

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Stila Corporation	08/08/2006
Stila International, Inc.	08/08/2006
Stila UK Limited	08/08/2006

RECEIVING PARTY DATA

Name:	The CIT Group/Business Credit, Inc.
Street Address:	505 Fifth Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10017

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	5598929
Patent Number:	D479275

CORRESPONDENCE DATA

Fax Number: (312)609-5005
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 312-609-7838
Email: tsettle@vedderprice.com
Correspondent Name: Tammy S. Settle
Address Line 1: 222 North LaSalle Street
Address Line 4: Chicago, ILLINOIS 60601

ATTORNEY DOCKET NUMBER:

27804.00.0034/TSS

NAME OF SUBMITTER:

Tammy S. Settle

Total Attachments: 8

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PATENT
REEL: 018160 FRAME: 0007

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**GRANT OF SECURITY INTEREST IN
PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES**

THIS GRANT OF SECURITY INTEREST IN PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES (this "Agreement") is made as of this 8th day of August, 2006, by STILA CORP., a Delaware corporation, with its principal place of business at 2801 Hyperion Avenue (Studios 102, 103 and 104), Los Angeles, CA ("Stila"), STILA INTERNATIONAL, INC., a Delaware corporation, with its principal place of business at 2801 Hyperion Avenue (Studios 102, 103 and 104), Los Angeles, CA ("Stila International"), and STILA UK LIMITED, a private limited company organized under the laws of England and Wales, with its principal place of business at 2801 Hyperion Avenue (Studios 102, 103 and 104), Los Angeles, CA ("Stila UK"), together with Stila and Stila International, individually and collectively, as the situation may so require, herein "Grantor", in favor of THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation, with offices at 505 Fifth Avenue, New York, New York 10017, as agent ("Agent") on behalf of the lenders (the "Lenders") party to that certain Financing Agreement of even date herewith (as amended, modified or supplemented from time to time, the "Financing Agreement") among Agent, the Lenders and Grantor.

WITNESSETH:

WHEREAS, Grantor acknowledges that the extensions of credit and other financial accommodations contemplated by the Financing Agreement will inure to the benefit of Grantor and it is in the direct interest and to the advantage of Grantor that it execute and deliver this Agreement; and

WHEREAS, the Financing Agreement provides, among other things, (i) for Agent, on behalf of the Lenders, to make certain loans, advances and extensions of credit, all to or for the account of the Companies and (ii) for the grant by the Grantor to Agent, for the benefit of the Lenders, of a security interest in certain of the Grantor's assets including, without limitation, its patents, patent applications and/or registrations, trademarks, trademark applications and/or copyrights, copyright applications and/or registrations, tradenames, goodwill and licenses, all as more fully set forth herein.

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

1. Definitions. Capitalized terms used herein and defined in the Financing Agreement shall have the meanings set forth therein unless otherwise specifically defined herein.
2. Grant of Security Interest. To secure the payment of the Obligations, each Grantor hereby grants to Agent, for the benefit of the Lenders, a security interest, effective immediately, in all of each of the Grantor's right, title and interest in and to all of the following described property, whether now owned or hereafter acquired (collectively herein the "Intellectual Property Collateral"):
 - (a) Patents and patent applications and/or registrations together with the inventions and improvements described and claimed therein including, without limitation, the

patents and patent applications, if any, listed on Schedule A attached hereto and made a part hereof, and any and all reissues and renewals thereof and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patent Collateral");

(b) Trademarks, trademark registrations and/or applications and tradenames and service marks including, without limitation, the trademark registrations and applications listed on Schedule B attached hereto and made a part hereof, and any and all reissues and/or renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademark Collateral");

(c) Copyrights and copyright applications, and the literary property described and claimed therein, including, without limitation, those copyrights and copyright applications listed on Schedule C attached hereto and made a part hereof, and any and all reissues and renewals thereof and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Copyright Collateral");

(d) Any license agreement in which the Grantor is or becomes licensed to use any patents and/or trademarks and/or copyrights owned by a third party including, without limitation, the license agreements listed on Schedule C attached hereto and made a part hereof (all of the foregoing are sometimes referred to herein individually and/or collectively as the "License Collateral");

(e) The goodwill of the Grantor's business connected with and symbolized by the Intellectual Property Collateral; and

(f) All cash and non-cash proceeds of the foregoing.

Notwithstanding the foregoing, the Intellectual Property Collateral shall not include, and Grantor shall not be deemed to have granted a lien or security interest hereunder in, any Patent Collateral, Trademark Collateral, Copyright Collateral or License Collateral that is excluded from the definition of "Collateral" pursuant to the provisos to such definition contained in the Financing Agreement.

3. Agent's Rights. Upon the occurrence and during the continuance of any Event of Default hereunder, Agent, for the benefit of the Lenders, shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal laws. Agent will give Stila reasonable notice of the time and place of any public sale of the Intellectual Property Collateral or the time after which any private sale of the Intellectual Property Collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the address of Stila set forth above at least ten (10) days before the date of

14. Termination. This Agreement shall terminate upon termination of the Financing Agreement and full and final payment of all Obligations of the Grantor thereunder. Upon the Grantor's request, Agent, on behalf of the Lenders, shall within a reasonable time after any such termination execute and deliver to the Grantor (at the Grantor's expense) such documents and instruments as are reasonably necessary to evidence such termination and release of the security interest granted herein on any applicable public record.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the day and year first above written.

GRANTOR:

STILA CORP., a Delaware corporation

By: [Signature]

Its: Chief Financial Officer,
Treasurer and Secretary

STILA INTERNATIONAL, INC., a
Delaware corporation

By: [Signature]

Its: Chief Financial Officer,
Treasurer and Secretary

STILA UK LIMITED, a private limited
company organized under the laws of
England and Wales

By: [Signature]

Its: Director

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Agreed to and accepted this 8th day of
August, 2006:

**THE CIT GROUP/BUSINESS CREDIT,
INC.**, a New York corporation, as Agent

By:  _____

Its:  _____

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Stila International, Inc./Stila UK Limited

Trademarks

MARK	APPLICATION NO.	REGISTRATION NO.
ALL OVER SHIMMER	75/278,544	2,257,678
ALL OVER SHIMMER NEW STARS DESIGN w/STILA	78/628,857	
AQUA FLAUNT	76/056,876	2,583,382
BEAUTY ABC'S	75/565,000	2,360,804
BOUQUET DU JOUR	78/121,024	2,783,228
BROW POLISH	78/244,873	2,931,819
CLEAR COLOR	76/196,196	2,727,762
COLOR COURIER	75/943,772	2,518,626
COLOR PUSH-UPS	75/922,137	2,483,725
CONVERTIBLE COLOR	75/545,462	2,358,591
CONVERTIBLE COLOR & DESIGN W/STILA	75/681,694	2,613,036
CONVERTIBLE LASH + LINE	78/214,493	2,846,840
CONVERTIBLE LIP COLOR	78/069,116	2,738,986
CRÈME BOUQUET	76/339,947	2,800,953
DESIGN ONLY (ALL OVER SHIMMER STARS W/COLOR)	75/441,950	2,244,558
DESIGN ONLY (ALL OVER SHIMMER STARS)	75/441,823	2,244,555
DESIGN ONLY (BRONZING POWDER DESIGN-SUN & GIRL)	75/681,693	2,392,311
DESIGN ONLY (LIP GLOSS LIPS DESIGN W/COLOR)	75/441,824	2,244,556
DESIGN ONLY (LIP GLOSS LIPS DESIGN)	75/441,825	2,244,557 *

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MARK	APPLICATION NO.	REGISTRATION NO.
EYE ROUGE	75/476,735	2,282,937
FIBER OPTICS	78/138,262	
FLAUNT	75/738,508	2,691,289
FLORAL-VINE EMBOSSED COMPACT DESIGN W/STILA	78/608,734	
H20FF	75/314,936	2,417,833
H2OFF	76/098,290	2,485,027
ILLUMINATING POWDER FOUNDATION W/STILA	76/347,329	2,631,472
IT GLOSS W/STILA	78/559,618	
JADE BLOSSOM	76/339,946	2,722,472
LASH BOOST	78/559,057	
LASH POLISH	78/559,073	
LASH VISOR	76/097,718	2,791,832
MAJOR LASH	78/304,172	2,961,292
MAJOR LINE	78/304,038	
MANDARIN BLOOM	78/223,644	
MIDNIGHT BLOOM	78/344,956	2,961,487
MIDNIGHT BLOOM MOON & STAR DESIGN	78/621,910	
MISCELLANEOUS DESIGN (FLAUNT/DRESSED)	75/934,454	2,421,508
MISCELLANEOUS DESIGN (FLAUNT/UNDRESSED/BIKINI)	75/934,453	2,421,507
MISCELLANEOUS DESIGN OF SILHOUETTES	78/164,944	2,829,858
MISCELLANEOUS DESIGN OF SILHOUETTES W/STILA	78/164,940	2,827,764
NAIL SHIMMER	75/353,622	2,220,261

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MARK	APPLICATION NO.	REGISTRATION NO.
PETAL INFUSIONS	78/379,181	
PIVOTAL SKIN	76/056,439	2,776,092
PIVOTAL SUN	78/051,971	2,744,878
SKIN VISOR	78/049,222	2,722,583
SMUDGE POTS W/STILA	78/347,702	2,968,693
STILA	74/540,783	2,024,328
STILA	76/417,925	2,704,409
STILA	75/818,265	2,423,080
STILA	75/818,567	2,424,889
STILA	76/056,437	2,709,765
STILA	75/981,589	2,565,973
STILA	76/417,925	2,704,409
STILA	78/324,604	2,999,067
STILA & MISCELLANEOUS DESIGN (FACE & HAND)	78/182,789	2,761,954
STILA & DESIGN (NEW COMPACT DESIGN)	75/497,829	2,492,990
STILA AND DESIGN	75/498,153	2,480,314
STILA SPORT	75/859,799	2,494,988
STILA STUDIO	78/827,183	
STILA STUDIO	78/095,734	
STILA SUN	75/654,241	2,464,351
THE LOOK OF SKIN IS IN	78/135,758	

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