

RE

02-26-2001

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



101619457

2.210.01

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

1. Name of conveying party(ies):

International Retail Services Group, LLC

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

3. Nature of conveyance:

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

Execution Date: December 18, 2000

2. Name and address of receiving party(ies):

Name: LaSalle Bank National Association
Internal Address: 135 South LaSalle Street

City: Chicago State: Illinois ZIP: 606036

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

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

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

SEE ATTACHED SCHEDULE A

B. Patent No.(s)

SEE ATTACHED SCHEDULE B

Additional numbers attached? ☒ Yes ☐ No

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

Name: Tammy S. Settle

Internal Address:

Company Name: VEDDER PRICE KAUFMAN KAMMHOLZ

Street Address: 222 North LaSalle Street
Suite 2600

City: Chicago State: IL ZIP: 60601

6. Total number of applications and patents involved: ☐ 9

7. Total Fee (37 CFR 3.41) \$360.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number: 22-0259

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

RECEIVED
2001 FEB 26 AM 10:20
ASSIGNMENT SERVICES
DIVISION

DO NOT USE THIS SPACE

9. Statement and signature.

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

Tammy S. Settle
Name of Person Signing

Signature

Date: February 19, 2001

Total number of pages including cover sheet, attachments, and document: ☐ 15

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

02/26/2001 GTOW11 00000161 4340145

01 FC:581

360.00 OP

PATENT
REEL: 011523 FRAME: 0582

PATENT AND LICENSE SECURITY AGREEMENT
International Retail Services Group, LLC
and LaSalle Bank National Association
PATENT APPLICATIONS
SCHEDULE A

APPLICATION SERIAL NUMBERS
09/251,114

PATENT AND LICENSE SECURITY AGREEMENT
International Retail Services Group, LLC
and LaSalle Bank National Association
PATENTS
SCHEDULE B

PATENT NUMBERS
4,340,145
4,753,355
4,887,727
5,076,446
5,092,473
5,251,767
5,509,542
5,745,951

PATENT AND LICENSE SECURITY AGREEMENT

PATENT AND LICENSE SECURITY AGREEMENT ("Agreement") dated as of December 18, 2000 made by INTERNATIONAL RETAIL SERVICES GROUP, LLC, a Delaware limited liability company ("Borrower"), and LASALLE BANK NATIONAL ASSOCIATION ("Agent"), as agent for the Lender Parties as defined in the Credit Agreement referred to below.

W I T N E S S E T H:

WHEREAS, Borrower has entered into a Credit Agreement dated as of December 18, 2000 (as amended or otherwise modified from time to time, the "Credit Agreement") with various financial institutions (the "Banks") and the Agent, pursuant to which the Banks have agreed to make loans to, and issue or participate in letters of credit for the account of, the Borrower; and

WHEREAS, Agent and the Banks have required, as a further condition to entering into the Credit Agreement and to secure the Obligations thereunder that Borrower execute this Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. **Defined Terms; Other Interpretive Provisions.**

(i) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Credit Agreement shall have the meanings specified in the Credit Agreement.

(ii) The words "hereof", "herein", and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.

(iii) The term "including" is not limiting and means "including, without limitation".

(iv) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa unless otherwise specified.

(v) Unless otherwise expressly provided herein, references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

2. **Security Interest in Patents.** To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Borrower hereby grants to Agent, for its benefit and the

benefit of the Lender Parties, a first priority security interest, having priority over all other security interests, with power of sale to the extent permitted by applicable law, in all of Borrower's now owned or existing and filed and hereafter acquired or arising and filed:

(i) patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, those patents and patent applications listed on Schedule A, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, (d) to the extent any of the foregoing patents or applications are or become subject to a terminal disclaimer, any patent which necessitated said terminal disclaimer, and (e) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in the foregoing clauses (a)-(d), being sometimes hereinafter individually and/or collectively referred to as the "Patents"); and

(ii) license agreements with any other party in connection with any Patents or such other party's patents or patent applications, whether Borrower is a licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of Agent's and Lender Parties' rights under the Credit Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, to the extent that the Licenses include any license agreement which expressly prohibits (which prohibition is enforceable under applicable law), Borrower's grant of a security interest therein, Agent will not enforce its security interest in Borrower's rights under such license agreement (other than in respect of the proceeds thereof) for so long as such prohibition continues, it being understood that upon request of the Agent, Borrower will in good faith use reasonable efforts to obtain consent for the creation of a security interest in favor of the Agent (and to Agent's enforcement of such security interest) in Borrower's rights under such license agreement.

3. Restrictions on Future Agreements. Borrower will not, without Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Agent, for its benefit and the benefit of the Lender Parties, under this Agreement or the rights associated with those Patents which are necessary or desirable in the operation of Borrower's business.

4. New Patents. Borrower represents and warrants that the Patents and Licenses listed on Schedules A and B, respectively, include all of the patents, patent applications and license agreements in connection with patents or patent applications now owned or held by Borrower. If, prior to the termination of this Agreement, Borrower shall (i) obtain rights to any new patentable

inventions or license agreements or any patents or patent applications in connection therewith or (ii) become entitled to the benefit of any patent, patent application or any reissue, division, continuation, renewal, extension or continuation-in-part related to any Patent or any improvement on any Patent, the provisions of Section 2 shall automatically apply thereto and Borrower shall give to Agent prompt written notice thereof. Borrower hereby authorizes Agent to modify this Agreement by (a) amending Schedules A or B, as the case may be, to include any future patents, patent applications and license agreements in connection with patents and patent applications that are Patents or Licenses under Section 2 or under this Section 4, and (b) filing, in addition to and not in substitution for, this Agreement, a duplicate original of this Agreement containing on Schedules A or B thereto, as the case may be, such future patents, patent applications and license agreements which are Patents or Licenses, as the case may be, under Section 2 or this Section 4.

5. Royalties. Borrower hereby agrees that the use by Agent of the Patents and Licenses as authorized hereunder shall be coextensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Agent to Borrower.

6. Nature and Continuation of Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents and the Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Credit Agreement terminated. At such time the rights granted to Agent hereunder shall also terminate.

7. Right to Inspect; Further Assignments and Security Interests. Agent shall have the right, at any reasonable time and from time to time, to inspect Borrower's premises and to examine Borrower's books, records and operations relating to the patents; provided, that in conducting such inspections and examinations, Agent shall use reasonable efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. Borrower agrees not to sell or assign its respective interests in, or grant any license under, the Patents without the prior written consent of Agent, except that Borrower may license the Patents in the ordinary course of Borrower's business upon fair and reasonable terms which are fully disclosed to Agent, subject to such licensee's written acknowledgment of the liens in such Patents granted hereunder, and Borrower may abandon Patents in Borrower's reasonable discretion which are no longer useful in its business or are not otherwise economically desirable.

8. Duties of Borrower. Borrower shall have the duty to the extent desirable in the normal conduct of Borrower's business and consistent with Borrower's current business practices: (i) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or thereafter until the termination of this Agreement; (ii) to make application on such unpatented but patentable inventions as Borrower deems appropriate; and (iii) to take reasonable steps to preserve and maintain all of Borrower's rights in the patent applications and patents that are part of the Patents. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Borrower shall not abandon any right to file a patent application or any pending patent application or patent which is or shall be necessary or economically desirable in the operation of Borrower's business. Borrower agrees to retain any experienced patent attorney reasonably acceptable to Agent for the filing and prosecution of all such applications and other proceedings.

Neither Agent nor Lender Parties shall have any duty with respect to the Patents and Licenses. Without limiting the generality of the foregoing, neither Agent nor Lender Parties shall be under obligation to take any steps necessary to preserve rights in the Patents or Licenses against any other parties, but may do so at its option during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of Borrower and added to the Obligations secured thereby.

9. Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, Agent shall have the right, but shall not be obligated, to bring suit to enforce the Patents and the Licenses (to the extent Agent is permitted to do so pursuant to the terms of the License or applicable law), and, if Agent shall commence any such suit, Borrower shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement. Borrower shall, upon demand, promptly reimburse and indemnify Agent for all costs and reasonable expenses incurred by Agent in the exercise of its rights under this Section 9 (including, without limitation, all attorneys' and paralegals' fees). If, for any reason whatsoever, Agent is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

10. Waivers. No course of dealing between Borrower and Agent, and no failure to exercise or delay in exercising on the part of Agent any right, power or privilege hereunder or under the other Loan Documents shall operate as a waiver or any of Agent's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the other Loan Documents shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Agent's Exercise of Rights and Remedies Upon Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Agent may exercise any of the rights and remedies provided in this Agreement, the Credit Agreement, or any other Loan Document. Without limiting the generality of the foregoing, Borrower acknowledges and agrees that from and after the occurrence of an Event of Default, Agent or its nominee may use the Patents and Licenses in connection with the conduct of Borrower's business.

12. Severability. The provisions of this Agreement are severable, and if any clause provisions shall be held invalid and 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 Agreement in any jurisdiction.

13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Sections 2 and 4 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney. All of Agent's rights and remedies with respect to the Patents and the Licenses, whether established hereby, by any other agreements or by

law, shall be cumulative and may be exercised singularly or concurrently. Borrower hereby irrevocably appoints Agent as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise to carry out the acts described below. Upon the occurrence and during the continuance of an Event of Default, Borrower hereby authorizes Agent to, in its sole discretion, (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Patents and the Licenses, (ii) take any other actions with respect to the Patents and the Licenses as Agent deems is in its best interest, (iii) grant or issue any exclusive or non-exclusive license with respect to the Patents to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents and the Licenses (to the extent Agent is permitted to do so by the terms of the License or applicable law) to anyone on commercially reasonable terms. Borrower hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6 hereof. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent or Lender Parties under the Credit Agreement or other Loan Documents, but rather is intended to facilitate the exercise of such rights and remedies. Agent and Lender Parties shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be located or deemed located.

15. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Agent, for its benefit and the benefit of the Lender Parties, and their nominees, successors and assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower; provided, however, that Borrower shall not voluntarily assign its obligations hereunder without the prior written consent of Agent.

16. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, EXCEPT TO THE EXTENT THAT THE UCC PROVIDES FOR THE APPLICATION OF THE LAW OF A DIFFERENT STATE. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF ILLINOIS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE LOCATED OR DEEMED LOCATED. BORROWER HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. BORROWER FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED

MAIL, POSTAGE PREPAID, TO THE ADDRESS OF THE BORROWER SPECIFIED IN, OR PURSUANT TO, THE CREDIT AGREEMENT, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ILLINOIS. BORROWER HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

17. Jury Trial. EACH BORROWER, THE AGENT AND (BY ACCEPTING THE BENEFITS HEREOF) EACH LENDER PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Credit Agreement.

19. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

21. Right of Recordal of Security Interest. Agent shall have the right, but not the obligation, at the expense of Borrower, to record this Agreement in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Agent, and Agent shall advise Borrower of such recordals. Upon satisfaction in full of the Obligations and termination of the Credit Agreement, Borrower shall have the right to effect recordal of such satisfaction or termination at the expense of Borrower in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Borrower. Agent and Borrower shall cooperate to effect all such recordals hereunder.

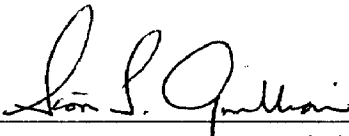
[Signature Page Follows]

Signature Page to Patent and License Security Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

BORROWER:

INTERNATIONAL RETAIL SERVICES GROUP, LLC,
a Delaware limited liability company

By:  _____
Scott L. Gwilliam
Vice President

Signature Page to Patent and License Security Agreement

AGENT:

LASALLE BANK NATIONAL ASSOCIATION,
as Agent

By: 
Assistant Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

The foregoing Patent and License Security Agreement was executed and acknowledged before me this 10th day of December, 2000, by Scott L. Gwilliam, personally known to me to be the Vice President of International Retail Services Group, LLC, a Delaware limited liability company.

(SEAL)

Notary Public Diana M. Schoendorf
My commission expires 3/6/04



SCHEDULE A**INTELLECTUAL PROPERTY
FOR INTERNATIONAL RETAIL SERVICES GROUP, LLC****U.S. PATENTS**

Patent No.	Issue Date	Title
4340145	07/20/82	Caddy for Garment Hangers*
4753355	06/28/88	Hanger Storage Assembly*
4887727	12/19/89	Garment Hanger Caddy*
5076446	12/31/91	Hanger caddy Transporter with Restraining Devices*
5092473	03/03/92	Hang Rail*
5251767	10/12/93	End Cap for Hanger Caddy*
5509542	04/23/96	Apparatus for Retaining Hangers*
5745951	05/05/98	Directional Control Caster Assembly*

U.S. PATENT APPLICATIONS

Appl. No.	Filing Date	Title
09/251114	02/16/99	Apparatus for Securely Retaining a Plurality of Garment Hangers*
		Improved Caddy*
		Improved Corrugated Box Design for Hanger Transport*
		Improved Sign Cart*
		Improved Safety Shield for Rolling Garment Rack*

FOREIGN PATENTS

Country	Patent No.	Issued	Title
Argentina	249095		Improved End Cap for Hanger Caddy*
Australia	649598	05/26/94	Hanger Caddy End Cap*
Australia	2842092		Improved End Cap for Hanger Caddy*
Brazil	9204579	06/01/93	Hanger Caddy End Cap*
Canada	1023321	12/27/77	Re-usable container***
Canada	1237096	05/24/88	Hanger storage assembly*
Canada	1308698	10/13/92	Garment Hanger Caddy*
Canada	2083213	05/28/93	Improved End Cap for Hanger Caddy*
Canada	2298054	08/16/00	Garment hanger retaining device has elongated retainer bar positionable proximate to hanger bar to engage and secure hooks when hooks are interposed between**
Germany	69204028	09/14/95	Hanger Caddy End Cap*
Mexico	180154		Improved End Cap for Hanger Caddy*

FOREIGN PATENT APPLICATIONS

Country	Appl. No.	Filing Date	Title
Australia	9647593	08/14/96	Retainer for Garment Hamper*
Europe (EPO)	92310251	11/10/92	Improved End Cap for Hanger Caddy*
Europe (EPO)	97102989	02/24/97	Directional control caster assembly for trolley frame*
Europe (EPO)	1029482	02/16/99	Apparatus for securely retaining a plurality of garment hangers**
Country	Appl. No.	Filing Date	Title

Europe (EPO)	2000102880	02/11/00	Garment hanger retaining device has elongated retainer bar positionable proximate to hanger bar to engage and secure hooks when hooks are interposed between**
PCT	96US623	01/19/96	Retainer for garment hanger****

* Currently these Patents are held by International Retail Services Group, Inc. and will be transferred at Closing to International Retail Services Group, LLC. A copy of such assignment will be filed in the appropriate Patent and Trademark Office within 60 days of Closing.

** Currently these Patents are held by International Retail Services Group, Ltd. and will be transferred at Closing to International Retail Services Group, LLC. A copy of such assignment will be filed in the appropriate Patent and Trademark Office within 60 days of Closing.

*** Currently these Patents are held by Interstore Transfer Specialists, Inc. and will be transferred at Closing to International Retail Services Group, LLC. A copy of such assignment will be filed in the appropriate Patent and Trademark Office within 60 days of Closing.

**** Currently these Patents are held by R. Simmerman and will be transferred at Closing to International Retail Services Group, LLC. A copy of such assignment will be filed in the appropriate Patent and Trademark Office within 60 days of Closing.

SCHEDULE B

None.