

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM327138

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Lois Hill Designs LLC		12/23/2014	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	Merchant Business Credit, Inc.		
Street Address:	1441 Broadway		
Internal Address:	18th Floor		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10018		
Entity Type:	CORPORATION: NEW YORK		
PROPERTY NUMBERS Total: 16			
Property Type	Number	Word Mark	
Registration Number:	2331641	LOIS HILL	
Registration Number:	2354787	LOIS HILL	
Registration Number:	2322384	LOIS HILL	
Registration Number:	2317924	LOIS HILL	
Registration Number:	3099631		
Registration Number:	3006907		
Registration Number:	3058574	ASHLEY ANDREWS	
Registration Number:	3123625	LH DESIGNS	
Registration Number:	3839037	JIVASUKHA	
Registration Number:	3882827		
Registration Number:	3885779	HANDS & HEART BY LOIS HILL	
Registration Number:	3879964		
Registration Number:	3996397	JIVASUKHA	
Serial Number:	86467796	LOIS BY LOIS HILL DIAMONDS	
Serial Number:	86467542	LOIS HILL BRIDAL	
Serial Number:	86467825	LOIS HILL MEN	
CORRESPONDENCE DATA			
TRADEMARK			

OP \$415.00 2331641

Fax Number: 2127645060

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: 2125757900

Email: skim@ballonstoll.com

Correspondent Name: Harvey Guberman

Address Line 1: 729 Seventh Avenue

Address Line 2: 17th Floor

Address Line 4: New York, NEW YORK 10019

ATTORNEY DOCKET NUMBER:	16585-130
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NAME OF SUBMITTER:	Harvey Guberman
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SIGNATURE:	/hguberman/
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DATE SIGNED:	12/23/2014
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Total Attachments: 8

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TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (this "Agreement"), dated as of December 23, 2014, is made by and between LOIS HILL DESIGNS LLC, a Delaware limited liability company ("Obligor"), and MERCHANT BUSINESS CREDIT, INC. (the "Lender").

Recitals

Lender and Lois Hill Accessories LLC, ("Client") an affiliate of Obligor, have entered into a Factoring Agreement of even date herewith (the "Factoring Agreement"). As a condition to Lender making discretionary loans and advances to Client under the Factoring Agreement, Lender has requested, and Obligor has agreed, to execute and deliver to Lender a Guaranty of the obligations due from Client to Lender from time to time under the Factoring Agreement (the "Guaranty") and to secure that Guaranty with a security interest in Obligor's trademarks as more particularly described herein.

ACCORDINGLY, in consideration of the mutual covenants contained in the Factoring Agreement and the documents and instruments executed in connection therewith (the "Loan Documents") and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with the Guaranty or otherwise, which Obligor may now or at any time hereafter owe to Lender, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of Obligor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on **Exhibit A**.

2. Security Interest. Obligor hereby irrevocably pledges and assigns to, and grants Lender a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Trademarks to secure payment of the Obligations. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and

grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. Representations, Warranties and Agreements. Obligor represents, warrants and agrees as follows:

(a) **Trademarks.** Exhibit A accurately lists all Trademarks owned or controlled by Obligor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit A need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to Obligor's or any Affiliate's business(es). If after the date hereof, Obligor owns or controls any Trademarks not listed on Exhibit A (other than common law marks which are not material to Obligor's or any Affiliate's business(es)), or if Exhibit A ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then Obligor shall promptly provide written notice to Lender with a replacement Exhibit A, which upon acceptance by Lender shall become part of this Agreement.

(c) **Affiliates.** As of the date hereof, no Affiliate of Obligor owns, controls, or has a right to have assigned to it any items that would, if such item were owned by Obligor, constitute Trademarks. If after the date hereof any Affiliate of Obligor owns, controls, or has a right to have assigned to it any such items, then Obligor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to an Obligor; or (ii) notify Lender of such item(s) and cause such Affiliate to execute and deliver to Lender a trademark security agreement substantially in the form of this Agreement.

(e) **Title.** Obligor has absolute title to each Trademark listed on Exhibit A, free and clear of all Liens. The Obligor (i) will have, at the time Obligor acquires any rights in Trademarks hereafter arising, absolute title to each such Trademark free and clear of all Liens and (ii) will keep all Trademarks free and clear of all Liens.

(f) **No Sale.** Obligor will not assign, transfer, encumber or otherwise dispose of the Trademarks, or any interest therein, without Lender's prior written consent.

(g) **Defense.** Obligor will, at its own expense and using commercially reasonable efforts, protect and defend the Trademarks against all claims or demands of all Persons.

(h) **Maintenance.** Obligor will its own expense maintain the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to, trademark registrations and applications therefor. Obligor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing Lender: (i) sufficient written notice, of at least 30 days, to allow Lender to timely pay any such maintenance fees or annuities

which may become due on any Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Lender's Right to Take Action.** If Obligor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Lender gives Obligor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if Obligor notifies Lender that they intend to abandon a Trademark, Lender may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of Obligor (or, at Lender's option, in Lender's own name) and may (but need not) take any and all other actions which Lender may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Obligor and/or Client shall pay Lender on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with or as a result of Lender's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Lender at the default rate of interest provided for in the Factoring Agreement.

(k) **Power of Attorney.** To facilitate Lender's taking action under subsection (i) and exercising its rights under Section 6, Obligor hereby irrevocably appoints (which appointment is coupled with an interest) Lender, or its delegate, as the attorney-in-fact of Obligor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Obligor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Obligor under this Section 3, or, necessary for Lender, after a Default, to enforce or use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Trademarks to any third party. Obligor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Factoring Agreement as provided therein and the payment and performance of all Obligations.

4. **Obligors' Use of the Trademarks.** Obligor shall be permitted to control and manage the Trademarks, including the right to exclude others from making, using or selling items covered by the Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Default exists.

5. Defaults. Each of the following occurrences shall constitute an event of default under this Agreement (herein called a "Default"): (a) a Default, as defined in the Factoring Agreement or Guaranty, shall occur; or (b) Obligor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. While a Default exists, Lender may, at its option, take any or all of the following actions:

(a) Lender may exercise any or all remedies available under the Factoring Agreement.

(b) Lender may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Lender may sell any and all of Client's property which is subject to Lender's security interest under the Factoring Agreement, with full right to use the Trademarks without royalty or premium and to sell such property to all customers to whom Client has sold such property in the preceding two years.

(d) Lender may enforce the Trademarks and any licenses thereunder, and if Lender shall commence any suit for such enforcement, Obligor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Lender. A waiver signed by Lender shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Lender's rights or remedies. All rights and remedies of Lender shall be cumulative and may be exercised singularly or concurrently, at Lender's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Obligor under this Agreement shall be given in the manner and with the effect provided in the Agreement. Lender shall not be obligated to preserve any rights Obligor may have against prior parties, to realize on Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Obligor and Lender and their respective participants, successors and assigns and shall take effect when signed by Obligor and delivered to Lender, and Obligor waives notice of Lender's acceptance hereof. Lender may execute this Agreement if appropriate for the purpose of filing, but the failure of Lender to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement authorized by Obligor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of New York without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such

illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

EXHIBIT A

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS

AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

Mark

Registration Number

Registration Date

APPLICATIONS

COLLECTIVE MEMBERSHIP MARKS

UNREGISTERED MARKS

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date first written above.

LOIS HILL DESIGNS LLC

By: LOIS HILL ACCESSORIES
HOLDINGS LLC

By: [Signature]
Name: _____
Title: _____

By: [Signature]
Name: _____
Title: _____

By: [Signature]
Name: _____
Title: _____

MERCHANT BUSINESS CREDIT, INC.

By: _____
Name: _____
Title: _____

Mark	Registration No.
Lois Hill	2,331,641
Lois Hill	2,354,787
Lois Hill	2,322,384
Lois Hill	2,317,924
The Hand Granulation Design	3,099,631
The Hand Cut-Out Design	3,006,907
ASHLEY ANDREWS	3,058,574
LH Designs	3,123,625
JIVASUKHA	3,839,037
ROUND SIGNATURE SCROLL	3,882,827
HANDS & HEART BY LOIS HILL	3,885,779
OVAL SIGNATURE SCROLL	3,879,964
JIVASUKHA IN Sanskrit	3,996,397

Mark	Serial No.
LOIS BY LOIS HILL DIAMONDS plus Design	86/467,796
LOIS HILL BRIDAL plus Design	86/467,542
LOIS HILL MEN plus Design	86/467,825