc., a Washington corporation (the "Debtor"), and Deans Knight Capital Management Ltd., a corporation governed by the Canada Business Corporations Act, in its capacity as Collateral Agent (as defined below).

WITNESSETH:

WHEREAS, pursuant to a Debenture Purchase Agreement dated the 12th day of December, 2014 (the "Debenture Purchase Agreement") between 1006903 B.C. Ltd. (the "Parent") and Deans Knight Capital Management Ltd. ("Deans Knight"), acting as portfolio manager on behalf of certain investors (the "Holders"), Deans Knight has committed to purchase secured convertible debentures of the Parent (each a "Debenture" and collectively, the "Debentures");

WHEREAS, pursuant to a collateral agency agreement dated the 12th day of December, 2014 among the Parent, Deans Knight and the Holders, Deans Knight has been appointed as collateral agent for and on behalf of the Holders (in such capacity, the "Collateral Agent");

WHEREAS, Deans Knight and the Holders are willing to make the financial accommodations to the Parent as provided for in the Debentures, but only upon the condition, among others, that the Debtor guarantees the obligations of the Parent in respect of the Debentures (and the present and future indebtedness and obligations thereunder and any ultimate balance thereof) and to secure that guarantee, Debtor shall have executed and delivered to the Collateral Agent that certain General Security Agreement dated as of December 12, 2014 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "General Security Agreement") and that certain Intellectual Property Security Agreement dated as of December 12, 2014 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "IP Security Agreement");

WHEREAS, pursuant to the IP Security Agreement, the Debtor is required to execute and deliver to the Collateral Agent this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the General Security Agreement, the IP Security Agreement, or the Debentures.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. The Debtor hereby grants to the Collateral Agent a continuing security interest in all of the Debtor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral");

all of its Trademarks and Trademark Intellectual Property Licenses to which it is a party including those referred to on Schedule I hereto;

all goodwill, trade secrets, proprietary or confidential information, technical information, procedures, formulae, quality control standards, designs, operating and training manuals, customer lists, and other General Intangibles with respect to the foregoing;

all reissues, continuations or extensions of the foregoing;

all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark Intellectual Property License; and

all products and proceeds of the foregoing, including any claim by the Debtor against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademark licensed under any Intellectual Property License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Intellectual Property License.

3. SECURITY FOR OBLIGATIONS. This Trademark Security Agreement and the Security Interest created hereby secures the payment and performance of all the Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Trademark Security Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by the Debtor to Deans Knight and the Holders pursuant to, among other things, the guarantee and the IP Security Agreement referenced in the recitals above, whether or not they are unenforceable or not allowable due to the existence of an insolvency proceeding involving the Debtor or the Parent.

4. SECURITY AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to the Collateral Agent pursuant to the IP Security Agreement. The Debtor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the IP Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

5. AUTHORIZATION TO SUPPLEMENT. If the Debtor shall obtain rights to any new trademarks, the provisions of this Trademark Security Agreement shall automatically apply thereto. The Debtor shall give prompt notice in writing to the Collateral Agent with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting the Debtor's obligations under this Section, the Debtor hereby authorizes the Collateral Agent unilaterally to modify this Agreement by amending Schedule I to include any such new trademark rights of the Debtor. Notwithstanding the foregoing, no failure to so modify this Trademark Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from the Collateral Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Trademark Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Trademark Security Agreement or any other Debenture Document (as defined in the General Security Agreement) in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

7. CONSTRUCTION. Unless the context of this Trademark Security Agreement or any other Debenture Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms “includes” and “including” are not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Trademark Security Agreement or any other Debenture Document refer to this Trademark Security Agreement or such other Debenture Document, as the case may be, as a whole and not to any particular provision of this Trademark Security Agreement or such other Debenture Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Trademark Security Agreement unless otherwise specified. Any reference in this Trademark Security Agreement or in any other Debenture Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein or in any other Debenture Document to the satisfaction or repayment in full of the Obligations shall mean the repayment in full in cash (or cash collateralization in accordance with the terms of the Debentures) of all Obligations other than unasserted contingent indemnification Obligations that, at such time, are allowed by the Collateral Agent to remain outstanding and that are not required by the provisions of the Debentures to be repaid or cash collateralized. Any reference herein to any Person shall be construed to include such Person’s successors and assigns. Any requirement of a writing contained herein or in any other Debenture Document shall be satisfied by the transmission of a record and any record so transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

[signature page follows]

IN WITNESS WHEREOF, the Debtor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GERLER AND SON, INC.



By: Nicholas Bozikis

Name: _____

Title: Director

ACCEPTED AND ACKNOWLEDGED BY:

DEANS KNIGHT CAPITAL MANAGEMENT LTD.,
as Collateral Agent

By: _____

Name: _____

Title: _____

[Signature Page – Trademark Security Agreement]

IN WITNESS WHEREOF, the Debtor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GERLER AND SON, INC.

By: _____

Name: _____

Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

DEANS KNIGHT CAPITAL MANAGEMENT LTD.,
as Secured Party



By: _____

Name: CHRISTOPHER

Title: AUTHORIZED SIGNATORY





[Signature Page -- Trademark Security Agreement]




TRADEMARK
REEL: 005420 FRAME: 0592

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

Trademark Registrations/Applications

Debtor	Country	Mark	Application/ Registration No.	App/Reg. Date
Gerler and Son, Inc.	United States	ACTIVE IS AN ATTITUDE	4,010,263	August 9, 2011
Gerler and Son, Inc.	United States	ALL THE SHOES, ALL THE SIZES, ALL THE TIME	2,331,823	March 21, 2000 Renewed: March 21, 2010
Gerler and Son, Inc.	United States	FITWIZ	3,691,675	October 6, 2009
Gerler and Son, Inc.	United States	KUNO	Serial No. 77/876,458	November 19, 2000 Inactive (Closed: December 22, 2011)
Gerler and Son, Inc.	United States	OLS	4,254,310	December 4, 2012
Gerler and Son, Inc.	Canada	ONLINESHOES	1618437	March 15, 2013 Office Action Issued: November 20, 2014
Gerler and Son, Inc.	United States	ONLINESHOES	4,263,330	December 25, 2012

Gerler and Son, Inc.	Canada	ONLINESHOES (STYLIZED) 	1618438	March 15, 2013 Office Action Issued: November 20, 2013
Gerler and Son, Inc.	United States	ONLINESHOES (STYLIZED) 	4,263,331	December 25, 2012
Gerler and Son, Inc.	United States	ONLINESHOES.COM	3,048,611	January 24, 2006
Gerler and Son, Inc.	Washington	ONLINESHOES.COM	50756	April 18, 2006 Renewed: April 18, 2011
Gerler and Son, Inc.	Australia	ONLINESHOES.COM AND DESIGN	1320477	April 29, 2010
Gerler and Son, Inc.	Canada	ONLINESHOES.COM AND DESIGN 	145829	September 15, 2009 Inactive (Notice of Abandonment: April 3, 2013)
Gerler and Son, Inc.	China P.R.	ONLINESHOES.COM AND DESIGN 	7739217	September 30, 2009 Inactive (Abandoned: December 13, 2010)
Gerler and Son, Inc.	Community Trademark	ONLINESHOES.COM AND DESIGN	8547291	March 16, 2010
Gerler and Son, Inc.	India	ONLINESHOES.COM AND DESIGN	1862488	September 14, 2009

Gerler and Son, Inc.	Japan	ONLINESHOES.COM AND DESIGN 	5326923	June 4, 2010
Gerler and Son, Inc.	New Zealand	ONLINESHOES.COM AND DESIGN 	812665	March 30, 2009
Gerler and Son, Inc.	United States	ONLINESHOES.COM AND DESIGN 	3,800,710	June 8, 2010
Gerler and Son, Inc.	United States	SOLELY OBSESSED WITH YOUR COMFORT AND STYLE	4,240,637	November 31, 2012
Gerler and Son, Inc.	United States	THE SHOE ADVANTAGE	2,936,161	March 29, 2005