

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
SPI 2006-1 ACQUISITION, LLC		09/26/2006	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	HOWE, INC.		
Street Address:	15272 Jason Circle		
City:	Huntington Beach		
State/Country:	CALIFORNIA		
Postal Code:	92649		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2670569	HOWE	
Registration Number:	2849897		
Registration Number:	3061845	HOWE	
Registration Number:	3089221		
CORRESPONDENCE DATA			
Fax Number:	(818)981-4764		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	818-990-2120		
Email:	tgrinblat@lewithhackman.com		
Correspondent Name:	Tal Grinblat		
Address Line 1:	16633 Ventura Blvd., Suite 1100		
Address Line 4:	Encino, CALIFORNIA 91436		
ATTORNEY DOCKET NUMBER:	9657-8		
NAME OF SUBMITTER:	Tal Grinblat		

CH \$115.00 2670569

Signature:	/Tal Grinblat/
Date:	10/30/2006
Total Attachments: 10 source=Executed Trademark Security Agreement#page1.tif source=Executed Trademark Security Agreement#page2.tif source=Executed Trademark Security Agreement#page3.tif source=Executed Trademark Security Agreement#page4.tif source=Executed Trademark Security Agreement#page5.tif source=Executed Trademark Security Agreement#page6.tif source=Executed Trademark Security Agreement#page7.tif source=Executed Trademark Security Agreement#page8.tif source=Executed Trademark Security Agreement#page9.tif source=Executed Trademark Security Agreement#page10.tif	

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is entered into as of September ~~26~~ 2006, by and between SPI 2006-1 Acquisition LLC, a Delaware limited liability company ("Company"), and Howe, Inc., a Delaware corporation ("Secured Party"). Capitalized terms used in this Agreement without definition shall have the meanings given such terms in the Secured Promissory Note dated as of the same date hereof in the original principal amount of Eight Hundred Eighty Nine Thousand Seven Hundred Twenty Seven Dollars (\$889,727) (the "Note").

RECITALS:

WHEREAS, Company and Secured Party are parties to that certain Asset Purchase Agreement, dated as of September ~~26~~, 2006 by and among Company, Seattle Pacific Industries, Inc., a Washington corporation, Secured Party, Jade Howe and Blitz Distribution, Inc., a California corporation ("Blitz") (the "Asset Purchase Agreement") pursuant to which Company has agreed to purchase the Assets (as defined in the Purchase Agreement) from Secured Party and Blitz;

WHEREAS, in connection with such transaction, Company has executed the Note in favor of Secured Party as partial payment of the Purchase Price (as defined in the Asset Purchase Agreement); and

WHEREAS, Company has agreed to execute and deliver this Agreement as a material inducement to Secured Party to accept the Note as partial payment of the Purchase Price.

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

I. Security Interest.

(a) To secure the full, prompt and complete payment, performance, observance and compliance of all obligations owed to Secured Party by Company under the Note, the Security Agreement or any other agreement or document now or hereafter securing the Note (the "Obligations"), Company hereby grants a security interest (the "Security Interest") in the following property, in each case whether now or hereafter existing or arising or in which Company now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) All state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark), all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, whether registered or unregistered and wherever registered,

all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(ii) The entire goodwill of or associated with any of the aforementioned property and assets and not otherwise described above;

(iii) All general intangibles and all intangible intellectual or other similar property of Company of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(iv) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

(b) Company hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in the Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that describe the Security Interest in the Collateral, or provide any information required by part 5 of Article 9 of the Delaware Uniform Commercial Code or such other jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment. Company agrees to furnish any such information to Secured Party promptly upon Secured Party's request. Company agrees that, until all Obligations are satisfied in full, (i) it shall not, without Secured Party's prior written consent, abandon any or enter into any agreement inconsistent with the Company's obligations under this Agreement or the Security Agreement; and (ii) it shall not take any action or permit any action to be taken, or fail to take any action that would affect the validity, priority, perfection or enforcement of the Security Interests or other rights granted to Secured Party under this Agreement or the Security Agreement.

(c) Notwithstanding anything to the contrary herein, the Company shall have no obligation to maintain any application, registration or filing in any country throughout the world for any trademark, service mark or trade name that is no longer in use or for which there is no longer a reasonable business purpose to maintain.

(d) Company agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 4 of this Agreement.

2. Supplement to Security Agreement. This Agreement has been entered into in conjunction with the security interest granted to Secured Party under the Security Agreement between Company and Secured Party of even date herewith (the "Security Agreement") or other security documents referred to therein. The rights and remedies of Secured Party with respect to the Security Interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

3. Representations and Warranties. In connection with the grant of such Security Interest, Company hereby represents and warrants to Secured Party that a true and correct list of

all of the existing Collateral consisting of trademarks, trademark registrations or applications owned by Company in whole or in part is set forth in Schedule A.

4. Further Acts. On a continuing basis, Company shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be requested by Secured Party to carry out the intent and purpose of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Company's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the United States Patent and Trademark Office (the "USPTO") or any applicable state office or the equivalent authority in each jurisdiction in which any Collateral is registered, including, but not limited to, Canada, Japan and the European Union (collectively, with the USPTO and applicable state offices, the "PTO"). Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the USPTO, at the expense of Secured Party or with any other PTO office at the expense of Secured Party. In addition, Company authorizes Secured Party to file financing statements describing the Collateral in any Uniform Commercial Code filing office deemed appropriate by Secured Party. If Company shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, said claim and the proceeds thereof shall constitute Collateral under this Agreement.

5. Authorization to Supplement. If Company shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Without limiting Company's obligations under this Section 5, Company authorizes Secured Party to modify this Agreement by amending Schedule A to include any such new trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule A.

6. Termination. Upon payment and performance in full of the Obligations, the Security Interests created by this Agreement shall terminate and Secured Party shall promptly execute and deliver to Company such documents and instruments reasonably requested by Company as shall be necessary to evidence termination of all such security interests given by Company to Secured Party hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO and any applicable state office or department.

7. Subordination. Notwithstanding anything to the contrary herein or in the Security Agreement, Secured Party agrees to subordinate its Security Interest in any and/or all of the Collateral to any factoring agent that provides financing to the Company. Furthermore, Secured Party agrees to promptly execute and/or acknowledge and/or amend such additional documents as the Company may reasonably request to evidence such subordination.

8. Miscellaneous.

(a) Headings. The headings and captions contained herein are for convenience only and shall not affect the meaning or construction of any provision herein.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, as though made and to be fully performed in

that State, provided that to the extent Collateral is located in another jurisdiction and the Uniform Commercial Code so provides, the laws of said other jurisdiction shall govern the perfection and enforcement of the Security Interest of Secured Party in such Collateral.

(c) Notices. All notices or other communications that are required or permitted hereunder shall be in writing and shall be deemed to have been duly given (i) on the date of delivery, if delivered personally or if sent by registered or certified mail, postage prepaid, return receipt requested, or (ii) on the first business day following deposit of the notice or other communication with a nationally recognized overnight courier service, as follows:

If to Secured Party:

Howe, Inc.
c/o Blitz Distribution, Inc.
15272 Jason Circle
Huntington Beach, California 92649
Attention: Per Welinder

If to Company:

SPI 2006-1 Acquisition LLC
1633 Westlake Avenue, North, #300
Seattle, Washington 98109
Attention: Stephen Ritchey

Such addresses may be changed by either party by notice to the other parties pursuant to the notice methods above.

(d) Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

(e) Entire Agreement. This Agreement, the Security Agreement and the Note, together with the Schedules hereto and thereto, constitute the entire agreement of the parties concerning the matters herein, and supersede all prior and contemporaneous agreements and understandings.

(f) Amendment. This Agreement may not be amended or modified except by an instrument in writing executed by Company and Secured Party. Notwithstanding the foregoing, Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement the Schedules hereto as permitted herein. To the extent that any provision of this Agreement conflicts with any provision of the Security Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Security Agreement.

(g) Severability. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but

this Agreement shall be construed as if the invalid, illegal or unenforceable provision was no longer a part of this Agreement.

(h) Waiver. No failure to exercise and no delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

(i) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

[Signature page follows]

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized representatives effective as of the date first above written.

"Company"

SPI 2006-1 ACQUISITION LLC, a Delaware limited liability company

By: Seattle Pacific Industries, Inc., a
Washington corporation
Its: Manager

By: Stephen Ritchey
Name: Stephen Ritchey
Title: President

"Secured Party"

HOWE, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized representatives effective as of the date first above written.

"Company"


SPI 2006-1 ACQUISITION LLC, a Delaware limited liability company

By: Seattle Pacific Industries, Inc., a
Washington corporation
Its: Manager

By: _____
Name: Stephen Ritchey
Title: President

"Secured Party"

HOWE, INC., a Delaware corporation

By: 
Name: PER WELINDER
Title: CEO

Schedule A

List of Trademarks

See attached.

BLITZ DISTRIBUTION, INC.
TRADEMARK REGISTRATIONS/APPLICATIONS STATUS REPORT FOR HOWE
 As of August 29, 2006

UNITED STATES

Mark	App/Reg Number	App/Reg Date	Class	Status	Goods/Services	Affidavits §§8&15	Renewal Period
Howe	Reg. No. 2,670,569	Reg. Date 12/31/02	25	Registered on Supplemental Register	T-shirts, woven shirts, pants, shorts, headwear, footwear and belts	01/01/08 - 12/30/08	01/01/12 - 12/30/12
Howe Signature Logo	Reg. No. 3,061,845	Reg. Date 02/28/06	25	Registered on Principal Register	Clothing, namely T-shirts, woven shirts, pants, shorts, jeans, headwear, footwear and belts.	03/01/11 - 02/27/12	03/01/15 - 02/27/16
Design of zig zag stitch	Reg. No. 2,849,897	Reg. Date 06/01/04	25	Registered on Supplemental Register	clothing, namely pants, jeans, jackets and shorts.	06/02/09 - 05/31/10	06/02/13 - 05/31/14
Bent design	Reg. No. 3,089,221	Reg. Date 5/9/06	25	Registered	Clothing, namely, shirts, pants, jeans and belts.	05/10/11 - 05/08/12	05/10/15 - 05/08/16
Jade	App. No. 76/477,635	App. Date 12/20/02	25	Notice of allowance issued on 6/29/04. Deadline to file SOU or final 6 month extension: 12/29/06.	Clothing, namely T-shirts, woven shirts, pants, shorts, headwear, footwear and belts	n/a	n/a

CANADA

Canadian Counsel: Smart & Biggar (Telephone: 604-682-7780)

Mark	App/Reg Number	App/Reg Date	Status	Goods/Services	To Be Used Before	Renewal Period
Howe	App. No. 1207085	App. Date: 02/20/04	Pending	Clothing, namely T-shirts, woven shirts, pants, shorts, headwear, footwear and belts.		

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EUROPE

European Counsel: Eisenführ, Speiser & Partner (Telephone: 49 421-36035)

EUROPEAN UNION

Mark	App/Reg Number	App/Reg Date	Class	Status	Goods/Services	To Be Used Before	Renewal Period
Howe	Reg. No. 2 842 524	Reg. Date 02/04/04	09, 18, & 25	Registered	Class 09: Glasses, spectacles, sun glasses and reading glasses. Class 18: Wallets, backpacks and handbags. Class 25: Clothing, footwear, headgear, in particular T-shirts, woven shirts, pants, shorts, headwear and belts.	02/04/09	03/10/12- 09/10/12

Japanese Counsel: Akashi & Co. (Telephone 81-3-35551-4171)

JAPAN

Mark	App/Reg Number	App/Reg Date	Class	Status	Goods/Services	To Be Used Before	Renewal Period
Howe	Reg. No. 4794987	Reg. Date 08/13/04	25	Registered	Clothing; belts; footwear	08/13/07	02/14/14- 08/13/14

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