

Form PTO-1594  
(Rev. 10/02)  
OMB No. 0651-0027 (exp. 6/30/2005)

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼

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

1. Name of conveying party(ies):

Caron International, Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other \_\_\_\_\_
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

Execution Date: 4/17/2005

2. Name and address of receiving party(ies)

Name: Wells Fargo Foothill, Inc., f/k/a Foothill Capital Corporation as Administrative Agent  
Internal  
Address: Suite 3000 West

Street Address: 2450 Colorado Avenue

City: Santa Monica State: CA Zip: 90404

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State California
- 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) 76381949

B. Trademark Registration No.(s) 1965202, 2056566  
2859675 2591093

Additional number(s) attached  Yes  No

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

Name: LaShana C. Jimmar, Paralegal

Internal Address: Paul, Hastings, Janofsky & Walker, LLP

Suite 2400

Street Address: 600 Peachtree Street

City: Atlanta State: GA Zip: 30308

6. Total number of applications and registrations involved: .....

5

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

- Enclosed
- Authorized to be charged to deposit account

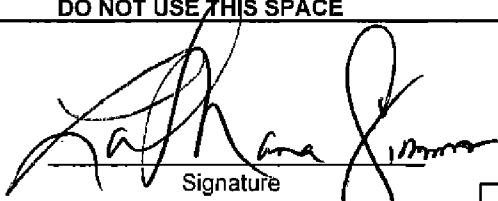
8. Deposit account number:

16-0752

**DO NOT USE THIS SPACE**

9. Signature.

LaShana C. Jimmar  
Name of Person Signing



Signature

9/16/2005 for resubmit

Date

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

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

CH \$140.00 160752 76381949

4/13/5

04-18-2005

Form PTQ-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

RECORDATION FORM COVER TRADEMARKS C



RCE Office

102983625

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

1. Name of conveying party(ies):

Caron International

- Individual(s) Association General Partnership Limited Partnership Corporation-State 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: 4/17/2005

2. Name and address of receiving party(ies)

Name: Wells Fargo Foothill, Inc., f/k/a Foothill Capital Internal Corporation, an Administrative Agent Address: Suite 3000 West

Street Address: 2450 Colorado Avenue

City: Santa Monica State: CA Zip: 90404

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State California 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) Please see Schedule 1 for list of Docketed Applications

B. Trademark Registration No.(s) Please see Schedule 1 for list of 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: LaShana C. Jimmar, Paralegal Internal Address: Paul, Hastings, Janofsky & Walker, LLP Suite 2400 Street Address: 600 Peachtree Street City: Atlanta State: GA Zip: 30308

6. Total number of applications and registrations involved:

18

7. Total fee (37 CFR 3.41): \$ 475.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

16-0752

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DO NOT USE THIS SPACE

9. Signature.

LaShana C. Jimmar Name of Person Signing

Signature

4/11/2005 Date

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

04/15/2005 ECOOPER 00000056 1965202

01 FC:8521 02 FC:8522

40.00 OP 425.00 OP

Refund Ref: 04/15/2005 ECOOPER 0000144013

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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

TRADEMARK REEL: 003199 FRAME: 0277

**SCHEDULE 1**

to Trademark Security Agreement

CARON INTERNATIONAL

TRADEMARK	SERIAL/REGISTRATION NUMBER AND CLASS	Filing/REGISTRATION DATE	EXPIRATION DATE
Magicord	1,965,202 Class 007	4/2/1996	4/1/2006 Docketed 2/1/2006
Incredible Sweater Machine	2,056,566 Class 008	4/29/1997	4/28/2007
Tassel Master	2,859,675 Class 008	7/6/2004	7/5/2014
Incredible Sweater Machine	2,591,093 Class 008	7/9/2002	7/8/2012
Wyr Knittr	76381949 Class 007	11/4/2003	11/03/2013
Bliss	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Charming	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Fabulous	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Glimmer	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Pizazz	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
JEWEL BOX	Class 23	Pending: Mailed to PTO 7/20/2004; Docketed 7/10/2005	

TRADEMARK

REEL: 003199 FRAME: 0278

FEATHERS (Intent to Use)	Class 23	Pending: Mailed to PTO 7/30/2004; Docketed 4/30/2005	
Caron Classics		Pending: Mailed to PTO 8/23/2004; Docketed 2/20/2005	
FASHION KNITTER	Class 008	Pending: Mailed to PTO 10/26/2004; Docketed 4/26/2005	
Embellish-Knit		Pending: Mailed to PTO 11/26/2003; Published 11/2/2004; Docketed 2/2/2005	
Pocket Knitter (Intent to Use)		Pending: Mailed to PTO 11/29/2004; Docketed 5/29/2005	
Table-To-Go (Intent to Use)		Pending: Mailed to PTO 12/30/2003; Published 10/26/2004; Docketed 2/20/2005	
Cool Corder		Pending: Notice of Allowance Issued 12/21/2004; Statement of Use Due NLT 6/20/2005; Docketed 4/20/2005	

TRADEMARK

REEL: 003199 FRAME: 0279

## TRADEMARK SECURITY AGREEMENT

**THIS TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of March 17, 2005, executed by CARON INTERNATIONAL, INC., a Delaware corporation ("Grantor"), in favor of WELLS FARGO FOOTHILL, INC., f/k/a FOOTHILL CAPITAL CORPORATION, a California corporation, as administrative agent ("Agent"), on its behalf and on behalf of the Lenders signatory thereto (the "Lenders") from time to time party to that certain Loan and Security Agreement, dated as of December 8, 2000, among National Spinning Co., Inc., a New York corporation ("Parent"), Grantor, and certain other Subsidiaries of Parent that are signatory thereto (such Subsidiaries, together with Parent and Grantor, are hereinafter collectively referred to as "Borrowers" and each as a "Borrower"), the Lenders, and the Agent, as amended and modified by that certain First Amendment to Loan and Security Agreement dated as of February 8, 2001, as further amended and modified by that certain Second Amendment to Loan and Security Agreement dated as of August 14, 2001, as further amended and modified by that certain Third Amendment to Loan and Security Agreement dated as of October 18, 2001, as further amended and modified by that certain Fourth Amendment to Loan and Security Agreement dated as of April 15, 2002, as further amended and modified by that certain Fifth Amendment to Loan and Security Agreement dated as of July 13, 2003, and as further amended by that certain Sixth Amendment to Loan and Security Agreement dated as of February 9, 2005 (as amended, restated, supplemented, or otherwise modified from time to time, the "Loan Agreement"). Capitalized terms used in this Agreement shall have the meanings set forth in the Loan Agreement unless specifically defined herein.

### WITNESSETH:

WHEREAS, pursuant to the Loan Agreement, the Lenders and the Agent, have established a revolving credit facility, extended term loans and made other financial accommodations to the Borrowers;

WHEREAS, pursuant to the Loan Agreement, Grantor has granted to Agent, for its benefit and for the benefit of the Lenders, a continuing security interest in all of its right, title, and interest in all currently existing and hereafter acquired or arising Personal Property Collateral, including, without limitation, (a) all of Grantor's Trademarks (as herein defined), whether presently existing or hereafter acquired or arising, or in which Grantor now has or hereafter acquires rights and wherever located; (b) all of Grantor's Trademark Licenses (as herein defined), whether presently existing or hereafter acquired or in which Grantor now has or hereafter acquire rights and wherever located; and (c) all products and proceeds any of the foregoing, as security for all of the Obligations; and

WHEREAS, it is a condition precedent to the obligation of the Lender Group (or any member thereof) to make any future Advances or other financial accommodations that Grantor grant to Agent, for its benefit and the benefit of Lenders, a security interest in and a collateral assignment of the Property (as herein defined);

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

1. For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

“Trademark License” means any written agreement now or hereafter in existence granting to Grantor any right to use any Trademark, including, without limitation, the agreements listed on Schedule I attached hereto.

“Trademarks” means all of the following: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof (except in any jurisdiction in which the grant of a security interest in trademarks is prohibited and except for any intent to use applications unless or until a statement of use or amendment to assert use has been filed with the United States Patent and Trademark Office), including, without limitation, those U.S. registrations and applications for registration listed on Schedule I attached hereto, together with all the rights, benefits and privileges derived therefrom and the goodwill of the business symbolized thereby, (ii) all renewals thereof and (iii) all proceeds of the foregoing.

2. As security for all of the Obligations, Grantor hereby grants and conveys a security interest to the Agent, for its benefit and the benefit of the Lenders, in, and collaterally assigns, pledges, mortgages and hypothecates to the Agent, for its benefit and the benefit of the Lenders, all of its right, title and interest in, to and under the following (collectively, the “Property”):

(a) each Trademark now or hereafter owned by Grantor or in which Grantor now has or hereafter acquires rights (other than Trademark Licenses) and wherever located (except any jurisdiction in which the grant of a security interest in trademarks is prohibited) and the goodwill of the business of Grantor relating thereto or represented thereby, including, without limitation, each U.S. registration and application for registration of a Trademark referred to in Schedule I hereto; and

(b) each Trademark License now or hereafter held by Grantor or in which Grantor now has or hereafter acquires rights, to the extent each of the Trademark Licenses does not prohibit assignment or the granting of a security interest in the rights thereunder, and wherever located, including, without limitation, the Trademark Licenses, if any, referred to in Schedule I hereto; and

(c) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future

infringement of any Trademark or breach of Trademark Licenses, if any, including, without limitation, any Trademark or Trademark License referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, the assignment set forth above shall not be effective as a transfer of title to the Property unless and until the Agent exercises the rights and remedies accorded to it under the Loan Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, and until such time Grantor shall own, and may use and enjoy the Property in connection with its business operations, and exercise all incidents of ownership, including, without limitation, enforcement of its rights and remedies with respect to the Property, but with respect to all Property being used in Grantor's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property, provided, however, that the foregoing shall not impose an obligation on Grantor to continue to use any of the Property in Grantor's business to the extent that such Property is not necessary in the normal conduct of its business.

3. Grantor does hereby further acknowledge and affirm that the representations, warranties and covenants of Grantor with respect to the Property and the rights and remedies of the Agent with respect to the security interest in and collateral assignment of the Property made and granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. This Agreement shall terminate upon termination of the Loan Agreement in accordance with Section 3 thereof. At any time and from time to time prior to such termination, the Agent may terminate its security interest in or reconvey to Grantor any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from Grantor, the Agent shall, at the expense of Grantor, execute and deliver to Grantor all deeds, assignments and other instruments as Grantor may reasonably request (but without recourse or warranty by the Agent) in order to evidence such termination.

5. If at any time before the termination of this Agreement in accordance with Section 4, Grantor shall obtain or acquire rights to any new Trademark or Trademark License, the provisions of Section 2 shall automatically apply thereto and Grantor shall comply with the terms of the Loan Agreement with respect to such new Trademark or Trademark License. Grantor authorizes the Agent to modify this Agreement by amending Schedule I to include any future Trademarks and Trademark Licenses covered by Section 2 or by this Section 5.

6. Grantor further agrees that (a) neither the Agent nor any Lender shall have any obligation or responsibility to protect or defend the Property and Grantor shall at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Loan Agreement, (b) Grantor shall forthwith advise the Agent promptly in writing upon detection of infringements of any of the Property being used in Grantor's business and (c) if Grantor fails to comply with the requirements of the preceding clause (a), the Agent or any Lender may do so in Grantor's name or in its own name, but in any case at Grantor's expense, and Grantor hereby agrees to reimburse the Agent and the Lenders for all expenses, including

attorneys' fees, incurred by the Agent and the Lenders in protecting, defending and maintaining the Property.

7. THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO 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 LAWS OF THE STATE OF GEORGIA, EXCEPT TO THE EXTENT THAT PERFECTION (AND THE EFFECT OF PERFECTION AND NONPERFECTION) AND CERTAIN REMEDIES MAY BE GOVERNED BY THE LAWS OF ANY JURISDICTION OTHER THAN GEORGIA.

[Signatures on following page]



IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed under seal by its duly authorized officers as of the date first above written.

CARON INTERNATIONAL, INC.

By: William Ward  
Title: William Ward, Vice President

[Signature]  
Witness

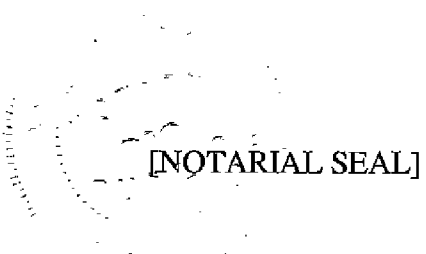
Jane Hardison  
Witness

STATE OF North Carolina )  
COUNTY OF Beaufort ) ss.:

On the 8 day of ~~March~~ <sup>April</sup>, 2005 before me personally came William Ward, to me personally known and known to me to be the person described in and who executed the foregoing instrument as the Vice President of Caron International, Inc., who being by my duly sworn, did depose and say that he is the Vice President of Caron International, Inc., the corporation described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Nancy J. Moal  
Notary Public

My Commission Expires  
10/30/2005



[NOTARIAL SEAL]

**SCHEDULE 1**

to Trademark Security Agreement

CARON INTERNATIONAL

TRADEMARK	SERIAL/REGISTRATION NUMBER AND CLASS	Filing/REGISTRATION DATE	EXPIRATION DATE
Magicord	1,965,202 Class 007	4/2/1996	4/1/2006 Docketed 2/1/2006
Incredible Sweater Machine	2,056,566 Class 008	4/29/1997	4/28/2007
Tassel Master	2,859,675 Class 008	7/6/2004	7/5/2014
Incredible Sweater Machine	2,591,093 Class 008	7/9/2002	7/8/2012
Wyr Knittr	76381949 Class 007	11/4/2003	11/03/2013
Bliss	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Charming	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Fabulous	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Glimmer	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
Pizazz	Class 023	Pending: Mailed to PTO 10/19/2004; Docketed 4/20/2005	
JEWEL BOX	Class 23	Pending: Mailed to PTO 7/20/2004; Docketed 7/10/2005	

TRADEMARK

REEL: 003199 FRAME: 0285

FEATHERS (Intent to Use)	Class 23	Pending: Mailed to PTO 7/30/2004; Docketed 4/30/2005	
Caron Classics		Pending: Mailed to PTO 8/23/2004; Docketed 2/20/2005	
FASHION KNITTER	Class 008	Pending: Mailed to PTO 10/26/2004; Docketed 4/26/2005	
Embellish-Knit		Pending: Mailed to PTO 11/26/2003; Published 11/2/2004; Docketed 2/2/2005	
Pocket Knitter (Intent to Use)		Pending: Mailed to PTO 11/29/2004; Docketed 5/29/2005	
Table-To-Go (Intent to Use)		Pending: Mailed to PTO 12/30/2003; Published 10/26/2004; Docketed 2/20/2005	
Cool Corder		Pending: Notice of Allowance Issued 12/21/2004; Statement of Use Due NLT 6/20/2005; Docketed 4/20/2005	

TRADEMARK

REEL: 003199 FRAME: 0286

**Paul Hastings**  
ATTORNEYS

Paul, Hastings, Janofsky & Walker LLP  
600 Peachtree Street, N.E. • Twenty-Fourth Floor • Atlanta, GA 30308  
telephone 404 815 2400 • facsimile 404 815 2424 • www.paulhastings.com

April 13, 2005

(404)815-2137  
[lashanajimmar@paulhastings.com](mailto:lashanajimmar@paulhastings.com)

26030.00100

**VIA EXPRESS MAIL**

Director of the U.S. Patent and Trademark Office  
Mail Stop\_\_\_\_\_, Assignment Services  
P.O. Box 1450  
Alexandria, VA 22313

Re: Recordation of Trademark Security Agreement

Dear Sir/Madam:

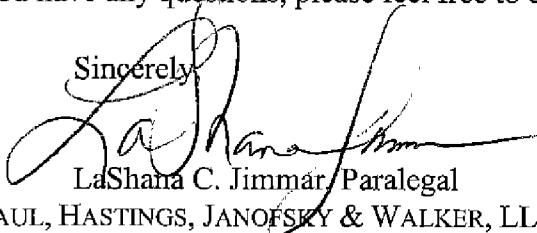
In connection with that certain Sixth Amendment to Loan and Security Agreement dated February 9, 2005, we have enclosed for recordation the Trademark Security Agreement dated March 17, 2005:

Trademark Security Interest by Caron International as Grantor to Wells Fargo Foothill, Inc., as Administrative Agent

- a. Trademark Recordation Form Cover Sheet;
- b. Trademark Security Agreement;
- c. A check in the amount of \$475.00 for the applicable filing fee.

Please record the enclosed document to reflect such grants of interest. Should you have any questions, please feel free to contact me.

Sincerely,



LaShana C. Jimmar, Paralegal  
for PAUL, HASTINGS, JANOFSKY & WALKER, LLP

Enclosures

cc: J. Craig, Lee, Esq.

ATL/1102791.1

**TRADEMARK**  
**REEL: 003199 FRAME: 0287**

**UNITED STATES PATENT AND TRADEMARK OFFICE**

UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

SEPTEMBER 06, 2005

PTAS



\*102983625A\*

LASHANA C. JIMMAR, PARALEGAL  
PAUL, HASTINGS, JANOFSKY  
& WALKER, LLP  
600 PEACHTREE STREET, SUITE 2400  
ATLANTA, GA 30308

UNITED STATES PATENT AND TRADEMARK OFFICE  
NOTICE OF NON-RECORDATION OF DOCUMENT

DOCUMENT ID NO.: 102983625

THE ENCLOSED DOCUMENT HAS BEEN EXAMINED AND FOUND NON-RECORDABLE BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. THE REASON(S) FOR NON-RECORDATION ARE STATED BELOW. DOCUMENTS BEING RESUBMITTED FOR RECORDATION MUST BE ACCOMPANIED BY A NEW COVER SHEET REFLECTING THE CORRECT INFORMATION TO BE RECORDED AND THE DOCUMENT ID NUMBER REFERENCED ABOVE.

THE ORIGINAL DATE OF FILING OF THIS ASSIGNMENT DOCUMENT WILL BE MAINTAINED IF RESUBMITTED WITH THE APPROPRIATE CORRECTION(S) WITHIN 30 DAYS FROM THE DATE OF THIS NOTICE AS OUTLINED UNDER 37 CFR 3.51. THE RESUBMITTED DOCUMENT MUST INCLUDE A STAMP WITH THE OFFICIAL DATE OF RECEIPT UNDER 37 CFR 3. APPLICANTS MAY USE THE CERTIFIED PROCEDURES UNDER 37 CFR 1.8 OR 1.10 FOR RESUBMISSION OF THE RETURNED PAPERS, IF THEY DESIRE TO HAVE THE BENEFIT OF THE DATE OF DEPOSIT IN THE UNITED STATES POSTAL SERVICE.

SEND DOCUMENTS TO: U.S. PATENT AND TRADEMARK OFFICE,  
MAIL STOP: ASSIGNMENT SERVICES DIVISION, P.O. BOX 1450, ALEXANDRIA, VA 22313.  
IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE,  
YOU MAY CONTACT THE INDIVIDUAL WHOSE NAME APPEARS ON THIS NOTICE AT  
571-272-3350.

1. SPECIFY THE 18 NUMBERS TO BE RECORDED. RETURN ALL DOCUMENTS BACK FOR RECORDING 571-273-0140

MARY BENTON, EXAMINER  
ASSIGNMENT DIVISION  
OFFICE OF PUBLIC RECORDS

**TRADEMARK**