

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM369412

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Amendment No. 1 to Security Agreement, Trademark Security Agreement, Patent Security Agreement and Continuing Guaranty		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Cosmetic Design Group, LLC		01/13/2016	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	Corbel Structured Equity Partners, L.P.		
Street Address:	12400 Wilshire Blvd., Suite 645		
City:	Los Angeles		
State/Country:	CALIFORNIA		
Postal Code:	90025		
Entity Type:	LIMITED PARTNERSHIP: DELAWARE		
PROPERTY NUMBERS Total: 5			
Property Type	Number	Word Mark	
Serial Number:	86785611	BEACH BUDDIES	
Serial Number:	86652407	BRING IT ON! VOLUMIZING MASCARA	
Serial Number:	86785612	LOVE BITES	
Serial Number:	86793728	SHAPE N' SMOOTH	
Serial Number:	86652390	THE ULTIMATE BEAUTY SOURCE	
CORRESPONDENCE DATA			
Fax Number:			
<i>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.</i>			
Phone:	8602402834		
Email:	nicole.pappa@morganlewis.com		
Correspondent Name:	Nicole Pappa		
Address Line 1:	One State Street		
Address Line 4:	Hartford, CONNECTICUT 06103		
NAME OF SUBMITTER:	Nicole Pappa		
SIGNATURE:	/Nicole Pappa/		
DATE SIGNED:	01/15/2016		
Total Attachments: 9			

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AMENDMENT NO. 1 TO SECURITY AGREEMENT, TRADEMARK SECURITY AGREEMENT, PATENT SECURITY AGREEMENT AND CONTINUING GUARANTY

This **AMENDMENT NO. 1 TO SECURITY AGREEMENT, TRADEMARK SECURITY AGREEMENT, PATENT SECURITY AGREEMENT AND CONTINUING GUARANTY** (this "**Amendment**"), dated as of January 13, 2016, is by and among COSMETIC DESIGN GROUP, LLC, a Delaware limited liability company ("**CDG**" and together with any additional direct or indirect Subsidiaries of Holdings hereafter acquired or formed which become a party to the Note Purchase Agreement and the Notes as an additional "**Issuer**" by executing an addendum or joinder thereto as provided in the Note Purchase Agreement, collectively, the "**Issuers**"), CDG HOLDINGS, LLC, a Delaware limited liability company ("**Holdings**", and together with the Issuers and each other Grantor from time to time under the Security Agreement referred to below, collectively, the "**Note Parties**"), and CORBEL STRUCTURED EQUITY PARTNERS, L.P., as administrative agent (in such capacity, the "**Agent**") for the benefit of the Purchasers.

WHEREAS, the Issuers, the Agent and the purchasers of the Notes party thereto from time to time (together with their successors and assigns, collectively, the "**Purchasers**") previously entered into that certain Note Purchase Agreement, dated as of May 22, 2015, as amended by that certain Amendment Number One to Note Purchase Agreement dated as of June 22, 2015 and that certain Amendment Number Two to Note Purchase Agreement dated as of the date hereof (as so amended and as may be further amended, restated, supplemented or otherwise revised from time to time, the "**Note Purchase Agreement**"), pursuant to which the Issuers previously issued and sold to the Purchasers \$12,850,000 in aggregate principal amount of the Issuers' 18.00% Senior Notes due May 22, 2020 (as amended, restated, supplemented or otherwise revised from time to time and including any Senior Notes issued in substitution therefor or in replacement thereof, collectively, the "**Notes**");

WHEREAS, in connection with the Note Purchase Agreement and the Notes:

(a) the Note Parties and the Agent have entered into a certain Security Agreement, dated as of May 22, 2015 (as in effect immediately prior to giving effect to this Amendment, the "**Existing Security Agreement**" and as amended by this Amendment and as may be further amended, restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), pursuant to which the Note Parties granted certain security interests in the Collateral in favor of the Agent as therein provided,

(b) the Issuers and the Agent have entered into a certain Trademark Security Agreement, dated as of May 22, 2015 (as in effect immediately prior to giving effect to this Amendment, the "**Existing Trademark Security Agreement**" and as amended by this Amendment and as may be further amended, restated, supplemented or otherwise modified from time to time, the "**Trademark Security Agreement**"),

(c) the Issuers and the Agent have entered into a certain Patent Security Agreement, dated as of May 22, 2015 (as in effect immediately prior to giving effect to this Amendment, the "**Existing Patent Security Agreement**" and as amended by this Amendment

and as may be further amended, restated, supplemented or otherwise modified from time to time, the “**Patent Security Agreement**”), and

(d) Holdings executed that certain Continuing Guaranty (CDG Holdings, LLC) , dated as of May 22, 2015 (as in effect immediately prior to giving effect to this Amendment, the “**Existing Holding Guaranty**” and as amended by this Amendment and as may be further amended, restated, supplemented or otherwise modified from time to time, the “**Holding Guaranty**”), in favor of the Purchasers and the Agent, pursuant to which Holdings guaranteed the payment and performance in full of the Issuers’ obligations under, and in respect of, the Note Purchase Agreement and the Notes;

WHEREAS, the Note Parties desire to amend the Existing Security Agreement, the Existing Trademark Security Agreement, the Existing Patent Security Agreement and the Existing Holdings Guaranty upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINED TERMS.

Capitalized terms used and not defined herein shall have the same meanings given to them in the Note Purchase Agreement.

2. AMENDMENTS TO THE EXISTING SECURITY AGREEMENT.

2.1. Section 2.5 of the Existing Security Agreement is hereby amended and restated in its entirety to read as follows:

“2.5 Grantors shall deliver to Agent a duly executed control agreement in form and substance reasonably satisfactory to Agent with respect to all Deposit Accounts (other than (i) Deposit Accounts used for payroll, payroll taxes and other employee wage and benefit payments for the benefit of such Grantor’s salaried employees, (ii) any deposit account for which any Issuer, the depository bank and Agent have entered into a cash collateral agreement specially negotiated among such Issuer, the depository bank and Agent for the specific purpose set forth therein, (iii) a Deposit Account for which Agent is the depository bank and is in automatic control, (iv) any Deposit Account into which funds for the Holdback Amount (as defined in the Note Purchase Agreement) have been segregated, and (v) deposit accounts with an aggregate balance not to exceed \$50,000 in all such deposit accounts at any time), electronic Chattel Paper, Investment Property, and Letter of Credit Rights, promptly upon Agent’s reasonable request from time to time. With respect to any Deposit Account, each Grantor shall, upon written request by the Agent following the occurrence of an Event of Default, arrange for Agent to become the customer of the depository bank with respect to such Deposit Account, with such Grantor being permitted to exercise rights to withdraw funds from such Deposit Account only with the prior consent of the Agent.

2.2. Section 20 of the Existing Security Agreement is hereby amended and restated in its entirety to read as follows:

“20. *Intercreditor Agreement.* Notwithstanding anything herein to the contrary, the Lien and security interest granted to Agent, for the benefit of the Purchasers, pursuant to this Agreement and the exercise of any right or remedy by Agent hereunder, and the payment of any indebtedness under the Note Documents, are subject to the provisions of the First Lien/Second Lien Intercreditor Agreement, dated as of January 13, 2016 (as amended, restated, supplemented, or otherwise modified from time to time, the “*Intercreditor Agreement*”), among NBH Bank, as First Lien Agent (as defined therein), Corbel Structured Equity Partners, L.P., as Second Lien Agent (as defined therein), and the Grantors (as defined therein) from time to time party thereto and other persons party or that may become party thereto from time to time. If there is a conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement will control.”

2.3. Section 8 of the Existing Security Agreement is hereby amended by deleting the words “Section 7.1(g) or (h) of the Note Purchase Agreement” in clause (a)(i) thereof and inserting “Section 7.1(m) or (n)” in lieu thereof.

2.4. Section 14 of the Existing Security Agreement is hereby amended by deleting the reference to “Section 5.14” in the first sentence thereof and inserting “Section 6.11” in lieu thereof.

2.5. Annex 2 to the Existing Security Agreement is hereby amended by deleting the reference to “Section 5.14” in the fourth WHEREAS clause thereof and inserting “Section 6.11” in lieu thereof.

2.6. Section 4.1 of Schedule 1 to the Existing Security Agreement is hereby replaced in its entirety with the following:

Grantor	State of Organization	FEIN	Organizational ID #	Locations
Cosmetic Design Group, LLC	Delaware	47-3906747	5737189	<p><u>Chief Executive Office:</u> 5673 Selmaraine Drive, Culver City, California</p> <p><u>Collateral:</u></p> <p>Cosmetic Design Group and Styli-Style Inc. Offices (5673 Selmaraine Drive, Culver City, CA 90230)</p> <p>Case Mason (9101 Yellow Brick Rd Ste. I, Baltimore, MD 21237)</p> <p>Goodwill Industries of East Texas (409 W Locust St., Tyler, TX 75702)</p> <p>Ohio Valley Goodwill (10600</p>

				Springfield Pike, Cincinnati, OH 45215) Just Packaging, Inc. (450 Oak Tree Ave., South Plainfield, NJ 07080) RJM (4858 Provident Drive, Cincinnati, OK 45246)
CDG Holdings, LLC	Delaware	47-4028134	5746896	Chief Executive Office: 5673 Selmaraine Drive, Culver City, California

2.7. Section 4.8(a)(iv) of Schedule 1 to the Existing Security Agreement is hereby amended by adding the following:

Grantor	Country	Mark	Application/Registration No.	App/Reg Date
Cosmetic Design Group, LLC	United States	Beach Buddies	86785611	October 13, 2015
Cosmetic Design Group, LLC	United States	Bring It On! Volumizing Mascara	86652407	June 4, 2015
Cosmetic Design Group, LLC	United States	Love Bites	86785612	October 13, 2015
Cosmetic Design Group, LLC	United States	Shape N' Smooth	86793728	October 20, 2015
Cosmetic Design Group, LLC	United States	The Ultimate Beauty Source	86652390	June 4, 2015

2.8. Section 4.10 of Schedule 1 to the Existing Security Agreement is hereby amended by adding the following:

Bank Account	Account Number	Contact Information	Name in which Held
Operating Account	204027035	NBH Bank	Cosmetic Design Group, LLC

3. AMENDMENT TO THE EXISTING TRADEMARK SECURITY AGREEMENT.

3.1. Section 7 of the Existing Trademark Security Agreement is hereby amended and restated in its entirety to read as follows:

“7. INTERCREDITOR AGREEMENT. Notwithstanding anything herein to the contrary, the Lien and security interest granted to Agent, for the benefit of the Purchasers, pursuant to this Trademark Security Agreement and the exercise of any right or remedy by Agent hereunder, and the payment of any indebtedness under the Note Documents, are subject to the provisions of the First Lien/Second Lien Intercreditor Agreement, dated as of January 13, 2016 (as amended, restated, supplemented, or otherwise modified from time to time, the “*Intercreditor Agreement*”), among NBH Bank, as First Lien Agent (as defined

therein), Corbel Structured Equity Partners, L.P., as Second Lien Agent (as defined therein), and the Grantors (as defined therein) from time to time party thereto and other persons party or that may become party thereto from time to time. If there is a conflict between the terms of the Intercreditor Agreement and this Trademark Security Agreement, the terms of the Intercreditor Agreement will control.”

3.2. Schedule I to the Existing Trademark Security Agreement is hereby amended by adding the following additional trademarks and trademark applications to such Schedule I:

Grantor	Country	Mark	Application/ Registration No.	App/Reg Date
Cosmetic Design Group, LLC	United States	Beach Buddies	86785611	October 13, 2015
Cosmetic Design Group, LLC	United States	Bring It On! Volumizing Mascara	86652407	June 4, 2015
Cosmetic Design Group, LLC	United States	Love Bites	86785612	October 13, 2015
Cosmetic Design Group, LLC	United States	Shape N’ Smooth	86793728	October 20, 2015
Cosmetic Design Group, LLC	United States	The Ultimate Beauty Source	86652390	June 4, 2015

4. AMENDMENT TO THE EXISTING PATENT SECURITY AGREEMENT.

4.1. Section 7 of the Existing Patent Security Agreement is hereby amended and restated in its entirety to read as follows:

“7. INTERCREDITOR AGREEMENT. Notwithstanding anything herein to the contrary, the Lien and security interest granted to Agent, for the benefit of the Purchasers, pursuant to this Patent Security Agreement and the exercise of any right or remedy by Agent hereunder, and the payment of any indebtedness under the Note Documents, are subject to the provisions of the First Lien/Second Lien Intercreditor Agreement, dated as of January 13, 2016 (as amended, restated, supplemented, or otherwise modified from time to time, the “*Intercreditor Agreement*”), among NBH Bank, as First Lien Agent (as defined therein), Corbel Structured Equity Partners, L.P., as Second Lien Agent (as defined therein), and the Grantors (as defined therein) from time to time party thereto and other persons party or that may become party thereto from time to time. If there is a conflict between the terms of the Intercreditor Agreement and this Patent Security Agreement, the terms of the Intercreditor Agreement will control.”

5. AMENDMENT TO THE EXISTING HOLDINGS GUARANTY.

5.1. Section 14 of the Existing Holdings Guaranty is hereby amended by deleting each reference to “Article V” set forth therein and inserting “Article VI” in lieu thereof.

6. REAFFIRMATION OF SECURITY AGREEMENTS AND HOLDINGS GUARANTY.

(a) Each Note Party hereby confirms the grant of the security interests under the Security Agreement, the Trademark Security Agreement and the Patent Security Agreement, as applicable, and agrees that such grant of security interest shall continue to be in full force and effect and shall continue to accrue to the benefit of the Agent, for the benefit of the Purchasers.

(b) By executing this Amendment, Holdings confirms that (i) except as expressly amended hereby, the Holdings Guaranty continues in full force and effect and continues to guarantee the indebtedness, liabilities and obligations of the Issuers under the Notes, the Note Purchase Agreement and the other Note Documents notwithstanding the amendments thereto, and (ii) the indebtedness, liabilities and obligations of the Issuers under the Notes, the Note Purchase Agreement and the other Note Documents, constitute indebtedness, liabilities and obligations guaranteed under the Holdings Guaranty.

7. MISCELLANEOUS.

7.1. Ratification, Etc. Except as expressly amended hereby, the Security Agreement, the Trademark Security Agreement, the Patent Security Agreement and the Holding Guaranty are hereby ratified and confirmed in all respects and shall continue in full force and effect. Each of the Security Agreement, the Trademark Security Agreement, the Patent Security Agreement and the Holdings Guaranty shall, in each case together with this Amendment, be read and construed as a single agreement. All references in each of the Security Agreement, the Trademark Security Agreement, the Patent Security Agreement, the Holding Guaranty or any related agreement or instrument shall hereafter refer to the Security Agreement, the Trademark Security Agreement, the Patent Security Agreement and the Holdings Guaranty, respectively, as amended hereby.

7.2. No Other Amendments. Except as expressly provided in this Amendment, all of the terms and conditions of the Security Agreement, the Trademark Security Agreement, the Patent Security Agreement and the Holdings Guaranty remain in full force and effect. Nothing contained in this Amendment shall in any way prejudice, impair or effect any rights or remedies of the Agent or any Purchaser under the Security Agreement, the Trademark Security Agreement, the Patent Security Agreement, the Holdings Guaranty, the Note Purchase Agreement or any other Note Document.

7.3. Section Headings.

The section and other subdivision headings appearing in this Amendment are for convenience of reference only and shall not define, limit, amplify or otherwise modify any provision hereof. Unless otherwise specified, any reference in this Amendment to a particular section or other subdivision shall be considered a reference to that section or other subdivision of this Amendment.

7.4. Governing Law.

THE VALIDITY OF THIS AMENDMENT AND THE OTHER NOTE DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER NOTE DOCUMENT IN RESPECT OF SUCH OTHER NOTE DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD FOR PRINCIPLES OF CONFLICTS OF LAWS.

7.5. Execution in Counterpart.

This Amendment may be executed in any number of counterparts, each of which when executed shall be deemed to be an original but all of which together shall constitute one and the same agreement; and it shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart. Any party hereto may execute and deliver a counterpart of this Amendment by delivering by facsimile or other electronic transmission a signature page of this Amendment signed by such party, and any such facsimile or other electronically transmitted signature shall be treated in all respects as having the same effect as an original signature.

[Intentionally Left Blank - Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above-written.

COSMETIC DESIGN GROUP, LLC

By: _____
Name: Steve Dickstein
Title: Chief Executive Officer

CDG HOLDINGS, LLC

By: _____
Name: Steve Dickstein
Title: Chief Executive Officer

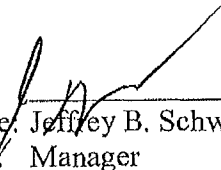
[Signature Page to Amendment No. 1 to Security Agreement]

AGENT:

**CORBEL STRUCTURED EQUITY
PARTNERS, L.P.**

By: Corbel Capital Advisors, LLC,
its General Partner

By: Corbel Management, LLC
its Manager

By: 
Name: Jeffrey B. Schwartz
Title: Manager

[Signature Page to Amendment No. 1 to Security Agreement]