

12-12-2000



101546764

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

MRO
11-21-00

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 License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other _____

Effective Date
Month Day Year
11 14 00

Conveying Party

Mark if additional names of conveying parties attached

Name CRAZY SHIRTS, INC.

Execution Date
Month Day Year
11 14 00

Formerly _____

- Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization a Hawaii corporation

Receiving Party

Mark if additional names of receiving parties attached

Name Congress Financial Corporation (Western)

DBA/AKA/TA _____

Composed of _____

Address (line 1) 251 South Lake Avenue, Suite 900

Address (line 2) _____

Address (line 3) Pasadena CA U.S.A. 91101

- Individual General Partnership Limited Partnership

- Corporation Association

Other _____

Citizenship/State of Incorporation/Organization a California corporation

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 should be attached. (Designation must be a separate document from Assignment.)

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

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)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

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

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="SEE ATTACHED EXHIBIT 'A'"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="SEE ATTACHED EXHIBIT 'A'"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed Deposit Account

Deposit Account

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

Deposit Account Number:

#

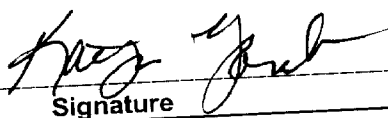
Authorization to charge additional fees:

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.

Kathryn Gambino, Paralegal



11/20/00

Name of Person Signing

Signature

Date Signed

Exhibit "A"

me
ju

REGISTERED TRADEMARKS

U.S. Trademarks

Trademark	Description	Class of Goods	Registration Date	Reg. No.
Crazy Shirts	logo-stacked	25	09/17/72	943,290
Crazy Shirts	block letter	42	10/30/79	1,126,473
Crazy Shirts	block letter	25	09/16/96	1,999,785
Crazy Shirts	block letter	18	09/10/96	1,999,785
Crazycords	stylized	25	04/01/86	1,388,366
Crazysshorts	stylized	25	08/26/86	1,406,812
Crazysweats	stylized	25	10/15/91	1,560,884
Poipu Beach Club	linear	20,24,25	04/04/89	1,553,144
Poipu Beach Club	circular	21,25	06/27/89	1,545,414
Poipu Beach Club	5 shells	25	04/04/89	1,533,145
Royal Hawaiian Yacht Club	block letter	20,21,24,25	11/14/89	1,565,842
Royal Hawaiian Yacht Club	block letter	16,18,20,21,24	02/12/91	1,634,788
West Maui Yacht Club	linear	25	09/08/87	1,456,588
West Maui Yacht Club	circular	25	09/08/87	1,456,587

PENDING U.S. TRADEMARKS

Mark	Description	Class of Goods
Sharka Surf Co.	Character	25
Sharka Surf Co.	Character	20
Sharka Surf Co.	Character	28
Sharka Surf Co.	block letter	25
Sharka Surf Co.	block letter	28

Rev. 9/15/00

FOREIGN TRADEMARKS

Country	Mark	Class of Goods	Reg. Date	Reg. No.
Andorra	block letter	25	05/23/97	6328
Austria	logo (stack)	25	11/10/95	160 842
Australia	block letter	42 (services)	06/20/96	711200
Australia	Crazy Shirts	25	05/24/90	A458003
Australia	Crazy Surf	25	04/21/88	A485621
Bahamas	logo (stack)	24 (cotton piece of goods)	06/16/81	10,298
Bahamas	logo (stack)	38 (articles of clothing)	06/16/81	10,299
Benelux	logo (old)	25	09/23/82	385860
Benelux	block letter	25	09/18/92	519591
Canada	logo (old)	silk screen t-shirts	05/21/76	TMA213,872
Canada	block letter	silk screen t-shirts	04/22/88	TMA339,528
Denmark	logo (stack)	25	12/29/95	8800/1995
Fiji	logo (old)	38 (articles of clothing)	03/31/89	20489
Finland	logo (stack)	25	09/30/96	201833
France	logo (stack)	25	03/17/85	1 319 434
Greece	logo (stack)	25	12/17/97	124980
Israel	logo (old)	25 (silk screening t-shirts)	03/29/81	51890
Italy	logo (old)	25	04/15/82	403437
Italy	logo (stack)	25	10/13/97	00728059
Japan	Crazy (blk itr)	17 (clothing, etc.)	01/08/66	694,363
Japan	block letter	21 (bags, etc.)	04/20/84	1,681,805
Japan	logo (old)	22 (footwear, umbrellas)	05/30/86	1,865,214
Japan	logo (old)	21 (bags, etc.)	07/30/86	1,877,402
Japan	logo (old)	17 (clothing, etc.)	07/30/93	2,561,049
Japan	block letter	17 (clothing etc.)	07/30/93	2,561,050
Japan	block letter	9 (spectacles, etc.)	06/13/97	3320812
Japan	block letter	14 (jewelry)	05/23/97	3308852
Japan	block letter	18 (paper, stationery)	08/22/97	4045558
Japan	block letter	24 (woven fabrics)	07/04/97	4020271
Japan	block letter	26 (embroidered goods)	05/23/97	3308853
Japan	block letter	28 (rec equip, etc.)	04/25/97	3292779
Japan	block letter	28 (rec equip, etc.)	04/28/94	2,645,518
Japan	Crazy World	17 (clothing, etc.)	08/29/97	4050102
Japan	logo (stack)	25	05/26/97	363,003
Korea	logo (stack)	Korean class 45	06/05/87	172733
New Zealand	block letter	25	07/10/97	181194
Norway	logo (stack)	25	06/15/95	5433/95
Singapore	logo & blk ltr	25	03/10/81	81/1154
South Africa	logo (old)	25 (shirts)	01/15/85	1,014,238
Spain	logo (old)	25	04/19/88	55211
Sri Lanka	logo (old)	25	04/19/88	55212
Sri Lanka	block letter	25	04/19/88	55210
Sri Lanka	block letter	42 (retail clothing service)	03/28/96	310 800
Sweden	logo (stack)	25	07/25/75	246 846
Switzerland	logo (old)	25	02/16/83	204,913
Taiwan	Crazy & design	44 (wearing apparel)	01/09/98	Khor103122
Thailand	logo (stack)	25		

Rev 9/15/00

Country	Mark	Class of Goods	Reg. Date	Reg. No.
United Kingdom	logo (old)	25 (shirts)	04/29/75	B1045773
United Kingdom	block letter	25	03/23/96	2063526
Community Trademark	block letter	25	03/22/96	000174235
Community Trademark	logo (stack)	25, 35, 42	03/22/96	000235036

PENDING FOREIGN TRADEMARKS

Country	Mark	Class of Goods
Brazil	logo (stack)	25
Brazil	block letter	25
India	logo (stack)	25
Indonesia	logo (stack)	25
Kuwait	logo (stack)	25
Malaysia	logo (stack)	25
Philippines	logo (stack)	25

Rev. 9/15/00

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT ("Agreement"), dated as of November 14, 2000, is entered into between **Crazy Shirts, Inc.**, a Hawaii corporation ("Grantor"), which has a mailing address at 99-969 Iwaena Street, Aiea, Hawaii 96701, and **CONGRESS FINANCIAL CORPORATION (WESTERN)** ("Congress"), which has a mailing address at 251 S. Lake Avenue Suite 900, Pasadena, California 91101.

RECITALS

A. Grantor and Congress are, contemporaneously herewith, entering into that certain Loan and Security Agreement ("Loan Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively, together with the Loan Agreement, the "Loan Documents"); and

B. Grantor is the owner of certain intellectual property, identified below, in which Grantor is granting a security interest to Congress.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. The following terms, as used in this Agreement, have the following meanings:

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means all of the following, whether now owned or hereafter acquired:

(i) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) All of Grantor's right to the trademarks and trademark registrations listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(iii) All of Grantor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Grantor or in the name of Congress for past, present, and future infringements of the trademarks,

registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(iv) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(v) All general intangibles relating to the foregoing and all other intangible intellectual or other similar property of the Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(vi) All products and proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Obligations" means all obligations, liabilities, and indebtedness of Grantor to Congress, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Loan Agreement, any other of the Loan Documents, or otherwise, including all costs and expenses described in the Loan Agreement.

1.2 Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Congress or Grantor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Grantor, Congress, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Congress and Grantor. Headings have been set forth herein for convenience only, and shall not be used in the construction of this Agreement.

2. GRANT OF SECURITY INTEREST.

To secure the complete and timely payment and performance of all Obligations, and without limiting any other security interest Grantor has granted to Congress, Grantor hereby grants, assigns, and conveys to Congress a security interest in Grantor's entire right, title, and interest in and to the Collateral.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Grantor hereby represents, warrants, and covenants that:

3.1 Trademarks. A true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Grantor or licensed to Grantor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Exhibit A.

3.2 Validity; Enforceability. Each of the trademarks is valid and enforceable, and Grantor is not presently aware of any past, present, or prospective claim by any third party that any of the trademarks are invalid or unenforceable, or that the use of any trademarks violates the rights of any third person, or of any basis for any such claims.

3.3 Title. Grantor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances (except as permitted under the Loan Agreement and except for the interests of licensors in trademarks licensed to Grantor), including pledges, assignments, licenses, shop rights, and covenants by Grantor not to sue third persons.

3.4 Notice. Grantor has used and will continue to use proper statutory notice in connection with its use of each of the trademarks, if and to the extent necessary to preserve or protect Grantor's rights therein and thereto in all material respects.

3.5 Quality. Grantor has used and will continue to use consistent standards of high quality (which may be consistent with Grantor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks.

3.6 Perfection of Security Interest. Except for the filing of financing statements and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Grantor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Grantor or for the perfection of or the exercise by Congress of its rights hereunder to the Collateral in the United States.

4. AFTER-ACQUIRED TRADEMARK RIGHTS.

If Grantor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to Congress with respect to any such new trademarks, or renewal or extension of any trademark registration. Grantor shall bear any expenses incurred in connection with future trademark registrations. Without limiting Grantor's obligation under this Section 4, Grantor authorizes Congress to modify this Agreement by amending Exhibit A to include any such new trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Exhibit A shall in any way affect, invalidate or detract from Congress's continuing security interest in all Collateral, whether or not listed on Exhibit A.

Anything herein to the contrary notwithstanding, Congress shall not acquire any interest in any intent to use a federal trademark application for a trademark, servicemark, or other mark filed on Grantor's behalf prior to the filing under applicable law of a verified statement of use (or equivalent) for such mark that is the subject of such application.

5. LITIGATION AND PROCEEDINGS.

Grantor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to

protect the Collateral. Grantor shall provide to Congress any information with respect thereto requested by Congress. Congress shall provide at Grantor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Grantor's becoming aware thereof, Grantor shall notify Congress of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Grantor's claim of ownership in any of the trademarks, its right to apply for the same, or its right to keep and maintain such trademark rights.

6. POWER OF ATTORNEY.

Grantor hereby appoints Congress as Grantor's true and lawful attorney, with full power of substitution, to do any or all of the following, in the name, place and stead of Grantor: (a) file this Agreement (or an abstract hereof) or any other document describing Congress's interest in the Collateral with the United States Patent and Trademark Office; (b) execute any modification of this Agreement pursuant to Section 4 of this Agreement; (c) take any action and execute any instrument which Congress may deem necessary or advisable to accomplish the purposes of this Agreement; and (d) following an Event of Default (as defined in the Loan Agreement), (i) endorse Grantor's name on all applications, documents, papers and instruments necessary for Congress to use or maintain the Collateral; (ii) ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; (iii) file any claims or take any action or institute any proceedings that Congress may deem necessary or desirable for the collection of any of the Collateral or otherwise enforce Congress's rights with respect to any of the Collateral, and (iv) assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

7. RIGHT TO INSPECT.

Grantor grants to Congress and its employees and agents the right to visit Grantor's plants and facilities which manufacture, inspect, or store products sold under any of the trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

8. SPECIFIC REMEDIES.

Upon the occurrence of any Event of Default (as defined in the Loan Agreement), Congress shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

8.1 Notification. Congress may notify licensees to make royalty payments on license agreements directly to Congress;

8.2 Sale. Congress may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Congress deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Grantor five (5) days prior to such disposition. Grantor shall be credited with the net proceeds of such sale only when they are actually received by Congress, and Grantor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Congress shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in

which the sale is to be held. To the maximum extent permitted by applicable law, Congress may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Congress at such sale.

9. GENERAL PROVISIONS.

9.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Grantor and Congress.

9.2 Notices. Except to the extent otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the notice provisions of the Loan Agreement.

9.3 No Waiver. No course of dealing between Grantor and Congress, nor any failure to exercise nor any delay in exercising, on the part of Congress, any right, power, or privilege under this Agreement or under the Loan Agreement or any other agreement, shall operate as a waiver. No single or partial exercise of any right, power, or privilege under this Agreement or under the Loan Agreement or any other agreement by Congress shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege by Congress.

9.4 Rights Are Cumulative. All of Congress's rights and remedies with respect to the Collateral whether established by this Agreement, the Loan Agreement, or any other documents or agreements, or by law shall be cumulative and may be exercised concurrently or in any order.

9.5 Successors. 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; provided that Grantor may not transfer any of the Collateral or any rights hereunder, without the prior written consent of Congress, except as specifically permitted hereby.

9.6 Severability. The provisions of this Agreement are severable. If any provision of this Agreement is held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction, and shall not in any manner affect such provision or part thereof in any other jurisdiction, or any other provision of this Agreement in any jurisdiction.

9.7 Entire Agreement. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Section 4 of this Agreement. To the extent that any provision of this Agreement conflicts with any provision of the Loan Agreement, the provision giving Congress greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Congress under the Loan Agreement. This Agreement, the Loan Agreement, and the documents relating thereto comprise the entire agreement of the parties with respect to the matters addressed in this Agreement.

9.8 Fees and Expenses. Grantor shall pay to Congress on demand all costs and expenses that the Congress pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Congress; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any

amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Grantor under this Agreement that Grantor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the Congress arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Grantor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

9.9 Indemnity. Grantor shall protect, defend, indemnify, and hold harmless Congress and Congress's assigns from all liabilities, losses, and costs (including without limitation reasonable attorneys' fees) incurred or imposed on Congress relating to the matters in this Agreement.

9.10 Further Assurances. At Congress's request, Grantor shall execute and deliver to Congress any further instruments or documentation, and perform any acts, that may be reasonably necessary or appropriate to implement this Agreement, the Loan Agreement or any other agreement, and the documents relating thereto, including without limitation any instrument or documentation reasonably necessary or appropriate to create, maintain, perfect, or effectuate Congress's security interests in the Collateral.

9.11 Release. At such time as Grantor shall completely satisfy all of the Obligations and the Loan Agreement shall be terminated, Congress shall execute and deliver to Grantor all assignments and other instruments as may be reasonably necessary or proper to terminate Congress's security interest in the Collateral, subject to any disposition of the Collateral which may have been made by Congress pursuant to this Agreement. For the purpose of this Agreement, the Obligations shall be deemed to continue if Grantor enters into any bankruptcy or similar proceeding at a time when any amount paid to Congress could be ordered to be repaid as a preference or pursuant to a similar theory, and shall continue until it is finally determined that no such repayment can be ordered.

9.12 Governing Law. 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 California, excluding its conflict of law rules to the extent such rules would apply the law of another jurisdiction, and the United States. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the state and federal courts located in the County of Los Angeles, State of California or, at the sole option of Congress, in any other court in which Congress shall initiate legal or equitable proceedings and which has subject matter jurisdiction over the matter in controversy. each of Grantor and Congress waives, to the extent permitted under applicable law, any right they may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceeding is brought in accordance with this Section.

9.13 Waiver of Right to Jury Trial. CONGRESS AND GRANTOR EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO: (I) THIS AGREEMENT; OR (II) ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN CONGRESS AND GRANTOR; OR (III) ANY CONDUCT, ACTS OR OMISSIONS OF CONGRESS OR GRANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH CONGRESS OR GRANTOR; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

CONGRESS FINANCIAL
CORPORATION (WESTERN)

CRAZY SHIRTS, INC.

By Matthew James
Title VICE PRESIDENT

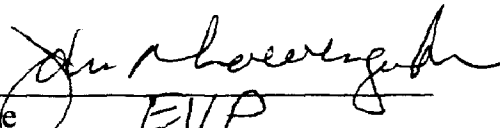
By _____
Title _____

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

CONGRESS FINANCIAL
CORPORATION (WESTERN)

By _____
Title _____

CRAZY SHIRTS, INC.

By 
Title EVP

me
Jul

Exhibit "A"

REGISTERED TRADEMARKS

U.S. Trademarks

Trademark	Description	Class of Goods	Registration Date	Reg. No.
Crazy Shirts	logo-stacked	25	09/17/72	943,290
Crazy Shirts	block letter	42	10/30/79	1,126,473
Crazy Shirts	block letter	25	09/16/96	1,999,785
Crazy Shirts	block letter	18	09/10/96	1,999,785
Crazycords	stylized	25	04/01/86	1,388,366
Crazyshorts	stylized	25	08/26/86	1,406,812
Crazysweats	stylized	25	10/15/91	1,660,884
Poipu Beach Club	linear	20,24,25	04/04/89	1,553,144
Poipu Beach Club	circular	21,25	08/27/89	1,545,414
Poipu Beach Club	5 shells	25	04/04/89	1,533,145
Royal Hawaiian Yacht Club	block letter	20,21,24,25	11/14/89	1,565,842
Royal Hawaiian Yacht Club	block letter	16,18,20,21,24	02/12/91	1,634,788
West Maui Yacht Club	linear	25	09/08/87	1,456,586
West Maui Yacht Club	circular	25	09/08/87	1,456,587

PENDING U.S. TRADEMARKS

Mark	Description	Class of Goods
Sharka Surf Co.	Character	25
Sharka Surf Co.	Character	20
Sharka Surf Co.	Character	28
Sharka Surf Co.	block letter	25
Sharka Surf Co.	block letter	28

Rev. 9/15/00

TRADEMARK FROM CONGRESS FILE NUMBER
REEL: 002190 FRAME: 0521

FOREIGN TRADEMARKS

Country	Mark	Class of Goods	Reg. Date	Reg. No.
Andorra	block letter	25	05/23/97	6328
Austria	logo (stack)	25	11/10/95	160 842
Australia	block letter	42 (services)	06/20/96	711200
Australia	Crazy Shirts	25	05/24/90	A458003
Australia	Crazy Surf	25	04/21/88	A485621
Bahamas	logo (stack)	24 (cotton piece of goods)	06/16/81	10,298
Bahamas	logo (stack)	38 (articles of clothing)	06/16/81	10,299
Benelux	logo (old)	25	09/23/82	385860
Benelux	block letter	25	09/18/92	519591
Canada	logo (old)	silk screen t-shirts	05/21/76	TMA213,872
Canada	block letter	silk screen t-shirts	04/22/88	TMA339,528
Denmark	logo (stack)	25	12/29/95	8800/1995
Fiji	logo (old)	38 (articles of clothing)	03/31/89	20489
Finland	logo (stack)	25	09/30/96	201833
France	logo (stack)	25	03/17/85	1 319 434
Greece	logo (stack)	25	12/17/97	124980
Israel	logo (old)	25 (silk screening t-shirts)	03/29/81	51890
Italy	logo (old)	25	04/15/82	403437
Italy	logo (stack)	25	10/13/97	00728059
Japan	Crazy (blk ltr)	17 (clothing, etc.)	01/08/68	694,363
Japan	block letter	21 (bags, etc.)	04/20/84	1,681,805
Japan	logo (old)	22 (footwear, umbrellas)	05/30/86	1,865,214
Japan	logo (old)	21 (bags, etc.)	07/30/86	1,877,402
Japan	logo (old)	17 (clothing, etc.)	07/30/93	2,561,049
Japan	block letter	17 (clothing etc.)	07/30/93	2,561,050
Japan	block letter	9 (spectacles, etc.)	06/13/97	3320812
Japan	block letter	14 (jewelry)	05/23/97	3308852
Japan	block letter	18 (paper, stationery)	08/22/97	4045558
Japan	block letter	24 (woven fabrics)	07/04/97	4020271
Japan	block letter	26 (embroidered goods)	05/23/97	3308853
Japan	block letter	28 (rec equip, etc.)	04/25/97	3292779
Japan	Crazy World	17 (clothing, etc.)	04/28/94	2,645,518
Japan	logo (stack)	25	08/29/97	4050102
Korea	logo (stack)	Korean class 45	05/26/97	363,003
New Zealand	block letter	25	06/05/87	172733
New Zealand	block letter	25	07/10/97	181194
Norway	logo (stack)	25	06/15/95	5433/95
Singapore	logo & blk ltr	25	03/10/81	81/1154
South Africa	logo (old)	25 (shirts)	01/15/85	1,014,238
Spain	logo (old)	25	04/19/88	55211
Sri Lanka	logo (old)	25	04/19/88	55212
Sri Lanka	block letter	25	04/19/88	55210
Sri Lanka	block letter	42 (retail clothing service)	03/29/96	310 800
Sweden	logo (stack)	25	07/25/75	246 846
Switzerland	logo (old)	25	02/16/83	204,913
Taiwan	Crazy & design	44 (wearing apparel)	01/09/98	Khor103122
Thailand	logo (stack)	25		

Rev 9/15/00

Country	Mark	Class of Goods	Reg. Date	Reg. No.
United Kingdom	logo (old)	25 (shirts)	04/29/75	B1045773
United Kingdom	block letter	25	03/23/96	2063526
Community Trademark	block letter	25	03/22/96	000174235
Community Trademark	logo (stack)	25, 35, 42	03/22/96	000235036

PENDING FOREIGN TRADEMARKS

Country	Mark	Class of Goods
Brazil	logo (stack)	25
Brazil	block letter	25
India	logo (stack)	25
Indonesia	logo (stack)	25
Kuwait	logo (stack)	25
Malaysia	logo (stack)	25
Philippines	logo (stack)	25

Rev 9/15/00

TRADEMARK FROM CONGRESS REEL: 002190 FRAME: 0523

RECORDED: 11/21/2000