

FORM PTO-1619A

Expires 06/30/99
OMB 0651-0027

07-29-1999



101103510

U.S. Department of Commerce
Patent and Trademark Office
PATENT**RECORDATION FORM COVER SHEET
PATENTS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID#
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☐ Assignment ☒ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other

U.S. Government

(For Use ONLY by U.S. Government Agencies)

- ☐ Departmental File ☐ Secret File

Conveying Party(ies)☐ Mark if additional names of conveying parties attached

Name (line 1) Cox & Company, Inc. FSC

Execution Date
Month Day Year
7 23 1999

Name (line 2)

Second Party

Name (line 1) Cox & Company, Inc.

Execution Date
Month Day Year
7 23 1999

Name (line 2)

Receiving Party☐ Mark if additional names of receiving parties attached

Name (line 1) European American Bank

Name (line 2)

Address (line 1) 335 Madison Avenue

Address (line 2)

Address (line 3) New York

New York

10017

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

07/28/1999 MTHAII 00000188 81290 5782435
01 FC:581 400.00 CH

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT
REEL: 010113 FRAME: 0968

Correspondent Name and Address

Area Code and Telephone Number

(212) 207-1377

Name

Barbara Bauer, Legal Assistant

Address (line 1)

Richards & O'Neil, LLP

Address (line 2)

885 Third Avenue

Address (line 3)

New York, NY 10022-4873

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

14

Application Number(s) or Patent Number(s)

☒ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

SEE

ATTACHED

SCHEDULE

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

10

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

400

Method of Payment:
Deposit Account

Enclosed ☐

Deposit Account ☒

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

18-1290

Authorization to charge additional fees:

Yes

☒

No

☐

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. Charges to deposit account are authorized, as indicated herein.

Barbara Bauer

Name of Person Signing

Signature

July 23, 1999

Date

SCHEDULE B TO PLEDGE AND SECURITY AGREEMENT
DATED JULY 23, 1999
PATENTS OWNED BY COX & COMPANY, INC.

<u>Patent No.</u>	<u>Date Issued</u>	<u>Name of Patent</u>
5,782,435	July 21, 1998	Electro-magnetic expulsion de-icing system
5,580,275	December 3, 1996	Heated electrical coupler
5,458,720	October 17, 1995	Method and structure for separably and adhesively bonding two parts together in such a manner that any remaining adhesive can be easily removed after the parts have been separated
5,315,256	May 24, 1994	Fault detection circuit for use in determining the existence of a fault in any one of a plurality of DC loads
5,220,156	June 15, 1993	Stable control system with positive feedback characteristics
5,168,236	December 1, 1992	Fault detection circuit for use in determining the existence of a fault in any one of a plurality of multi-phase loads
**4,841,124	June 20, 1989	Strain-resistant heated helicopter rotor blade
4,760,978	August 2, 1988	Ice-free screen for protecting engines from damage caused by foreign bodies in the intake airstream
4,701,645	October 20, 1987	Switching circuit with low conducted electro-magnetic interference characteristics
*3,621,331	November 16, 1971	Arrangement for igniting and operating gaseous discharge lamps

*This patent has expired.

**Expired June 25, 1997 for failure to pay maintenance fees.

Date: July 23, 1999

The undersigned (herein, whether one or more in number, each referred to as "Debtor") with an address as it appears in Schedule I, hereby agree(s) in favor of European American Bank, a New York banking corporation having its principal office at One EAB Plaza, Uniondale, New York (herein referred to as "Secured Party"), as follows:

1. **Security Interest.**

(a) **Grant of Security.** As security for the Obligations (as defined below), Debtor hereby delivers, assigns, pledges, sets over and grants to Secured Party a first priority security interest in, all of Debtor's right, title and interest, whether now existing or hereafter arising or acquired, in and to any and all items of personal property described on Schedule A hereto together with all substitutions and replacements thereof and any products and proceeds thereof (the "Collateral").

(b) **Security for Obligations.** This Pledge and Security Agreement secures the payment of all now existing or hereafter arising obligations of Debtor to Secured Party, whether primary or secondary, direct or indirect, absolute or contingent, joint or several, secured or unsecured, due or not, liquidated or unliquidated, arising by operation of law or otherwise under the Credit Agreement dated as of the date hereof among the Debtor, the Issuer and the Secured Party (as amended, supplemented or modified from time to time, the "Credit Agreement") or any other Credit Document (as defined in the Credit Agreement), whether for principal, interest, fees, expenses or otherwise, together with all costs of collection or enforcement, including, without limitation, reasonable attorneys' fees incurred in any collection efforts or in any action or proceeding (all such obligations being the "Obligations").

(c) **Debtor Remains Liable.** This Pledge and Security Agreement shall not affect Debtor's liability to perform all of its duties and obligations under the transactions giving rise to the Obligations. The exercise by Secured Party of any of the rights hereunder shall not release Debtor from any of its duties or obligations under the transactions giving rise to the Obligations, which shall remain unchanged as if this Pledge and Security Agreement had not been executed. Secured Party shall not have any obligation or liability under the transactions giving rise to the Obligations by reason of this Pledge and Security Agreement, nor shall Secured Party be obligated to perform any of the obligations or duties of Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(d) **Continuing Agreement.** This Pledge and Security Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until payment in full of the Obligations.

2. **Debtor's Title; Liens and Encumbrances.**

(a) **Collateral Generally.** Debtor represents and warrants that Debtor is, or to the extent that this Pledge and Security Agreement states that the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral, having good and marketable title thereto, free from any and all liens,

security interests, encumbrances and claims. Debtor will not create, assume or permit to exist any such lien, security interest, encumbrance or claim on or against the Collateral except as permitted by this Pledge and Security Agreement, and Debtor will promptly notify Secured Party of any such other claim, lien, security interest or other encumbrance made or asserted against the Collateral and will defend the Collateral against any such claim, lien, security interest or other encumbrance.

(b) Pledged Securities. Debtor represents and warrants as follows:

(i) The Pledged Securities (as defined in Schedule A hereto) pledged by Debtor hereunder constitute (or to the extent that this Pledge and Security Agreement states that the Collateral is to be acquired after the date hereof, will constitute) all the membership interests in the Issuer owned by Debtor. "Issuer" shall mean Cox & Company, Inc. FSC.

(ii) All the shares of the Pledged Securities have been (or to the extent that this Pledge and Security Agreement states that the Collateral is to be acquired after the date hereof, will be) duly and validly issued and are fully paid and nonassessable.

(iii) Such Debtor is (or to the extent that this Pledge and Security Agreement states that the Collateral is to be acquired after the date hereof, will be) the record and beneficial owner of, and has good and marketable title to, the Pledged Securities pledged by it hereunder, free of any and all liens or options in favor of, or claims of, any other person, except the security interest created by this Pledge and Security Agreement.

3. **Location of Collateral and Records;
Business and Trade Names of Debtor.**

Debtor represents and warrants to Secured Party as follows:

(a) Debtor has no place of business, offices where Debtor's books of account and records are kept, or places where the Collateral is used, stored or located, except as set forth on Schedule I hereto. Debtor shall promptly notify Secured Party of any change in the foregoing representation. Debtor shall at all times maintain its records as to the Collateral at its chief place of business at the address referred to on Schedule I and at none other. Debtor further covenants that, except for Collateral delivered to Secured Party or an agent for Secured Party, Debtor will not store, use or locate any of the Collateral at any place other than as listed on Schedule I hereto.

(b) Debtor currently uses, and during the last five years has used, no business or trade names, except as set forth on Schedule I hereto. Debtor shall promptly notify Secured Party, in sufficient detail, of any changes in, additions to, or deletions from the business or trade names used by Debtor.

(c) The grant of the security interest in the Collateral is effective to vest in Secured Party a valid first priority security interest, superior to the rights of any person in and to the Collateral as set forth herein.

4. **Perfection of Security Interest.**

Debtor shall execute all filings, registrations and recordings necessary or appropriate to create, preserve, protect and perfect the security granted by Debtor to Secured Party pursuant to this Agreement, including all such financing statements pursuant to the Uniform Commercial Code or other notices appropriate under applicable law, including the Federal Assignment of Claims Act and any state motor vehicles registration statute, as Secured Party may require, each in form satisfactory to Secured Party. Debtor also shall pay all filing or recording costs with respect thereto, and all costs of filing or recording this Pledge and Security Agreement or any other agreement or document executed and delivered pursuant hereto or to the Obligations (including the cost of all federal, state or local mortgage, documentary, stamp or other taxes), in each case, in all public offices, including the United States Patent and Trademark Office, where filing or recording is deemed by Secured Party to be necessary or desirable. Debtor authorizes Secured Party to (i) file any Uniform Commercial Code financing statements or amendments thereto without the signature of Debtor or by signing of Debtor's name to any such financing statements as its attorney-in-fact, (ii) file a photographic or other reproduction of this Pledge and Security Agreement as a financing statement, (iii) file notices of assignment pursuant to the Federal Assignment of Claims Act, (iv) file applications for certificates of title or (v) take all other action which Secured Party may deem necessary or desirable to perfect or otherwise protect the liens and security interests created hereunder and to obtain the benefits of this Pledge and Security Agreement.

5. **General Covenants.**

From and after the date of this Pledge and Security Agreement until the Obligations shall have been paid in full and the Credit Agreement shall have terminated, Debtor shall:

- (a) furnish Secured Party from time to time, at Secured Party's request, written statements and schedules further identifying and describing the Collateral in such detail as Secured Party may reasonably require;
- (b) comply with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to Debtor or any Collateral or to the operation of Debtor's business except where the failure to comply (i) is non-material and (ii) has no effect on the value of the Collateral or on the ability of Secured Party to exercise its rights and remedies hereunder;
- (c) perform and observe all covenants, restrictions and conditions contained in any agreement or document executed in connection with the Obligations as though the same were fully set forth in this Pledge and Security Agreement;
- (d) promptly execute and deliver to Secured Party such further agreements or other instruments and take such further action from time to time as Secured Party may deem necessary to perfect, protect or enforce its security interests in the Collateral or otherwise to effect the intent of this Pledge and Security Agreement;
- (e) use the Collateral for lawful purposes only in conformity with all laws, rules and regulations;

(f) not assign, sell, mortgage, lease, transfer, pledge, grant a security interest in or lien upon, encumber or otherwise dispose of or abandon, any part or all of the Collateral, without the express prior written consent of Secured Party, except for the sale from time to time in the ordinary course of business of Debtor of such items of Collateral as may constitute part of the business inventory of Debtor.

6. Covenants Relating to Pledged Securities.

From and after the date of this Pledge and Security Agreement until the Obligations shall have been paid in full, and the Credit Agreement shall have terminated, Debtor covenants and agrees that:

(a) If such Debtor shall become entitled to receive or shall receive any certificate (including, without limitation, any certificate representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the membership interests of the Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Securities, or otherwise in respect thereof, such Debtor shall accept the same as the agent of Secured Party, hold the same in trust for Secured Party and deliver the same forthwith to Secured Party in the exact form received, duly indorsed by such Debtor to Secured Party, if required, together with an undated assignment covering such certificate duly executed in blank by such Debtor and with, if Secured Party so requests, signature guaranteed, to be held by Secured Party, subject to the terms thereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of any Issuer shall be paid over to Secured Party to be held by it hereunder as additional collateral security for the Obligations, and in case of any distribution of capital shall be made on or in respect of the Pledged Securities or any property shall be distributed upon or with respect to the Pledged Securities pursuant to the recapitalization or reclassification of the capital of the Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of Secured Party, be delivered to Secured Party to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Pledged Securities shall be received by such Debtor, such Debtor shall, until such money or property is paid or delivered to Secured Party, hold such money or property in trust for Secured Party, segregated from other funds of such Debtor, as additional collateral security for the Obligations.

(b) Without the prior written consent of Secured Party, such Debtor will not (i) vote to enable, or take any other action to permit, the Issuer to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of the Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Pledged Securities or proceeds thereof, (iii) create, incur or permit to exist any liens or option in favor of, or any claim of any person with respect to, any of the Pledged Securities or proceeds thereof, or any interest therein, except for the security interests created by this Pledge and Security Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Debtor or Secured Party to sell, assign or transfer any of the Pledged Securities or proceeds thereof.

(c) The Issuer agrees that (i) it will be bound by the terms of this Pledge and Security Agreement relating to the Pledged Securities issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify Secured Party promptly in writing of the occurrence of any of the events described in Section 6(a) with respect to the Pledged Securities issued by it and (iii) the terms of Section 11(e)

shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 11(e) with respect to the Pledged Securities issued by it.

7. Special Provisions Concerning Patents.

(a) Debtor represents and warrants that it is the true and lawful, exclusive owner of the Patents (as defined below) listed on Schedule B attached hereto, and that said Patents constitute all Patents which Debtor now owns. "Patent" shall mean any patent issued by the United States Patent and Trademark Office or any similar governmental agency in any foreign country, including without limitation those Patents set forth in Schedule B hereof, or any application or license therefor in respect of which Debtor possesses any rights whatsoever.

(b) Absent prior written consent of Secured Party, Debtor shall not divest itself of any rights under any Patents material to its business, whether or not Debtor currently holds such rights.

(c) Promptly upon learning thereof, Debtor shall not notify Secured Party in writing of all pertinent information available to it regarding any infringement or other violation of any of Debtor's rights under any Patent, whether or not Debtor currently has such rights. Absent Secured Party's authorization to do otherwise, and to the extent permitted by law, Debtor shall diligently pursue a remedy. Promptly upon learning thereof, Debtor shall notify Secured Party in writing of any claim that any activity of Debtor infringes or otherwise violates the right of any third party with respect to the Patent.

(d) At its own expense, Debtor shall cause to be timely paid all post-issuance fees required in order to maintain in force rights under the Patents, pursuant to 35 U.S.C. § 6.

(e) If Debtor hereafter acquires rights in any Patent not shown in Schedule B, Debtor shall deliver to Secured Party within 30 days, a copy of the Patent, and a grant of security on such Patent in favor of Secured Party confirming the grant thereof hereunder, the form of such confirmatory grant to be substantially the same as the form hereof.

(f) If an Event of Default shall occur and be continuing, Secured Party by written notice to Debtor may take any or all of the following actions: (a) declare the entire right, title, and interest of Debtor in each of the Patents vested, in which event such right, title, and interest shall immediately vest in Secured Party, in which case Debtor agrees to execute an assignment, in form and substance satisfactory to Secured Party, of all its rights, title, and interest in and to such Patent rights to the Secured Party; (b) take and practice or sell the Patent rights; and (c) direct Debtor to refrain, in which event Debtor shall refrain, from practicing under the Patent rights directly or indirectly and will execute such other and further documents as the Secured Party may request further to confirm the foregoing and to transfer ownership of the Patent rights.

8. Collections.

(a) Except as provided herein and in the Credit Agreement, Debtor may receive all cash dividends and distributions paid in respect of the Pledged Securities paid in the normal course of business of the Issuer and consistent with past practice, and to exercise all voting and corporate rights with respect to the Pledged Securities; provided, however, that no vote shall be cast or corporate right exercised or other action

taken which, in Secured Party's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Pledge and Security Agreement or any other Credit Document.

(b) All of the foregoing amounts set forth in paragraph (a) of this Section 8 so collected after the occurrence of an Event of Default shall be held in trust by Debtor for and as the property of Secured Party, and shall not be commingled with other funds, money or property of Debtor.

(c) Upon the request of Secured Party, Debtor will immediately upon receipt of all such checks, drafts, cash or other remittances in payment of any of its accounts, contract rights or general intangibles constituting part of the Collateral or in payment for any Collateral sold, transferred, leased or otherwise disposed of, deliver any such items to Secured Party accompanied by a remittance report in form supplied or approved by Secured Party. Debtor shall deliver such items in the same form received, endorsed or otherwise assigned by Debtor where necessary to permit collection of such items.

(d) Upon the request of Secured Party, Debtor will promptly notify Secured Party in writing of the return or rejection of any goods represented by any accounts, contract rights or general intangibles and Debtor shall forthwith account therefor to Secured Party in cash without demand or notice. Until such payment has been received by Secured Party, Debtor will receive and hold all such goods separate and apart, in trust for and subject to the security interest in favor of Secured Party, and Secured Party is authorized to sell, for Debtor's account and at Debtor's sole risk, all or any part of such goods.

(e) In its discretion, Secured Party may, upon the occurrence of an Event of Default, in its name or Debtor's or otherwise, notify any account debtor or obligor of any account, contract, instrument, chattel paper or general intangible included in the Collateral to make payment to Secured Party.

(f) All of the foregoing remittances shall be applied and credited by Secured Party in accordance with the provisions of Section 10(c) of this Pledge and Security Agreement.

9. Events of Default.

The occurrence of any one or more Events of Default under the Credit Agreement shall constitute an event of default ("Event of Default") by Debtor under this Pledge and Security Agreement.

10. Rights and Remedies.

(a) In the event of the occurrence and continuance of any Event of Default, Secured Party shall at any time thereafter have the right, with or without (to the extent permitted by applicable law) notice to Debtor, as to any or all of the Collateral, by any available judicial procedure or without judicial process, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral, and generally to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, Debtor agrees that Secured Party shall have the right to sell, lease, or otherwise dispose of all or any part of the Collateral, whether in its then condition or after further preparation or processing, either at public or private sale or at any broker's board, in lots or in bulk, for cash or

for credit, with or without warranties or representations, and upon such terms and conditions, all as Secured Party in its sole discretion may deem advisable, and Secured Party shall have the right to purchase at any such sale; and, if any Collateral shall require rebuilding, repairing, maintenance, preparation, or is in process or other unfinished state, Secured Party shall have the right, at its sole option and discretion, and at Debtor's sole cost and expense, to do such rebuilding, repairing, preparation, processing or completion of manufacturing, for the purpose of putting the Collateral in such saleable or disposable form as it shall deem appropriate. At Secured Party's request, Debtor shall assemble the Collateral and make it available to Secured Party at places which Secured Party shall select, whether at Debtor's premises or elsewhere, and make available to Secured Party, without rent, all of Debtor's premises and facilities for the purpose of Secured Party's taking possession of, removing or putting the Collateral in saleable or disposable form. If any of the Collateral consists of motor vehicles, Secured Party may use Debtor's license plates.

(b) Any such sale, lease or other disposition of Collateral may be made without demand for performance or any notice of advertisement whatsoever except that where an applicable statute requires reasonable notice of sale or other disposition, Debtor agrees that the sending of five days notice by ordinary mail, postage prepaid, to Debtor of the place and time of any public sale or of the time at which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof. Notwithstanding the foregoing, if any of the Collateral is perishable and may be materially diminished in value during such five day period, Secured Party shall provide Debtor with such shorter notice as it deems reasonable under the circumstances.

(c) The proceeds of any such sale, lease or other disposition of the Collateral shall be applied first to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like, and to the reasonable attorneys' fees and legal expenses incurred by Secured Party, and then to satisfaction of the Obligations, and to the payment of any other amounts required by applicable law, after which Secured Party shall account to Debtor for any surplus proceeds. If, upon the sale, lease or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which Secured Party is legally entitled, Debtor will be liable for the deficiency, together with interest thereon, at the rate prescribed in the agreements giving rise to the Obligations, and the reasonable fees of any attorneys employed by Secured Party to collect such deficiency. To the extent permitted by applicable law, Debtor waives all claims, damages and demands against Secured Party arising out of the repossession, removal, retention or sale of the Collateral.

(d) Without limiting the generality of the foregoing, in the event of the occurrence and continuance of any Event of Default, at any time thereafter, (i) Secured Party shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Securities and made application thereof to the Obligations in such order as Secured Party may determine, and (ii) any or all of the Pledged Securities may be registered in the name of Secured Party or its nominee and they may thereafter exercise (x) all voting, corporate and other rights pertaining to such Pledged Securities at any meeting of members of the Issuer or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Securities as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Pledged Securities upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of the Issuer, or upon the exercise of any Debtor or Secured Party of any right, privilege or option pertaining to such Pledged Securities, and in connection therewith, the right to deposit and deliver any and all of

the Pledged Securities with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as Secured Party may determine), all without liability except to account for property actually received by it, but Secured Party shall have no duty to any Debtor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(e) Each Debtor hereby authorizes and instructs each Issuer of any Pledged Securities pledged by such Debtor hereunder to (i) comply with any instruction received by it from Secured Party in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Pledge and Security Agreement, without any other or further instructions from such Debtor, and each Debtor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Pledged Securities directly to Secured Party.

11. Costs and Expenses.

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Secured Party, in connection with the filing or recording of financing statements and other documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, insurance premiums, encumbrances or otherwise protecting, maintaining or preserving the Collateral and Secured Party's security interest therein, or in defending or prosecuting any actions or proceedings arising out of or related to the transaction to which this Pledge and Security Agreement relates, shall be paid by Debtor on demand. Until so paid, all such amounts shall be added to the principal amount of the Obligations and shall bear interest at a rate per annum equal to three (3%) percent over the highest rate of interest then applicable to the Obligations.

12. Power of Attorney.

Debtor authorizes Secured Party and does hereby make, constitute and appoint Secured Party, and any officer or agent of Secured Party, with full power of substitution, as Debtor's true and lawful attorney-in-fact, with power, in its own name or in the name of Debtor: (a) to endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of Secured Party; (b) to sign and endorse any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to Collateral; (c) to pay or discharge any taxes, liens, security interest or other encumbrances at any time levied or placed on or threatened against the Collateral; (d) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; (e) to receive, open and dispose of all mail addressed to Debtor and to notify the Post Office authorities to change the address for delivery of mail addressed to Debtor to such address as Secured Party may designate; and (f) generally to do all acts and things which Secured Party deems necessary to protect, preserve and realize upon the Collateral and Secured Party's security interest therein. Debtor hereby approves and ratifies all acts of said attorney or designee, who shall not be liable for any acts of commission or omission, nor for any error or judgment or mistake of fact or law except for its own gross negligence or willful misconduct. This power of attorney shall be irrevocable for the term of this Pledge and Security Agreement and thereafter as long as any of the Obligations shall be outstanding.

13. **Notices.**

Notices shall be given in the manner, to the addresses and with the effect provided in the Credit Agreement.

14. **Other Security.**

To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, then Secured Party shall have the right in its sole discretion to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of Secured Party's rights and remedies hereunder.

15. **Further Security.**

To further secure the Obligations, Debtor hereby grants, pledges and assigns to Secured Party a continuing lien on, security interest in and rights of set-off in all money, securities and other property of Debtor, and the proceeds thereof, now or hereafter actually or constructively held or received by or for Secured Party or any affiliate of Secured Party. Debtor hereby authorizes Secured Party to deliver a copy of this Agreement to others as written notification of Debtor's transfer of a security interest in the foregoing property. Secured Party is hereby authorized at any time and from time to time, without notice, to apply all or part of such moneys, securities, property, proceeds, deposits or credits to any of the Obligations in such amounts as Secured Party may elect in its sole and absolute discretion, although the Obligations may then be contingent or unmatured and whether or not the collateral security may be deemed adequate.

16. **Miscellaneous.**

(a) Beyond the safe custody thereof, Secured Party shall have no duty as to the collection of any Collateral in its possession or control or in the possession or control of any agent or nominee of Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

(b) No course of dealing between Debtor and Secured Party, or Secured Party's failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof. Any single or partial exercise of any right, power or privilege hereunder shall not preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) All of Secured Party's rights and remedies with respect to the Collateral, whether established hereby or by any other agreements, instruments or documents or by law, shall be cumulative and may be exercised singly or concurrently.

(d) This Pledge and Security Agreement may be amended or modified, and a provision hereof may be waived, only by a writing signed by all of the parties hereto.

(e) The provisions of this Pledge and Security Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such

invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Pledge and Security Agreement in any jurisdiction.

(f) The benefits of this Pledge and Security Agreement shall inure to the benefit of the successors and assigns of Secured Party. The rights and obligations of Debtor under this Pledge and Security Agreement shall not be assigned or delegated without the prior consent of Secured Party.

(g) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(h) Debtor hereby irrevocably consents to the jurisdiction of the courts of the State of New York and of any Federal Court located in such State in connection with any action or proceeding arising out of or relating to the Obligations, this Pledge and Security Agreement or the Collateral, or any document or instrument delivered with respect to any of the Obligations. Debtor hereby waives personal service of any summons, complaint or other process in connection with any such action or proceeding and agrees that the service thereof may be made by certified mail directed to Debtor at the address provided herein for receipt of notices. Debtor so served shall appear or answer to such summons, complaint or other process within thirty days after the mailing thereof. Should Debtor so served fail to appear or answer within said thirty-day period, Debtor shall be deemed in default and judgment may be entered by Secured Party against Debtor for the amount or such other relief as may be demanded in any summons, complaint or other process so served. In the alternative, in its discretion Secured Party may effect service upon Debtor in any other form or manner permitted by law.

(i) IN THE EVENT OF ANY LITIGATION RELATING TO THIS AGREEMENT OR THE OBLIGATIONS, DEBTOR WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY.

IN WITNESS WHEREOF, the Debtor has executed this Pledge and Security Agreement as of the day and year first written above.

COX & COMPANY, INC.

By: Warren Fenchelbaum
Name: Warren Fenchelbaum
Title: President

COX & COMPANY, INC. FSC

By: Warren Fenchelbaum
Name: Warren Fenchelbaum
Title: President

SCHEDULE I

TO

PLEDGE AND GENERAL SECURITY AGREEMENT

Offices Where Records Are Kept:

200 Varick Street
New York, New York 10014

Other Locations Where Collateral
Is Stored, Used or Located:

(None)

Business and Trade Names
Used by Debtor:

(None)

SCHEDULE A TO PLEDGE AND SECURITY AGREEMENT
DATED JULY 23, 1999

ALL ASSETS

All personal property of Debtor, now owned and hereafter acquired, of every kind and description wherever located, including, without limitation, all inventory, equipment, fixtures, accounts, chattel paper, contract rights, instruments, documents, investment property and general intangibles, and all products and proceeds thereof.

ALL INVENTORY

All of Debtor's now existing and hereafter acquired inventory, of every kind and nature, wherever located, including, without limitation, all raw materials, finished goods, work-in-process, packing and advertising materials, all documents of title, whether negotiable or nonnegotiable, representing any of the foregoing and all products and proceeds thereof.

ALL ACCOUNTS RECEIVABLE

All now existing and hereafter acquired or created accounts together with the Debtor's interest in all inventory described in invoices with respect to such accounts; all returned and repossessed inventory; and all now existing and hereafter acquired or created contract rights, instruments, chattel paper and general intangibles wherever located including, without limitation, all of the foregoing which arise in connection with the sale of inventory and/or the rendition of services.

ALL EQUIPMENT

All of Debtor's now owned and hereafter acquired machinery, equipment, furniture and fixtures wherever located, and all additions, accessions, substitutions, replacements, parts and fuel to or for the same, and supplies used or to be used in connection therewith and all products and proceeds thereof.

ALL INVENTORY AND ACCOUNTS

All of Debtor's now existing and hereafter acquired inventory, of every kind and nature, wherever located, including, without limitation, all raw materials, finished goods, work-in-process, packing and advertising materials, and all documents of title, whether negotiable or nonnegotiable, representing any of the foregoing and all products and proceeds thereof; all now existing and hereafter acquired or created accounts together with the Debtor's interest in all inventory described in invoices with respect to such accounts; all returned and repossessed inventory, and all existing and hereafter acquired or created contract rights, instruments, chattel paper and general intangibles including, without limitation, all of the

foregoing which arise in connection with the sale of inventory and/or the rendition of services.

ALL INVESTMENT PROPERTY

All of Debtor's now existing and hereafter acquired investment property, of every kind and nature, including all securities (including all capital stock of Cox & Company, Inc. FSC), whether certificated or uncertificated, all securities entitlements, all securities accounts, all commodity contracts and all commodity accounts, all proceeds of the foregoing.

ALL GENERAL INTANGIBLES

All of Debtor's right, title and interest in, to and under general intangibles, including contracts, trademarks, service marks, whether or not registered, licenses therefor, all applications (other than intent to use applications) therefor, trade dress, logos and designs, patents issued by the United States Patent and Trademark Office or any similar governmental agency in any foreign country, including without limitation those patents set forth in Schedule B of the Pledge and Security Agreement, or any application or license therefor in respect of which Debtor possesses any rights whatsoever, all copyrights, and all proceeds and goodwill of the foregoing.