



02-13-2001



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FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type 2-5-01		Conveyance Type	
<input checked="" type="checkbox"/> New	<input type="checkbox"/> Resubmission (Non-Recordation) Document ID # _____	<input type="checkbox"/> Assignment	<input type="checkbox"/> License
<input type="checkbox"/> Correction of PTO Error Reel # _____ Frame # _____	<input type="checkbox"/> Corrective Document Reel # _____ Frame # _____	<input checked="" type="checkbox"/> Security Agreement	<input type="checkbox"/> Nunc Pro Tunc Assignment Effective Date Month Day Year _____
		<input type="checkbox"/> Merger	
		<input type="checkbox"/> Change of Name	
		<input type="checkbox"/> Other _____	

Conveying Party Mark if additional names of conveying parties attached

Name Simple Solutions of NJ, Inc. Execution Date
Month Day Year 11 14 2000

Formerly _____

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization New Jersey

Receiving Party Mark if additional names of receiving parties attached

Name Fleet Retail Finance Inc.

DBA/AKA/TA _____

Composed of _____

Address (line 1) 40 Broad Street

Address (line 2) _____

Address (line 3) Boston MA 02109
City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Delaware

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.)

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002233 FRAME: 0804

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" value="2335148"/>	<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"/>	<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.

Michael Hill

Michael Hill

1/29/01

Name of Person Signing

Signature

Date Signed

**TRADEMARK AND TRADEMARK
APPLICATIONS SECURITY AGREEMENT**

This Trademark and Trademark Application Security Agreement (the "**TM Security Agreement**") is made as of this 14th day of November, 2000, by **Simple Solutions of NJ, Inc.** (hereinafter, the "**Guarantor**"), a New Jersey corporation with a principal place of business at One Cape May Street, Harrison, New Jersey 07029 as a Guarantor pursuant to a Guaranty, dated of even date herewith (the "**Guaranty**"), of the Liabilities (as defined below) of Lechters, Inc., as the designated "**Lead Borrower**" for itself and each of its subsidiaries who are designated as additional Borrowers in the "Loan Agreement", as defined below (such subsidiary Borrowers being referred to herein as "**Subsidiary Borrowers**"), and **Fleet Retail Finance Inc.**, (hereinafter the "**Agent**") a Delaware corporation with offices at 40 Broad Street, Boston, Massachusetts 02109 as agent for the benefit of itself and each of the other "**Lenders**" as defined in that certain Amended and Restated Loan and Security Agreement, dated of even date herewith (as amended from time to time, the "**Loan Agreement**"), among the Borrower, the Subsidiary Borrowers, the Agent and the Lenders.

RECITALS

WHEREAS, pursuant to the Loan Agreement, the Agent has agreed to make certain Loans from the Lenders, as defined in the Loan Agreement (hereinafter, the "**Loans**"), available to the Borrower and the Subsidiary Borrowers; and

WHEREAS, pursuant to the Guaranty the Guarantor has guaranteed to the Agent and Lenders the full and timely payment and performance by in the Borrower and the Subsidiary Borrowers of the Liabilities (as defined in the Loan Agreement) of the Borrower and Subsidiary Borrowers to the Agent and the Lenders; and

WHEREAS, as a condition to the establishment of the credit facilities contemplated by the Loan Agreement and to secure the Guaranty, the Guarantor has executed and delivered this TM Security Agreement to Agent.

NOW THEREFORE, For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Guarantor and the Agent agree as follows:

1. Terms used herein which are defined in the Loan Agreement are used as so defined.
2. To secure the Guaranty and the Liabilities, the Guarantor hereby grants a security interest in favor of, and collaterally assigns to, the Agent, for the benefit of the Lenders, with power of sale (which power of sale shall be exerciseable only following the occurrence of an Event of Default, as such term is used herein as defined in the Loan Agreement), in and to the following and all proceeds thereof:
 - a. All of the Guarantor's now owned or existing or hereafter acquired or arising trademarks, registered trademarks, service marks, trademark applications, registered service marks and service mark applications including, without limitation, those listed on **EXHIBIT A** annexed hereto and made a part hereof, together with any goodwill connected with and symbolized by any such trademarks, registered trademarks, service marks, trademark applications, registered service marks, and service mark applications.
 - b. All renewals of any of the foregoing.
 - c. All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the following, including, without limitation, payments under all licenses entered into in connection therewith (excluding licenses with any Borrower) and damages and payments for past or future infringements or dilutions thereof.

d. The right to sue for past, present and future infringements and dilutions of any of the foregoing.

e. All Guarantor's rights corresponding to any of the foregoing throughout the world.

All of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications described in Subsection 2(a) together with the items respectively described in Subsection 2(b) through and including 2(e) are hereinafter individually and/or collectively referred to as the "Marks".

3. Until this TM Security Agreement is terminated in writing by a duly authorized officer of the Agent, the Guarantor shall undertake the following with respect to each Mark:

a. Pay all renewals fees and other fees and costs associated with maintaining the registration for the Marks.

b. At the Guarantor's sole cost, expense, and risk, pursue the prompt, diligent, processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts, unless the respective service mark or trademark is abandoned (provided, however that the Guarantor shall notify the Agent of any intent to abandon any servicemark or trademarks).

c. At the Guarantor's sole cost, expense, and risk, take any and all action which Agent deems reasonably necessary or desirable to protect the Marks, including, without limitation, the prosecution and defense of infringement actions.

4. In the event of:

a. the Guarantor's failure, within five (5) days of written notice from the Agent, to cure any failure by the Guarantor to perform any of the Guarantor's obligations set

forth in Section 3, above, and/or

- b. the occurrence of any Event of Default,

the Agent acting in its own name or in that of the Guarantor may (but shall not be required to) act in the Guarantor's place and stead and/or in the Agents' own right in connection therewith.

5. Guarantor represents and warrants that:

- a. **EXHIBIT A** includes all of the Federal registered trademarks, Federal trademark applications, registered service marks and Federal service mark applications now owned by the Guarantor.

- b. No liens, claims or security interests have been granted in any Mark by the Guarantor to any Person other than to the Agent.

6. In order to further secure the Liabilities:

- a. The Guarantor shall give the Agent written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

- i The Guarantor obtains rights to, and files applications for the registration of, any new trademarks, or service marks, or otherwise acquires ownership of any newly registered trademarks, registered service marks, trademark applications, or service mark applications, (other than Guarantor's right to sell products containing the trademarks of others in the ordinary course of Guarantor's business).

- ii The Guarantor becomes entitled to the benefit of any registered trademarks, trademark applications, trademark licenses, trademark license renewals, registered service marks, service mark applications, service mark licenses or service mark license renewals whether as licensee or licensor (other than Guarantor's right to sell products containing the trademarks of others in the ordinary course of Guarantor's business).

iii The Guarantor enters into any new trademark license agreement or service mark license agreement.

iv Intentionally Omitted.

b. The provisions of this TM Security Agreement shall automatically apply to any such additional property or rights described in Section 6(a), above, all of which shall be deemed to be and treated as "Marks" within the meaning of this TM Security Agreement.

c. The Guarantor hereby authorizes the Agent to modify this TM Security Agreement by amending EXHIBIT A to include any future registered trademarks, trademark applications, registered service marks and service mark applications, written notice of which so given, *provided, however*, the modification of said EXHIBIT shall not be a condition to the creation or perfection of the security interest created hereby.,

7. Upon the occurrence of any Event of Default, the Agent may exercise all rights and remedies of a secured party upon default under the Uniform Commercial Code as adopted in the State of New York with respect to the Marks, in addition to which the Agent, subject to the terms of the Loan Agreement, subject to ten (10) days prior notice, may sell, license, assign, transfer, or otherwise dispose of the Marks. Any person may conclusively rely upon an affidavit of an officer of the Agent that an Event of Default has occurred and that the Agent is authorized to exercise such rights and remedies.

8. The Guarantor hereby irrevocable constitutes and designates the Agent as and for the Guarantor's attorney in fact, effective with and upon the Agent's first exercise (the "**First Exercise**") of such powers following the occurrence of any Event of Default:

- a. To exercise any of the rights and powers references in Section 3.
- b. To execute all and singular instruments and documents as the Agent

determines to be appropriate in connection with the exercise of such rights and remedies and, subject to ten (10) days prior notice, to cause the sale, license, assignment, transfer, or other disposition of the Marks.

The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until the within TM Security Agreement is terminated by a duly authorized officer of the Agent, but shall be exercisable only following the occurrence of an Event of Default.

9. Any use of the Agent of the Marks as authorized hereunder in connection with the exercise of the Agent's rights and remedies under the within TM Security Agreement and the Loan Agreement shall be coextensive with Guarantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Agent to the Guarantor. Such use by the Agent shall be permitted only with and upon the First Exercise following the occurrence of an Event of Default.

10. Agent hereby acknowledges that the Guarantor shall continue to have the exclusive right, prior to notice from the Agent following the occurrence of an Event of Default, to sue for past, present and future infringement of the Marks including the right to seek injunctions and/or money damages, in an effort by Guarantor to protect the Marks against encroachment by third parties; provided, however, that Guarantor first notifies Agent in writing of its intention to sue for enforcement of the Marks against a particular party. All costs arising in connection with any infringement shall be borne by Guarantor.

11. Following the payment and satisfaction of all Liabilities, and the termination of any obligation of the Agent to provide loans or financial accommodations under the credit facility contemplated by the Loan Agreement, this TM Security Agreement shall terminate and the Agent shall execute and deliver to Guarantor all such instruments as the Guarantor

reasonably may request to release any encumbrance in favor of the Agent created hereby or pursuant hereto, subject, however, to any disposition thereof which may have been made by Agent pursuant hereto or pursuant to the Loan Agreement.

12. The Guarantor shall, at the request of the Agent, do any and all acts and execute any and all documents required by the Agent in connection with the protection, preservation, and enforcement of the Agent's rights hereunder.

13. The Guarantor shall, upon demand, reimburse the Agent for all costs and expenses incurred by the Agent in the exercise of any rights hereunder (including, without limitation, fees and any rights in and to the Marks, except following the occurrence of any Event of Default (and in such circumstances, only with and upon the First Exercise)).

14. Intentionally Omitted.

15. Pursuant to Section 5-1401 of the New York General Obligations Law, this Trademark Security Agreement shall be governed, construed and interpreted in accordance with the laws of the State of expenses of counsel).

16. Neither anything contained in the within TM Security Agreement or in the Loan Agreement nor any act, omission, or circumstance may be construed as directly or indirectly conveying to the Agent New York.

IN WITNESS WHEREOF, the Guarantor and the Agent respectively have caused this

TM Security Agreement to be executed by officers duly authorized so to do on the date first

above written.

The "Guarantor"	The "Agent":
SIMPLE SOLUTIONS OF NJ, INC.	FLEET RETAIL FINANCE INC.
By: <u><i>Daniel D. [Signature]</i></u>	By: <u><i>Sally A. [Signature]</i></u>
Title: <u>VICE PRESIDENT</u>	Title: <u>Director</u>

STATE OF New Jersey
COUNTY OF Hudson, SS

Then personally appeared before me Daniel Anderson an individual whose address is One Cape May Street, Harrison, New Jersey and known to me or proved to me to be the duly authorized Vice President of Simple Solutions of NJ, Inc. and that such person acknowledged that he has executed the foregoing instrument on behalf of Simple Solutions of NJ, Inc.

Witness my hand and seal this 5th day of November, 2000.

Carla Mejia
Notary Public Carla Mejia
My Commission Expires: **NOTARY PUBLIC OF NEW JERS**
My Commission Expires Sept 22, 2

COMMONWEALTH OF MASSACHUSETTS
SUFFOLK, SS

Then personally appeared before me Sally A. Sheehan, an individual whose address is 40 Broad Street, Boston, Massachusetts and known to me or proved to me to be the duly authorized Director of Fleet Retail Finance, Inc. and that such person acknowledged that she has executed the foregoing instrument on behalf of Fleet Retail Finance, Inc.

Witness my hand and seal this 16th day of November, 2000.

Katerina M. Cole
Notary Public
My Commission Expires: 4/30/06

EXHIBIT A

Simple Solutions of NJ, Inc. now owned or hereafter acquired registered service marks and Federal service mark applications, registered trademarks, and Federal trademark applications:

Trademark/Service Mark Registration

Mark	Registration Number	Registration Date
CABLE COP	2,335,148	March 28, 2000

Trademark Applications

Mark	Serial Number
	None.

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