

05-14-2004



102745610

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

1. Name of conveying party(ies):
Scovill Fasteners Inc.
S.13.04
Additional name(s) of conveying party(ies) attached?
 Yes No

2. Name and Address of receiving party(ies):
Name: **General Electric Capital Corporation**
Address: **1100 Abernathy Road, Suite 900**
City: **Atlanta**
State: **Georgia**
Zip: **30328**
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other **Intellectual Property Security Agreement**
Execution date(s) of each conveying party:
February 2, 2004

4(a). Patent Application No.(s):

Patent No.(s): **5,329,683; 5,349,890**

If this document is being filed together with a new application, the execution date of the application is:
Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning this document should be mailed:
Name: **Margaret A. Cogburn**
Address: **KILPATRICK STOCKTON LLP**
1100 Peachtree Street
Suite 2800
Atlanta, Georgia 30309-4530

6. Total number of applications and patents involved: **2**
7. Total fee (37 C.F.R. §3.41) enclosed: **\$ 80.00**

OFFICE OF PUBLIC RECORDS
2004 MAY 13 PM 7 21
FINANCE SECTION

DO NOT USE THIS SPACE

8. 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.
I certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Director of U.S. Patent & Trademark Office, Mail Stop Assignment Recordation Services, P.O. Box 1450, Alexandria, VA 22313-1450, on the date given below.
Margaret A. Cogburn
Name of Person Signing
Margaret A. Cogburn
Signature
Date: *May 10, 2004*
Total number of pages including cover sheet:

Docket No. **G2370/ 294732**

Mail documents to be recorded with required cover sheet information to: Director of U.S. Patent & Trademark Office
Mail Stop Assignment Recordation Services
P.O. Box 1450
Alexandria, VA 22313-1450

05/14/2004 LMUELLER 00000016 5329683

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), dated as of February 2, 2004, is entered into by and among **SCOVILL FASTENERS INC.**, a Delaware corporation ("**Borrower**"), the undersigned subsidiaries of Borrower party hereto from time to time (collectively, "Subsidiaries"; together with Borrower, the "**Grantors**"), and **GENERAL ELECTRIC CAPITAL CORPORATION**, a Delaware corporation ("**GE Capital**"), acting in its capacity as the Agent for the Lenders described below and with offices at 1100 Abernathy Road, Suite 900, Atlanta, Georgia 30328 (the "**Agent**").

W I T N E S S T H:

WHEREAS, pursuant to that certain Credit Agreement, dated as of the date hereof, among Borrower, the other Credit Parties signatory thereto, the Lenders signatory thereto from time to time and Agent, (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "**Credit Agreement**"), Lenders have, subject to certain terms and conditions set forth therein, agreed to make the Loans and to incur L/C Obligations on behalf of Borrower;

WHEREAS, Subsidiaries are subsidiaries of Borrower and as such will derive direct and indirect economic benefits from the making of the Loans and other financial accommodations provided to Borrower pursuant to the Credit Agreement; and

WHEREAS, in order to induce Agent and Lenders to enter into the Credit Agreement and other Loan Documents and to induce Lenders to make the Loans and to incur L/C Obligations as provided for in the Credit Agreement, Grantors have agreed to grant a continuing Lien on the Collateral (as hereinafter defined) to secure the Obligations.

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

1. **Definitions.** All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement. All other terms contained in this Security Agreement, unless the context indicates otherwise, have the meanings provided for in the Code to the extent the same are used or defined therein.

2. **Grant of Security Interest.** To secure the prompt and complete payment and performance of all of the Obligations, each Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Agent, for itself and the benefit of the Lenders, a Lien upon all of the right, title and interest of such Grantor in, to and under the following, whether presently existing or hereafter created or acquired (collectively, with respect to each Grantor, the "**Intellectual Property Collateral**");

(a) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;

(c) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;

(d) all reissues, continuations or extensions of the foregoing;

(e) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and

(f) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future (i) infringement of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

3. **Representations and Warranties.** Each Grantor represents and warrants to the Agent and the Lenders that, as of the date hereof, such Grantor does not have any interest in, or title to, any Patent, Trademark or Copyright except as set forth in Schedule I, Schedule II and Schedule III, respectively, hereto. This Agreement is effective to create a valid and continuing Lien on and, upon the recording hereof with the United States Copyright Office and the United States Patent and Trademark Office, perfected Liens in favor of Agent (for the benefit of itself and the Lenders) on each Grantor's Patents, Trademarks and Copyrights that are registered in the United States Copyright Office or the United States Patent and Trademark Office and such perfected Liens are enforceable as such as against any and all creditors of and purchasers from any Grantor. Upon recording of this Agreement with the United States Copyright Office and the United States Patent and Trademark Office and the filing of appropriate financing statements listed on Schedule I to the Security Agreement, all action necessary or desirable to protect and perfect Agent's Lien on each Grantor's Patents, Trademarks or Copyrights that are registered in the United States Copyright Office or the United States Patent and Trademark Office shall have been duly taken.

4. **Covenants.** Each Grantor covenants and agrees with the Agent that from and after the date of this Agreement and until the Termination Date:

(a) Grantors shall notify Agent promptly if any Grantor knows or have reason to know that any application or registration relating to any Patent, Trademark or Copyright material to its business (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding any Grantor's ownership of any Patent, Trademark or Copyright material to its business, its right to register the same, or to keep and maintain the same.

(b) In no event shall any Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving the Agent prior written notice thereof and, upon request of Agent, such Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to the Agent) to evidence Agent's Lien on such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

(c) Grantors shall take all actions necessary or requested by Agent to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents, Trademarks and Copyrights material to its business (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(d) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party, such Grantor shall notify the Agent promptly after Grantor learns thereof unless it shall reasonably determine that such Intellectual Property Collateral is in no way material to the conduct of its business or operations, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as the Agent shall deem appropriate under the circumstances to protect such Intellectual Property Collateral.

(e) Grantors shall provide Agent with written notice of any application filed by any Grantor, either by itself or through any agent, employee, licensee or designee, to register any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in the United States within ninety (90) days of such filing, and, upon request of Agent, such Grantor shall execute and deliver a supplement hereto as Agent may request to evidence Agent's Lien on such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

5. **Security Agreement.** The security interests granted by each Grantor pursuant to this Agreement are granted in conjunction with the security interest granted by each Grantor to Agent, on behalf of itself and the Lenders, pursuant to the Security Agreement. Each Grantor and Agent expressly agree that the security interests granted under this Agreement and the Security Agreement in the Intellectual Property Collateral are intended to be treated as a single security interest for purposes of Article 9 of the Code and other applicable law. The exercise by the Agent or any other Secured Creditor of any rights or remedies with respect to any of the Intellectual Property Collateral shall be deemed to be an exercise of such rights or remedies in connection with both this Agreement and the Security Agreement. In the event of any inconsistency between the terms and conditions of this Agreement and the Security Agreement, then the terms and conditions of the Security Agreement shall prevail. All proceeds of the Agent's exercise of its rights and remedies hereunder or under the Security Agreement or applicable law with respect to all or any of the Intellectual Property Collateral shall be applied in accordance with the terms of the Credit Agreement. The Agent may make distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

6. **Reinstatement.** This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. **Notices.** Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the notice provisions of the Credit Agreement.

8. **Termination.** Subject to Section 6 hereof, this Agreement shall terminate upon the Termination Date. Upon any such termination of the Liens created hereunder upon the Termination Date, or any such release of Intellectual Property Collateral prior to the Termination Date, the Agent will, at the expense of the Grantors, promptly execute and deliver to the Grantors such documents as the Grantors shall reasonably request to

evidence the termination of the Liens created hereby or the release of such Intellectual Property Collateral, as the case may be.

9. **Governing Law.** THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. EACH GRANTOR HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN FULTON COUNTY, CITY OF ATLANTA, GEORGIA, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES AMONG ANY GRANTOR, AGENT AND LENDERS PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, PROVIDED, THAT AGENT, THE LENDERS AND EACH GRANTOR ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF FULTON COUNTY, GEORGIA, AND, PROVIDED, FURTHER, NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF AGENT. EACH GRANTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH GRANTOR HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH GRANTOR HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH GRANTOR AT THE ADDRESS SET FORTH IN THE APPLICABLE NOTICE SECTION OF THE CREDIT AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF THE ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAIL, PROPER POSTAGE PREPAID.

10. **Concerning the Agent.** The provisions of the Credit Agreement shall inure to the benefit of the Agent in respect of this Agreement and shall be binding upon the parties hereto and thereto in such respect.


11. **Appointment of Co-Agents.** At any time or times, in order to comply with any legal requirement in any jurisdiction, the Agent may appoint another bank or trust company or one or more other persons, either to act as co-agent or co-agents, jointly with the Agent, or to act as separate agent or agents on behalf of the Lenders with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment (which may, in the discretion of the Agent, include provisions for the protection of such co-agent or separate agent similar to the provisions referred to in Section 10).

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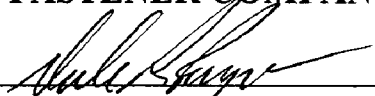
IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer or other representative as of the date first set forth above.

GRANTORS:

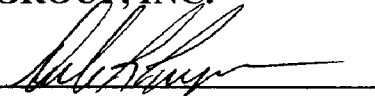
SCOVILL FASTENERS INC.

By: 
Name: Dale Payne
Title: Executive Vice President

RAU FASTENER COMPANY, L.L.C.

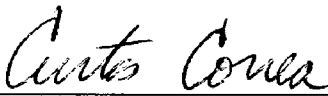
By: 
Name: Dale Payne
Title: Executive Vice President

PCI GROUP, INC.

By: 
Name: Dale Payne
Title: Executive Vice President

ACCEPTED AND ACKNOWLEDGED by:

GENERAL ELECTRIC CAPITAL CORPORATION, as Agent

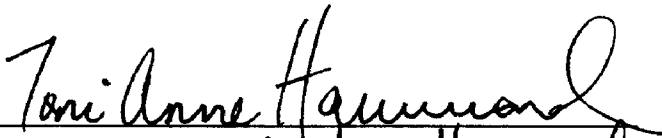
By: 
Name: Curtis Correa
Title: Duly Authorized Signatory

ACKNOWLEDGMENT OF GRANTORS

STATE OF Georgia

COUNTY OF Gwinnett

On this 2nd day of February, 2004, before me personally appeared Dale Payne, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of each of Scovill Fasteners Inc., Rau Fastener Company, L.L.C. and PCI Group, Inc., and who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors (or equivalent governing body) and that he acknowledged said instrument to be the free act and deed of said corporation.


Notary Public Toni-Anne Hammond

{seal}

SCHEDULE I
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. PATENT REGISTRATIONS

Scovill Fasteners Inc.:

<u>Name</u>	<u>Patent Number</u>	<u>Date Issued</u>
Fastener setting apparatus having reinforcing tape feeder	5,329,683	07/19/94
Apparatus for severing off pieces from an endless web	5,349,890	09/27/94

PCI Group, Inc.

<u>Name</u>	<u>Patent Number</u>	<u>Date Issued</u>
Gripping eyelet die tool assembly	4,852,251	08/01/89

Rau Fastener Company, L.L.C.

<u>Name</u>	<u>Patent Number</u>	<u>Date Issued</u>
Apparatus and method for applying a snap fastener to a sheet material	4,309,806	01/12/82
Upper jaw and tool assembly for fastener attaching machine	4,454,650	06/19/84

II. PATENT APPLICATIONS

None

III. PATENT LICENSES

None

SCHEDULE II
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. TRADEMARK REGISTRATIONS

Scovill Fasteners Inc.:

U.S. TRADEMARK REGISTRATIONS AND APPLICATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
COLOR-SNAP	1,240,463	05/31/83
DOT	127,721	12/02/19
DOT	276,809	10/28/30
DOT	434,811	12/09/47
DOT	507,337	03/08/49
DOT	515,518	09/27/49
DOT on a Circle	699,061	06/07/60
DOT on a Circle	701,200	07/19/60
DOT SNAPPERS	516,339	10/18/49
FASHION FASTENERS	1,466,428	11/24/87
GINGER SNAPS	1,025,305	11/18/75
GRIPPER	347,023	06/15/37
GRIPPER	379,520	07/16/40
GRIPPER	526,570	06/20/50
LIFT THE DOT	729,340	04/03/62
MIGHTY SNAPS	1,050,745	10/19/76
SCOVILL	865,194	02/25/69
SPEEDY RIVETS	594,756	09/07/54
SPORTSNAPS	1,145,502	01/06/81
TAG LOCK	1,426,606	01/27/87
WHIPPER SNAP	1,561,119	10/17/89
COMMON SENSE	1,773,067	05/25/93
SCOVILL	1,779,022	06/29/93
RAM	1,518,088	12/27/88
NYGUARD	869,603	5/20/69
NYLAIRE	739,634	10/23/62
POWR SNAPPER	2,069,379	06/10/97
PULL THE DOT	729,341	04/03/62
SEGMA	2,654,354	11/26/02

PCI Group, Inc.:

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
INVINCIBLE	256,432	05/14/29
PC1 & Design	809,780	06/14/66

Rau Fastener Company, L.L.C.:

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
KLIKIT	504,297	11/30/48

II. TRADEMARK APPLICATIONS

None

III. TRADEMARK LICENSES

None

SCHEDULE III
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. COPYRIGHT REGISTRATIONS

None

II. COPYRIGHT APPLICATIONS

None

III. COPYRIGHT LICENSES

None