

04-18-2002



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Form PTO-159 FINANCE SECTION RECORDATION FOR TRADEMARKS
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
Tab settings

DEPARTMENT OF COMMERCE
Trademark Office

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

1. Name of conveying party(ies):

Michael Stevens Limited

4-2-02

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State New York
- Other

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Fleet Capital Corporation

Internal 3rd Floor NJ RP 467 03P
Address:

Street Address: 750 Walnut Avenue

City: Cranford State: NJ Zip: 07016

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Rhode Island
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other

Execution Date: March 25, 2002

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)
75/679,085; 75/604,677

B. Trademark Registration No.(s) 1323256;
640206; 2075768; 1887168; 2184740

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Christopher M. Turk

Internal Address: 9th Floor

Blank Rome Comisky & McCauley LLP

Street Address: One Logan Square

City: Philadelphia State: PA Zip: 19103

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41).....\$ 290.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Christopher M. Turk

Name of Person Signing

Christopher M. Turk

Signature

April 2, 2002

Date

16

Total number of pages including cover sheet, attachments, and document:

04/17/2002 DBYRNE 00000077 75679085

01 FC:481
02 FC:482

40.00 DP
250.00 DP

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002486 FRAME: 0347

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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 the Assignment.)

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

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

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

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PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement") is dated as of this 25th day of March, 2002 by and between MICHAEL STEVENS LTD., a New York corporation with its principal place of business at 47 Brunswick Avenue, Edison, New Jersey 08818 (hereinafter referred to as the "Company"), and FLEET CAPITAL CORPORATION, successor-in-interest to BANKBOSTON, N.A., as the Agent (in such capacity, together with its successors and assigns, the "Agent") for the benefit of the Agent and the Lenders (as defined below).

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Revolving Credit Agreement, dated as of March 31, 1999 (as amended from time to time, the "Original Loan Agreement"), among Etienne Aigner, Inc. (the "Borrower"), the Agent, JPMorgan Chase Bank (f/k/a The Chase Manhattan Bank), as documentation agent, and the financial institutions party thereto (collectively, the "Lenders"), the Agent and the Lenders established a credit facility for the benefit of the Borrower;

WHEREAS, pursuant to a certain Unlimited Guaranty, dated as of March 31, 1999 (as amended from time to time, the "Original Guaranty"), by the Company in favor of the Agent (for the benefit of the Agent and the Lenders), the Company guaranteed all of the Borrower's obligations under the Original Loan Agreement.

WHEREAS, the Borrower has requested that the Agent and the Lenders amend and modify certain provisions of the Original Loan Agreement as more fully set forth in that certain Amended and Restated Loan and Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") among the Borrower, certain affiliates of the Borrower, the Company, the Agent and the Lenders;

WHEREAS, as a condition precedent to entering into the Loan Agreement, the Agent and the Lenders have required that the Guarantor agree to certain modifications to the terms and provisions of the Original Guaranty as more fully set forth in a certain Amended and Restated Unlimited Guaranty of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty") by the Company in favor of the Agent (for the benefit of the Agent and the Lenders) and to grant a security interest in and collaterally assign the Collateral (as hereafter defined) to secure the Borrower's obligations under the Loan Agreement and the Company's obligations under the Guaranty, and to place in the public record of the United States Patent and Trademark Office the security interest and collateral assignment granted hereunder; and

WHEREAS, the Company is willing to execute and deliver this Agreement to induce the Agent and the Lenders to enter into the Loan Agreement with the Borrower.

NOW THEREFORE, for good and valuable consideration, and to secure the payment and performance of all the Obligations (as defined in the Loan Agreement) and the Guaranteed Obligations (as defined in the Guaranty), the parties hereto agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined herein (including, without limitation, the terms “Event of Default”, “Lien(s)”, “Loan Documents” and “Obligations”) shall have the meanings prescribed therefor in the Loan Agreement. The following additional terms, as used herein, shall have the following respective meanings:

“Business Judgment Exception” shall have the meaning set forth in Section 4 below.

“Patent and Trademark Office” means the United States Patent and Trademark Office.

“Patents” means all patents and patent applications (including each patent and patent application described on Schedule I hereto), including, without limitation, the inventions and improvements described therein, together with the reissues, divisions, continuation, renewals, extensions and continuations in part thereof.

“Patent License” means any agreement, whether written or oral, providing for the grant by the Company to any Person or Persons of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, the agreements described in Schedule I hereto.

“Trademark License” means any agreement, whether written or oral, providing for the grant by the Company to any Person or Persons of any right to use any Trademark, including, without limitation, the agreements described in Schedule I hereto.

“Trademarks” means all of the following to the extent owned by the Company: all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule I hereto, and all reissues, extensions or renewals thereof.

2. Grant of Security Interest and Collateral Assignment. In furtherance and as confirmation of the security interests granted by the Company under the Loan Agreement and in order to secure the prompt and complete payment and performance of all the Obligations, together with any and all expenses which may be incurred by the Agent in collecting any or all of such Obligations or enforcing any rights, obligations or liabilities under this Agreement, the Company does hereby grant a security interest in, and collaterally assign and hypothecate as collateral security, in each case to the Agent for the benefit of the Agent and the Lenders, all of the Company’s right, title and interest in, to and under the following, whether presently existing or hereafter arising or acquired (collectively, the “Collateral”)

- (a) all Patents;

(b) all Patent Licenses;

(c) all proceeds and products of each Patent and Patent License, including, without limitation, all income, royalties, damages and payments now or hereafter due and/or payable with respect to any Patent or Patent License, including damages and payments for past or future infringements thereof, and all rights corresponding thereto throughout the world (the property and rights described in clauses (a) through (c) being collectively referred to as the "Patent Collateral");

(d) all Trademarks;

(e) all Trademark Licenses;

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

(g) all products and proceeds of each Trademark and Trademark License, including, without limitation, any claim by the Company against third parties for past, present or future infringement or dilution of any Trademark, including, without limitation, the Trademarks referred to in Schedule I hereto and any Trademark licensed under any Trademark License, or for injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License (clauses (d) through (g) being collectively referred to as the "Trademark Collateral");

(h) causes of action, claims and warranties now or hereafter owned or acquired by the Company in respect of any of the items listed above; and

(i) all proceeds of any of the items described in clauses (a) through (h).

3. Representations and Warranties. As an inducement to the Agent to enter into this Agreement, the Company makes the following representations and warranties:

(a) Schedule I sets forth a complete and correct list of all Patents, Trademarks, Patent Licenses and Trademark Licenses in which the Company has any right, title or interest; said Patents and Trademarks are valid, subsisting, unexpired and in full force and effect, have not been adjudged invalid or unenforceable, in whole or in part, and have not been abandoned; to the best of the Company's knowledge no holding, decision or judgment has been rendered by any governmental authority which would be reasonably likely to limit, cancel or question the validity of any Patent or Trademark.

(b) The Company is the sole beneficial owner of the Collateral and, except for Permitted Liens, no Liens exist or will exist upon any Collateral at any time except for the collateral assignment thereof in favor of the Agent provided for herein, which collateral assignment and security interest constitutes a first priority perfected security interest in all of the Collateral.

(c) Except pursuant to Trademark Licenses and Patent Licenses entered into by the Company in the ordinary course of business, which are listed in Schedule I, the Company owns and possesses the exclusive right to use, and has done nothing to authorize or enable any other Person to use, the Patents and Trademarks listed on Schedule I, and all registrations listed on Schedule I are, to the best of the Company's knowledge, valid and in full force and effect.

(d) Except as otherwise disclosed in Schedule I to the Loan Agreement, (i) there is no infringement by others of any right of the Company with respect to any Trademark listed on Schedule I, (ii) the Company is not infringing in any respect upon any patent or trademark of any other Person, and (iii) no proceedings have been instituted or are pending against the Company or, to the Company's knowledge, threatened, alleging any such violation.

4. Defense of Collateral, Etc. The Company agrees that it will at its expense forever warrant and, at the Agent's request, defend the Collateral from any and all claims and demands of any other Person; provided, however, nothing herein shall prevent the Company in the exercise of its reasonable business judgment from determining that it is in the best interest of the Company to abandon any item of Collateral, or to refrain from defending any item of Collateral against such claims or demands (the foregoing prerogative of the Company being sometimes referred to herein as the "Business Judgment Exception") The Company hereby agrees to pay, indemnify, and hold the Agent and the Lenders harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, casts, expenses of disbursements or any kind or nature whatsoever with respect to the Collateral, including, without limitation, claims of patent or trademark infringement, provided that the Company shall have no obligation hereunder to indemnify the Agent or any Lender to the extent the matter to be indemnified against was caused by the indemnified party's gross negligence or willful misconduct.

5. Continued Use of Patents and Trademarks, Etc. (a) During the term of this Agreement the Company shall (i) employ consistent standards of quality in its manufacture of products and delivery of services sold or services provided under the Trademarks (and shall do any and all acts reasonably required by the Agent to ensure the Company's compliance with such standards), (ii) employ the appropriate notice of such Trademarks in connection with its use of such Trademarks, (iii) subject to the Business Judgment Exception, use each Trademark which is material in value or material to the conduct of the Company's business in such a manner as to maintain such Trademark in full force and free from any claim or abandonment for non-use and (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of any Trademark unless the Agent shall obtain a perfected security interest in such mark pursuant to this Agreement. The Company hereby grants to the Agent and its employees and agents the right to visit the Company's plants and facilities which manufacture, inspect or store products or which provide services sold under any of the Trademarks, and to inspect the products or monitor the services and quality control records relating thereto at reasonable times during regular business hours. The Company confirms its commitment to take any and all actions reasonably required by the Agent to ensure the maintenance of quality standards for such products and services.

(b) Subject to the Business Judgment Exception, the Company agrees to maintain the registration of the Patents and Trademarks listed on Schedule I hereto in full force and effect by taking any action which it believes necessary, through attorneys of its choice, all at its expense. In the event that any Patent or Trademark is infringed by a third party, so as to have a material adverse effect on the Company, or if such infringement gives rise to litigation or to the filing of a claim or notice of opposition with the Patent and Trademark Office, the Company shall promptly notify the Agent and shall take such actions as may be reasonably required to terminate such infringement. Any damages recovered from the infringing party shall be deemed to be part of the Collateral.

(c) The Company shall promptly notify the Agent of the institution of, and any adverse determination in, any proceeding in the Patent and Trademark Office or any other foreign or domestic governmental agency, court or body, regarding the Company's claim of ownership in any Patent or Trademark which is material in value or material to the conduct of the Company's business.

(d) The Company shall promptly notify the Agent if it knows, or has reason to know, that any application or registration relating to any material Patent or Trademark may become abandoned or of any adverse determination or development, other than non-final determinations of any such office or court, regarding the Company's ownership of any material Patent or Trademark or its right to register the same or to keep and maintain the same.

6. No Assignments, Etc. The Company shall not, except as otherwise permitted by the Loan Agreement, (a) grant, create or permit to exist any Lien upon the Collateral in favor of any other Person, or (b) assign this Agreement or any rights in the Collateral or the material protected thereby without, in either case, the prior written approval of the Agent and such attempted Lien or assignment shall be void ab initio.

7. Continuing Liability. The Company hereby expressly agrees that, anything herein to the contrary notwithstanding, it shall remain liable under each license, interest or obligation collaterally assigned to the Agent or in which the Agent is granted a security interest hereunder to observe and perform all the conditions and obligations to be observed and performed by the Company thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Agent shall not have any obligation or liability under any such license, interest or obligation by reason of or arising out of this Agreement or the collateral assignment thereof, or the grant of a security interest therein, to the Agent or the receipt by the Agent of any payment relating to any such license, interest or obligation pursuant hereto, nor shall the Agent be required or obligated in any manner to perform or fulfill any of the obligations of the Company thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, interest or obligation, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

8. New Patent and Trademarks. If, before the Obligations shall have been satisfied in full and all of the Commitments terminated, the Company shall become entitled to the benefit of

(i) any patent application or patent or any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent listed on Schedule I or any improvement on any such Patent or any new invention, or (ii) any new Trademark registrations or applications for registration, the Company shall give the Agent prompt notice thereof in writing and shall execute and deliver, and file with the Patent and Trademark Office, a modification of this Agreement amending Schedule I hereto to include each such new Patent or Trademark thereon, provided, however, as long as no Event of Default has occurred and is continuing, the Company shall not be required to give such notices or to execute, deliver and file such modifications more often than once in any six-month period. Notwithstanding the foregoing, the Company hereby irrevocably appoints the Agent its true and lawful attorney (such appointment coupled with an interest), with full power of substitution, to execute an amendment of this Agreement on behalf of the Company amending Schedule I hereto to include each such new Patent or Trademark.

9. Retention of Rights. Unless and until an Event of Default shall have occurred and be continuing, but subject to the terms and conditions of this Agreement, the Company shall retain the legal and equitable title to the Collateral and shall have full right to use the Collateral in the ordinary course of its business including the right to enter into new licenses with respect thereto in the ordinary course of business; provided that upon entering into any such license, the Company shall amend Schedule I hereto to include such license, upon which amendment such license shall be deemed a Patent License or a Trademark License hereunder, as applicable.

10. Remedies. (a) If an Event of Default under the Loan Agreement has occurred and is continuing the Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and the other Loan Documents, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, the Company expressly agrees that in any such event the Agent, without demand of performance or other demand, advertisement or notice of any kind (except to such extent as notice may be required by applicable law with respect to the time or place of any public or private sale) to or upon the Company or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, license, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange, broker's board or at any of the Agent's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Company, which right or equity is hereby expressly waived and released. To the extent permitted by applicable law, the Company waives all claims, damages and demands against the Agent and the Lenders arising out of the repossession, retention or sale of the Collateral.

(b) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) subject to then existing Patent Licenses and Trademark Licenses, the Agent may license, or sublicense, whether on an exclusive or non-exclusive basis, any Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Agent shall in its sole discretion determine, the proceeds of such license or sublicense to be applied to the payment of the Obligations;

(ii) the Agent may (without assuming any obligations or liability thereunder) at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Company in, to and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, and the Company hereby releases the Agent from, and agrees to hold the Agent free and harmless from and against, any claims arising out of any lawful action so taken or omitted to be taken with respect thereto other than any claims arising by reason of its own gross negligence or willful misconduct; and

(iii) upon request by the Agent, the Company will execute and deliver to the Agent a power of attorney, in addition to and supplemental to that set forth in Sections 8 and 12 hereof, in form and substance satisfactory to the Agent, for the implementation of any lease, assignment, license, sublicense, a grant of option, sale or other disposition of a Patent or Trademark, provided, however, that in the event of any disposition pursuant to this Section 10 the Company shall supply its know how and expertise relating to the manufacture and sale of the products bearing, or services sold utilizing, Trademarks, and its customer lists and other records relating to such Trademarks and to the distribution of said products and sale of such services, to the Agent.

11. Grant of License to Use Collateral. Subject to any then existing Patent Licenses and Trademark Licenses, for the purpose of enabling the Agent to exercise rights and remedies under Section 10 hereof upon the occurrence of an Event of Default and for no other purpose, the Company hereby grants to the Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Company) to use, assign, license or sublicense any of the Collateral, whether now owned or hereafter acquired by the Company, and wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. The Agent shall have no duty as to the protection of Collateral or any income thereon, nor as to the preservation of any rights pertaining thereto. The Agent may exercise its rights with respect to any portion of the Collateral without resorting or regard to other Collateral or sources of reimbursement for liability.

12. Power of Attorney. The Company hereby irrevocably appoints the Agent its true and lawful attorney (such appointment coupled with an interest), with full power of substitution, in the name of the Company, the Agent, or otherwise, for the sole use and benefit of the Agent, but at the Company's expense, to exercise (to the extent permitted by law), at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

(a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof;

(b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Agent were the absolute owner thereof; and

(d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto.

provided, however, that the Agent shall have no duty as to the protection of the Collateral or any income thereon, nor as to the preservation or rights against prior parties, nor as to the preservation of any rights pertaining thereto.

13. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. No Waiver: Cumulative Remedies. The Agent shall not, by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Agent, and then only to the extent therein set forth. A waiver by the Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Agent would otherwise have had on any other occasion. No failure to exercise nor any delay in exercising on the part of the 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 preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

15. Limitation by Law. All rights, remedies and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions hereof are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable in whole or in part or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

16. Termination. The Agent agrees that upon the payment in full and satisfaction of all the Obligations following the termination of all of the Commitments, the collateral assignments and security interests created by this Agreement and any proceeds thereof or distributions in respect thereof shall be released, and the Agent will execute all such documents as may be reasonably requested by the Company to release such security interests and to terminate such collateral assignment (without representation or warranty)

17. Expenses. The Company shall, on demand, pay or reimburse the Agent for all reasonable expenses (including attorneys fees and disbursements of outside counsel and allocation costs of in-house counsel) incurred or paid by the Agent in connection with the preparation, negotiation and closing, and the administration or enforcement, of this Agreement, its on-site periodic examinations of the Collateral and any other amounts permitted to be expended by the Agent hereunder, including without limitation such expenses as are incurred to preserve the value of the Collateral and the validity, perfection, priority and value of any security interest created hereby, the collection, sale or other disposition of any of the Collateral or the exercise by the Agent of any of the rights conferred upon it hereunder. The obligation to pay any such amount shall be an additional Obligation secured hereby and each such amount shall bear interest from the third Business Day following receipt of demand therefor at the rate per annum equal to the Base Rate plus 3%.

18. Notices. All notices, requests and demands to or upon a party hereto, to be effective, shall be in writing and shall be sent in accordance with Section 12.10 of the Loan Agreement.

19. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and shall be binding upon and inure to the benefit of and be enforceable by the Agent, the tenders and their respective successors and assigns; provided that the Company may not assign or transfer its rights or obligations hereunder.

20. Governing Law. **THIS AGREEMENT IS A CONTRACT UNDER THE LAWS OF THE STATE OF NEW JERSEY AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE (EXCLUDING THE LAWS APPLICABLE TO THE CONFLICTS OR CHOICE OF LAW). THE COMPANY CONSENTS TO THE JURISDICTION OF ANY OF THE FEDERAL OR STATE COURTS LOCATED IN THE STATE OF NEW JERSEY IN CONNECTION WITH ANY ACTION TO ENFORCE THE RIGHTS OF THE AGENT UNDER THIS AGREEMENT. THE COMPANY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH ACTION BROUGHT IN THE COURTS REFERRED TO IN THE PRECEDING SENTENCE AND HEREBY IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH ACTION THAT SUCH ACTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

21. Waiver of Jury Trial. **THE COMPANY AND THE AGENT EACH HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, THE COMPANY AND THE AGENT EACH HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES**


OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE COMPANY (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (b) ACKNOWLEDGES THAT THE AGENT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BECAUSE OF, AMONG OTHER THINGS, THE COMPANY'S WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

22. General. This Agreement may not be amended or modified except by a writing signed by the Company and the Agent. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. Section headings are for convenience of reference only and are not a part of this Agreement. In the event that any Collateral or any deposit or other sum due from or credited by the Agent is held or stands in the name of the Company and another or others jointly, the Agent may deal with the same for all purposes as if it belonged to or stood in the name of the Company alone.


[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first set forth above.

MICHAEL STEVENS LTD.

By: 
Name: Michael P. Cangemi
Title: President

FLEET CAPITAL CORPORATION,
as Agent

By: 
Name: David Fiorito
Title: Senior Vice President

ACKNOWLEDGMENT

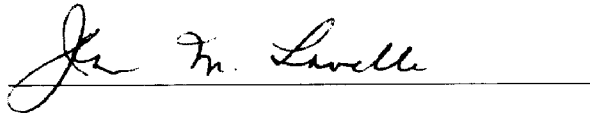
STATE OF NEW YORK :

: SS.

COUNTY OF NEW YORK :

On this 25th day of March, 2002, before me, a Notary Public, personally appeared Michael P. Cangemi who acknowledged himself to be President of Michael Stevens Ltd., and that he as such President, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Etienne Aigner, Inc. by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public

My Commission Expires:

JEAN M. LAVELLE
Notary Public, State Of New York
No. 01LA4880356
Qualified In Queens County
Commission Expires March 8, 2003

ACKNOWLEDGMENT

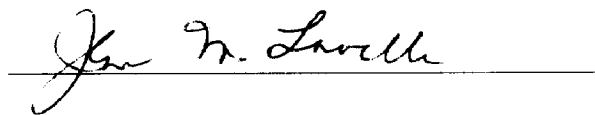
STATE OF NEW YORK :

: SS.

COUNTY OF NEW YORK :

On this 25th day of March, 2002, before me, a Notary Public, personally appeared David Fiorito who acknowledged himself to be a Senior Vice President of Fleet Capital Corporation, and that he as such Senior Vice President, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Fleet Capital Corporation by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public

JEAN M. LAVELLE
Notary Public, State Of New York
No.01LA4880356
Qualified In Queens County
Commission Expires March 8, 2003

My Commission Expires:

SCHEDULE I**Patents and Trademarks**

Trademark	Registration Number (Application Number)	Registration Date (Application Date)
CLEMENTE	1323256	MAR 05, 1985
JR & DEVICE	640206	JAN 22, 1997
MICHAEL STEVENS	2075768	JUL 01, 1997
MSL	(75/679085)	(APR 12, 1999)
MSL	(75/604677)	(DEC 14, 1998)
SERETA	1887168	APR 04, 1995
SERETA	2184740	AUG 25, 1998
THE WONDERBAG	2004001	OCT 01, 1996
THE WONDERBAG STYLIZED	2004002	OCT 01, 1996
VALERIE BARAD	1700561	JUL 14, 1992
WHAT A BAG	1960288	MAR 05, 1996