

10-26-2001

Form PTO-1594
(Rev. 03/01)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof

1. Name of conveying party(ies):

Pro's Choice Beauty Care, Inc.

10/17/01

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State New Jersey
- Other _____

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other _____

Execution Date: 10/9/01

2. Name and address of receiving party(ies)

Name: Fleet Capital Corporation

Internal

Address: _____

Street Address: 200 Glastonbury Boulevard

City: Glastonbury State: CT Zip: 06033

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State Rhode Island
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)
76/064,860

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Christopher M Turk Esquire

Internal Address: _____

Blank Rome Comisky & McCauley LLP

Street Address: One Logan Square

City: Philadelphia State: PA Zip: 19103

6. Total number of applications and registrations involved: _____

1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Christopher M. Turk, Esquire
Name of Person Signing

Christopher M. Turk
Signature

October 17, 2001
Date

Total number of pages including cover sheet, attachments, and document:

16

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Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

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TRADEMARK
REEL: 2389 FRAME: 0858

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**
(Trademarks)

This Patents, Trademarks, Copyrights, and Licenses Security Agreement ("Agreement") is made as of the 9th day of October, 2001, by PRO'S CHOICE BEAUTY CARE, INC. ("Borrower"), a New Jersey corporation, with its chief executive office located at 2060 Ninth Avenue, Ronkonkoma, New York, 11779, and delivered to FLEET CAPITAL CORPORATION, in its capacity as Administrative Agent for Lenders ("Administrative Agent"), having a mailing address of 200 Glastonbury Boulevard, Glastonbury, Connecticut 06033.

Background

A. This Agreement is being executed in connection with that certain Loan and Security Agreement dated as of even date herewith among Borrower, Administrative Agent and such other financial institutions a party thereto as a Lender (as may hereafter be, supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"), under which Borrower is granting Administrative Agent, for the benefit of Lenders, a lien on and security interest in all of the assets of Borrower associated with or relating to products leased or sold or services provided under Borrower's patents, trademarks (and the goodwill associated therewith) and copyrights, and under which Administrative Agent is entitled to foreclose or otherwise deal with such assets, patents, patents, patent rights, patent applications, goodwill, trademarks, trademark applications, service marks, service mark applications, trade names, copyrights, and copyright applications under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Borrower has adopted, used and is using (or has filed applications and/or registrations of) the patents, patent rights, and patent applications (collectively, the "Patents"); trademarks, service marks, trade names, and service trade names (collectively, "Trademarks"); copyrights, and copyright applications and licenses (collectively, the "Copyrights"); and goodwill associated thereto ("Goodwill") listed on Schedule A attached hereto and made part hereof (all such Patents, Trademarks, Copyrights or Goodwill hereinafter referred to as the "Assets").

C. Pursuant to the Loan Agreement, Administrative Agent, for the benefit of Lenders, is acquiring a lien on, and security interest in, the Assets and the registration thereof, together with all the goodwill of Borrower associated therewith and represented thereby, as security for all Obligations, and desires to have its security interest in such Assets confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office and United States Copyright Office, respectively.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Agreement and all other instruments, agreements and documents entered into in connection therewith (collectively, the "Loan Documents"), and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, Borrower grants a lien and security interest to Administrative Agent, for the benefit of Lenders, in all of its present and future right, title and interest in and to the Assets, together with all the goodwill of Borrower associated with and represented by the Assets, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Borrower hereby covenants and agrees to maintain the Assets in full force and effect until all Obligations are indefeasibly paid and satisfied in full and the Loan Agreement is terminated.

3. Borrower represents, warrants and covenants that:

(a) The Assets are subsisting and have not been adjudged invalid or unenforceable;

(b) Each of the Assets is valid and enforceable;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Assets, and each of the Assets is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Borrower not to sue third persons;

(d) Borrower has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) Borrower has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §§1051-1127, 17 U.S.C. §101, et seq., 35 U.S.C. §101 et seq. and any other applicable statutes, rules and regulations in connection with its use of the Assets; and

(f) Each of the Assets listed on Schedule A constitute all of the Assets, and all applications for any of the foregoing, now owned by Borrower. If, before all Obligations shall have been indefeasibly paid and satisfied in full and the Loan Agreement shall have been terminated, Borrower shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, trade names, or copyrights or licenses, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and such patent or trademark application, trademark, trademark registration, copyright or copyright registration or application or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent shall be deemed part of the Assets. Borrower shall give Administrative Agent prompt written notice thereof along with an amended Schedule A.

4. Borrower further covenants that until all Obligations have been indefeasibly paid and satisfied in full and the Loan Agreement is terminated, it will not enter into any agreement, including without limitation, license agreements or options, which is inconsistent with Borrower's obligations under this Agreement, except for agency, co-marketing and co-branding agreements.

5. So long as an Event of Default or Default has not occurred under the Loan Agreement, Borrower shall continue to have the exclusive right to use the Assets and Administrative Agent shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

6. Borrower agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Assets without prior written consent of Administrative Agent.

7. If and while an Event of Default exists under the Loan Agreement, Borrower hereby covenants and agrees that Administrative Agent, for the benefit of Lenders, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of New York, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Assets covered hereby. Borrower hereby authorizes and empowers Administrative Agent, its successors and assigns, and any officer or agent of Administrative Agent as Administrative Agent may select, in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, assignments, documents, papers and instruments necessary for Administrative Agent, to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Administrative Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute a trademark assignment in the form attached hereto as Exhibit I. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Obligations are indefeasibly paid and satisfied in full and the Loan Agreement is terminated.

8. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the parties hereto.

9. All rights and remedies herein granted to Administrative Agent shall be in addition to any rights and remedies granted under the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control.

10. Upon Borrower's performance of all of the obligations under the Loan Documents and full and unconditional satisfaction of all Obligations, Administrative Agent shall execute and deliver to Borrower all documents reasonably necessary to terminate Administrative Agent's security interest in the Assets.

11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Administrative Agent in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Assets, or in defending or prosecuting any actions or proceedings arising out of or related to the Assets, or defending, protecting or enforcing Administrative Agent's and/or Lenders' rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Borrower on demand by Administrative Agent and until so paid shall be added to the principal amount of Obligations and shall bear interest at the otherwise applicable rate of interest prescribed in the Loan Agreement.

12. Subject to the terms of the Loan Agreement, Borrower shall have the duty to prosecute diligently any trademark application with respect to the Assets pending as of the date of this Agreement or thereafter, until all Obligations shall have been indefeasibly paid and satisfied in full and the Loan Agreement is terminated, to preserve and maintain all rights in the Assets, and upon request of Administrative Agent, Borrower shall make federal application on registrable but unregistered patents, trademarks, copyrights or licenses belonging to Borrower. Any expenses incurred in connection with such applications shall be borne by Borrower. Borrower shall not abandon any Patent, Trademark or Copyright without the prior written consent of Administrative Agent.

13. Borrower shall have the right to bring suit in its own name to enforce the Assets, in which event Administrative Agent may, if Borrower reasonably deems it necessary, be joined as a nominal party to such suit if Administrative Agent shall have been satisfied, in its sole discretion, that Administrative Agent is not thereby incurring any risk of liability because of such joinder. Borrower shall promptly, upon demand, reimburse and indemnify Administrative Agent for all damages, reasonable costs and expenses, including reasonable attorneys' fees, incurred by Administrative Agent in the fulfillment of the provisions of this paragraph.

14. During the existence of an Event of Default under the Loan Agreement, Administrative Agent may, without any obligation to do so, complete any obligation of Borrower hereunder, in Borrower's name or in Administrative Agent's name, but at Borrower's expense, and Borrower hereby agrees to reimburse Administrative Agent in full for all costs and expenses, including reasonable attorneys' fees, incurred by Administrative Agent in protecting, defending and maintaining the Assets.

15. No course of dealing between Borrower and Administrative Agent nor any failure to exercise, nor any delay in exercising, on the part of Administrative Agent, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Administrative Agent's rights and remedies with respect to the Assets, whether established hereby or by the Loan Documents, or by any other future agreements between Borrowers and Administrative Agent or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

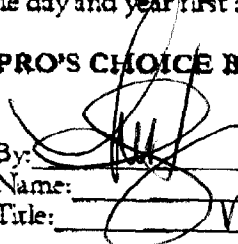
18. This Agreement shall be governed by and construed in conformity with the laws of the State of New York without regard to its otherwise applicable principles of conflicts of laws.

19. Borrower and Administrative Agent each waive any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties hereto or under the Loan Documents.

SIGNATURES ON FOLLOWING PAGE

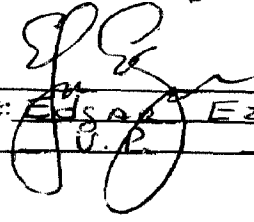
IN WITNESS WHEREOF, the parties hereto have executed this Patents, Trademarks, Licenses and Copyrights Security Agreement the day and year first above written.

PRO'S CHOICE BEAUTY CARE, INC.

By: 
Name: Michael Bachromer
Title: Vice-President

Approved and Accepted:

**FLEET CAPITAL CORPORATION,
as Administrative Agent**

By: 
Name: E. J. EZERIUS
Title: V.P.

SCHEDULE A

Trademark	Registration/ Application Number	Registration/ Application Date	Owner
Pro's Choice Beauty Care	76/064,860	June 7, 2000	Pro's Choice Beauty Care, Inc.

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA
STATE OF _____
COUNTY OF _____

SS

On this of 9 day of October, 2001, before me personally appeared MAY C. STROMEY to me known and being duly sworn, deposes and says that s/he is the V.P. of PRO'S CHOICE BEAUTY CARE, INC., the Borrower described in the foregoing Agreement; that s/he signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Joseph Gewolb
Notary Public

My Commission Expires:

JOSEPH GEWOLB
Notary Public, State of New York
No. 41-4849041
Qualified in Nassau County
Commission Expires 9/30/05

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF Connecticut : SS
COUNTY OF Hartford :

On this 9th day of October, 2001, before me personally appeared Edgar Ezerins to me known and being duly sworn, deposes and says that (s)he is a Vice President of Fleet Capital Corporation, the Administrative Agent described in the foregoing Agreement; that he signed the Agreement as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and he desires the same to be recorded as such.

Kim M. LaChave

Notary Public

My Commission Expires March 31, 2003

My Commission Expires:

EXHIBIT I

**PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS ASSIGNMENT
(Trademarks)**

WHEREAS, _____, a _____ corporation ("Grantor") is the registered owner of the United States trademarks, service marks, trade names, service mark applications and trademark applications listed on Schedule A attached hereto and made a part hereof ("Assets"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ ("Grantee"), having a place of business at _____, is desirous of acquiring said Assets;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, subject to the terms of the Patents, Trademarks, Licenses and Copyrights Security Agreement, of even date herewith, between Grantor and Grantee, all of its present and future right, title and interest in and to the Assets and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patents, Trademarks, Licenses and Copyrights Assignment to be executed as of the ____ day of _____ .

By:
Attorney-in-fact

Witness:

EXHIBIT I

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF _____ : SS
COUNTY OF _____ :

On this ____ day of _____ 200__, before me, a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of _____, and s/he acknowledged to me that s/he executed the foregoing Patents, Trademarks, Licenses, and Copyrights Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

POWER OF ATTORNEY

PRO'S CHOICE BEAUTY CARE, INC, a New Jersey corporation ("Grantor"), hereby authorizes FLEET CAPITAL CORPORATION, its successors and assigns, as agent for various financial institutions, and any officer or agent thereof (collectively, the "Grantee") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Patents, Trademarks, Licenses and Copyrights Security Agreement between Grantor and Grantee dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Agreement"), including, without limitation, the power to use the Assets (as defined in the Agreement) and listed on Schedule A attached hereto and made a part hereof, to grant or issue any exclusive or nonexclusive license under the Assets to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Assets, in each case subject to the terms of the Agreement.

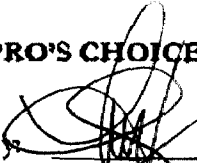
This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of a certain Loan and Security Agreement dated as of even date herewith among Grantor, Grantee, as Administrative Agent, and various other financial institutions as lenders, as each document may be hereinafter supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Agreement.

This Power of Attorney shall be irrevocable for the life of the Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, under seal, this 9 day of October, 2001.

PRO'S CHOICE BEAUTY CARE, INC.

By: 
Name: Mary Chromer
Title: Vice-President

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF _____ : SS
COUNTY OF _____ :

On this 9 of October, 2001, before me personally appeared MAY CHROMENO me known and being duly sworn, deposes and says that s/he is V.P. of PRO'S CHOICE BEAUTY CARE, INC., the Grantor described in the foregoing Power of Attorney; that s/he signed the Power of Attorney thereto as such officer pursuant to the authority vested in her/him by law; that the within Power of Attorney is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

JOSEPH GEWOLB
Notary Public, State of New York
No. 41-4849041
Qualified in Nassau County
Commission Expires 9/30/05

Joseph Gewolb
Notary Public

My Commission Expires: