

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT3313189

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
HIGH LINE ACQUISITION LLC	02/05/2015
RECEIVING PARTY DATA	
Name:	HSBC BANK USA, NATIONAL ASSOCIATION, AS COLLATERAL AGENT
Street Address:	452 FIFTH AVENUE
City:	NEW YORK
State/Country:	NEW YORK
Postal Code:	10018
Name:	STANDARD CHARTERED BANK, AS COLLATERAL AGENT
Street Address:	1095 AVENUE OF THE AMERICAS
City:	NEW YORK
State/Country:	NEW YORK
Postal Code:	10036
PROPERTY NUMBERS Total: 5	
Property Type	Number
PCT Number:	US2010038980
Application Number:	12627772
Patent Number:	D546729
Patent Number:	7093332
Patent Number:	7210313
CORRESPONDENCE DATA	
Fax Number:	(860)275-8299
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	860-275-8285
Email:	jscheib@rc.com
Correspondent Name:	JACQUELINE P. SCHEIB
Address Line 1:	280 TRUMBULL STREET
Address Line 2:	ROBINSON & COLE LLP
Address Line 4:	HARTFORD, CONNECTICUT 06103

NAME OF SUBMITTER:	JACQUELINE P. SCHEIB
SIGNATURE:	/Jacqueline P. Scheib/
DATE SIGNED:	04/16/2015
Total Attachments: 11 source=Security Agreement for Patents#page1.tif source=Security Agreement for Patents#page2.tif source=Security Agreement for Patents#page3.tif source=Security Agreement for Patents#page4.tif source=Security Agreement for Patents#page5.tif source=Security Agreement for Patents#page6.tif source=Security Agreement for Patents#page7.tif source=Security Agreement for Patents#page8.tif source=Security Agreement for Patents#page9.tif source=Security Agreement for Patents#page10.tif source=Security Agreement for Patents#page11.tif	

SECURITY AGREEMENT
FOR
PATENTS

SECURITY AGREEMENT FOR PATENTS made as of the 5th day of February, 2015, by and between **HIGH LINE ACQUISITION LLC**, a New York limited liability company with offices located at 154 West 14th Street, New York, New York 10011 (the “**Debtor**”); and **HSBC BANK USA, NATIONAL ASSOCIATION**, a national banking association with an office at 452 Fifth Avenue, New York, New York 10018 (“**HSBC**”), in its capacity as collateral agent for itself and for **STANDARD CHARTERED BANK** with an office at 1095 Avenue of the Americas, New York, New York 10036 (“**Standard Chartered**”) (together, HSBC and Standard Chartered are hereinafter sometimes referred to as the “**Lenders**” and individually as a “**Lender**”) (in such capacity as collateral agent, HSBC is hereinafter sometimes referred to as the “**Collateral Agent**”).

Background. Debtor has incurred obligations to the Lenders which are secured by security interests in all of Debtor’s accounts, inventories, equipment and general intangibles, including without limitation Debtor’s patents, patent applications and goodwill in respect thereof (collectively, the “**Collateral**”). To confirm and perfect the Lenders’ security interest in the Debtor’s patent and patent applications, Debtor has agreed to grant a security interest and lien upon Debtor’s patents and patent applications to the Collateral Agent for the benefit of the Lenders as hereinafter provided.

Additional Definitions. The following terms shall be defined as follows:

“**Event of Default**” shall have the meaning assigned by any of the HSBC Loan and Consignment Agreement (hereinafter defined) and the Standard Chartered Loan and Consignment Agreement (hereinafter defined).

“**Obligations**” means all obligations, liabilities and indebtedness due and to become due from the Debtor to the Collateral Agent or any of the Lenders, and each of them, at any time and from time to time from the date hereof, of every kind and description, whether now existing or hereafter incurred, including future advances, whether direct, indirect or contingent, whether otherwise guaranteed or secured, and whether on open account or evidenced by a note, draft, check or other agreement, instrument or document, which obligations, liabilities and indebtedness are evidenced by or incurred pursuant to that certain Guaranty Agreement dated the date hereof, as amended from time to time, of the Debtor in favor of the Collateral Agent, for the benefit of the Lenders (as amended, modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the “**Guaranty Agreement**”), pursuant to which the Debtor has guaranteed the payment and performance of all obligations, liabilities and indebtedness of **FREDERICK GOLDMAN, INC.**, a New York corporation (“**Goldman**”) and **HIGH LINE PRECIOUS ACQUISITION LLC**, a New York limited liability company (“**HLPA**”, and together with Goldman, the “**Borrowers**”) to the Collateral Agent or any of the Lenders, and each of them, at any time and from time to time from

the date hereof, of every kind and description, whether now existing or hereafter incurred, including future advances, whether direct, indirect or contingent, whether otherwise guaranteed or secured, and whether on open account or evidenced by a note, draft, check or other agreement, instrument or document, which obligations, liabilities and indebtedness are evidenced by or incurred pursuant to:

- (a) that certain Loan and Consignment Agreement dated September 24, 2010 by and between the Borrowers and HSBC (as amended, modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the **"HSBC Loan and Consignment Agreement"**), and each of the security agreements, guaranty agreements, pledge agreements and any and all other documents, instruments or agreements now or hereafter securing or providing collateral for, or evidencing, the obligations of the Borrowers under the HSBC Loan and Consignment Agreement, or executed in connection therewith including, without limitation, that certain Secured Promissory Note of the Borrowers dated September 24, 2010 issued to HSBC in the maximum principal amount of **FIFTEEN MILLION DOLLARS (\$15,000,000)** (as amended, modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the **"HSBC Note"**) and any ISDA Master Agreement now or hereafter entered into between the Borrowers and HSBC; and
- (b) that certain Loan and Consignment Agreement dated September 24, 2010 by and between the Borrowers and Standard Chartered (as amended, modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the **"Standard Chartered Loan and Consignment Agreement"**), and each of the security agreements, guaranty agreements, pledge agreements and any and all other documents, instruments or agreements now or hereafter securing or providing collateral for, or evidencing, the obligations of the Borrowers under the Standard Chartered Loan and Consignment Agreement or executed in connection therewith including, without limitation, that certain Amended and Restated Joint and Several Secured Promissory Note of the Borrowers dated as of the date hereof issued to Standard Chartered in the maximum principal amount of **TEN MILLION DOLLARS (\$10,000,000)** (as amended, modified, restated or supplemented from time to time, together with any instrument, document or agreement which may hereafter be substituted therefor, the **"Standard Chartered Note"**) and any ISDA Master Agreement now or hereafter entered into between the Borrowers and Standard Chartered.

"Of Record" means recorded in the U.S. Patent and Trademark Office.

Capitalized terms not otherwise defined herein shall have the meanings assigned by the HSBC Loan and Consignment Agreement.

NOW, THEREFORE, in consideration of the premises, Debtor hereby agrees with the Lenders as follows:

1. To secure the complete and timely payment and satisfaction of the Obligations, Debtor hereby grants, assigns and conveys to the Collateral Agent, for itself and as Collateral Agent for the Lenders, a security interest in and lien upon (a) Debtor's patent and patent applications listed in Schedule A hereto (the "**Patents**"), and (b) Debtor's goodwill in respect thereof, including without limitation all proceeds of the Patents (such as, by way of example, proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world (collectively, the "**Rights**").

2. Debtor covenants and warrants that except as set forth in the Debtor's Disclosure Schedule attached hereto as Schedule B hereto:

- (a) Schedule A hereto correctly describes all Debtor's patent and patent applications Of Record;
- (b) The Rights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;
- (c) Each of the Rights is valid and enforceable;
- (d) Debtor is the sole and exclusive owner Of Record of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any liens, charges and encumbrances Of Record; and
- (e) Debtor has the unqualified right to enter into this Agreement and perform its terms.

3. Debtor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement which is inconsistent with Debtor's obligations under this Agreement, without Lenders' prior written consent.

4. Debtor hereby covenants and agrees with Collateral Agent and each of the Lenders that the Debtor (a) shall take such action as is reasonably necessary to protect the Patents against all claims and demands of all persons at any time claiming any interest therein; (b) shall promptly pay any and all taxes, assessments and governmental charges upon the Patents prior to the date penalties are attached thereto; and (c) shall immediately notify Collateral Agent of any event causing a substantial loss or diminution in the value of all or any material part of the Patents and the amount or an estimate of the amount of such loss or diminution.

5. Unless and until there shall have occurred an Event of Default, Debtor shall have the right to use the Rights for Debtor's own benefit, and Debtor may make or grant assignments and sublicenses of the Rights in the ordinary course of Debtor's business; provided, further, that no such assignment or sublicense shall be Of Record or shall impair the rights of Debtor or the Collateral Agent or the Lenders to sell the Collateral in the United States in accordance with the terms of this Agreement and the aforesaid Loan and Consignment Agreements.

6. The Debtor shall be responsible for processing and maintaining any and all applications for registration and re-registration of the Patents except for Patents which are no longer useful to its business or otherwise agreed by the Collateral Agent and shall bear all costs pertaining to enforcing and/or defending rights pertaining to the Patents.

7. Debtor agrees that until the Obligations have been satisfied in full, Debtor will execute further security agreements to the Collateral Agent for the benefit of the Lenders, of like tenor to this Agreement, granting a security interest in and lien upon any and all patents and patent applications that Debtor shall effect, acquire or make application for and which shall be Of Record, so as to confirm and perfect the Lenders' interest in and to all of the Collateral.

8. If an Event of Default shall have occurred, the Collateral Agent shall have, in addition to all other rights and remedies given Lenders by this Agreement, those 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 Rights may be located and, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Debtor, all of which are hereby expressly waived, and without advertisement, the Collateral Agent may sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Rights, or any interest which the Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Rights all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations in such order as the Collateral Agent may determine in its sole and absolute discretion. Notice of any sale or other disposition of the Rights shall be given to Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of the Rights is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Collateral Agent may purchase the whole or any part of the Rights sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released.

9. Notwithstanding anything to the contrary herein or in any agreement between Debtor and Collateral Agent or any of the Lenders, if any Event of Default shall have occurred and be continuing, in addition to any and all other rights and remedies that Collateral Agent may have under any other agreements or at law, the Debtor hereby irrevocably constitutes and appoints Collateral Agent and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact, with full irrevocable power and authority in the place and stead of Debtor and in the name of Debtor or Collateral Agent's own name or the name of Collateral Agent's designee, all acts of said attorney being hereby ratified and confirmed, except to the extent any of the same constitute gross negligence or willful misconduct, such power being coupled with an interest is irrevocable, upon the occurrence of an Event of Default and the continuance thereof: (a) to convey to Collateral Agent (or Lenders) or any purchaser any or all of the Rights, together with the goodwill of the business represented thereby, and to execute and file or cause to be filed any and all assignments and other documents and instruments that may be necessary or desirable to accomplish the purposes of such conveyance; (b) to collect proceeds from the Rights (including, by way of example, license,

royalties and proceeds of infringement suits); (c) to convey in any bona fide transactions to a purchaser goods utilizing any of the; and (d) to make payment or discharge taxes or liens levied or placed upon or threatened against any goods utilizing the Rights the legality or validity thereof and the amounts necessary to discharge the same to be determined by Collateral Agent, in its sole discretion, and such payments made by Collateral Agent to become the obligation of Debtor to Collateral Agent, due and payable immediately, without demand.

10. At such time as Debtor shall completely satisfy all the Obligations, the Collateral Agent shall execute and deliver to Debtor all releases, deeds, assignments and other instruments as may be necessary or proper to discharge the Collateral Agent's security interest in and lien upon the Rights, subject to any disposition thereof which may have been made by the Collateral Agent pursuant hereto.

11. Debtor shall have the duty, through counsel reasonably acceptable to the Collateral Agent, to prosecute diligently any application in respect of any of the Rights pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full. Any expenses incurred in connection with such an application shall be borne by Debtor.

12. The Collateral Agent, as Collateral agent for the Lenders, hereby agrees to be bound by the terms of the License Agreements, provided that such agreement shall in no way be deemed to be an acceptance of any obligation of the Debtor under the License Agreements outstanding as of the date of the Security Agreement.

13. At such time as the Collateral Agent becomes the owner of the Rights, as provided in this Agreement, the Collateral Agent shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Rights and any license thereunder, in which event Debtor shall at the request of Collateral Agent do any and all lawful acts and execute any and all proper documents required by Collateral Agent in aid of such enforcement and Debtor shall promptly, following demand, reimburse and indemnify Collateral Agent for all costs and expenses incurred by Collateral Agent in the exercise of its rights under this Paragraph, provided however, if the Collateral Agent shall not bring suit hereunder, then Debtor, upon prior written consent of the Collateral Agent, shall have the right, with counsel of its own selection, to bring such suit prosecute and settle the same, at its own cost and expense.

14. No course of dealing between Debtor and the Collateral Agent nor any failure to exercise, nor any delay in exercising, on the part of the Collateral Agent, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other further exercise thereof or the exercise of any other right, power or privilege.

15. All of the Collateral Agent's rights and remedies with respect to the Rights whether established hereby or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable, and if any clause or provision 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.

17. This Agreement is subject to modification only by a writing signed by the parties.

18. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

19. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of New York.

20. All notices, communications and distributions hereunder shall be given or made to the parties at their respective addresses set forth on the last page hereof, or at such other address as the addressee may hereafter specify for the purpose by written notice to the other party hereto in accordance with the requirements of the Loan and Consignment Agreements.

21. DEBTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN AND CONSIGNMENT DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE COLLATERAL AGENT AND THE LENDERS TO ACCEPT THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement for Patents to be executed by their respective officers as of the date first above written.

WITNESS:

Sarina F. Engel

HIGH LINE ACQUISITION LLC

By: 

Title:

Address: 154 West 14th Street
New York, New York 10011

HSBC BANK USA, NATIONAL ASSOCIATION,
as Collateral Agent

By: _____

Title:

Address: 452 Fifth Avenue
New York, New York 10018

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement for Patents to be executed by their respective officers as of the date first above written.

WITNESS:

HIGH LINE ACQUISITION LLC

By: _____

Title: _____

Address: 154 West 14th Street
New York, New York 10011

HSBC BANK USA, NATIONAL ASSOCIATION,
as Collateral Agent

By:  _____

Title: _____

Address: 452 Fifth Avenue
New York, New York 10018

PATENT

REEL: 035423 FRAME: 0010

SCHEDULE A

PATENT AND PATENT APPLICATIONS

<u>Patent</u>	<u>Reg. No.</u>	<u>Ser./App. No.</u>
BIOBLU27 (Cobalt Based Jewelry) - PCT Patent		PCT/US10/38980
BIOBLU27 (Cobalt Based Jewelry) - PCT Patent - Canadian National Phase		PCT/US2010/038980
BIOBLU27 (Cobalt Based Jewelry) - US Patent		12/627,272
Bolo "JEWELRY LINK" (Design Patent)	D546,729	29/237,883
LOCKING TOGGLE ASSEMBLY FOR JEWELRY	7,093,332	10/697,607
RELEASE MECHANISM FOR A BANGLE	7,210,313	10/754,746

SCHEDULE B

DISCLOSURE SCHEDULE

Scott Kay, Inc. represented to Salus Capital Partners, LLC ("*Salus*") that it owned all the registered patents and patent applications listed in Schedule A. Salus in turn has represented to High Line Acquisition LLC that it owns all such patents. The USPTO however does not evidence the assignment of patent registration #7,093,332, #7,210,313 and #D546,729 from Scott Kay (individual) to Scott Kay, Inc. nor the assignment of patent application #12/627,772 from Spectore Corp. and Scott Kay, Inc. to Scott Kay, Inc. alone.

The registered patents listed in Schedule A are subject to a first priority security interest granted to Salus.