

FORM PTO-1594

RECOF



U.S. DEPARTMENT OF COMMERCE

(Rev. 6-93)

102487757

Patent and 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)

RUE21, INC.

6-27-03

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

Additional name(s) of conveying party(ies) attached?

Yes  No

2. Name and address of receiving party(ies)

Name: BNP PARIBAS

Internal Address:

Street Address: 787 Seventh Avenue, 32nd Floor

City: New York State: New York Zip: 10019

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other French Banking Company

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

Execution Date: May 15, 2003

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

A. Trademark Application No.(s) 75/708,097 & 75/656,058

B. Trademark Registration No.(s)

1,707,357; 2,445,086; 1,457,589; 1,302,720, 1,362,064; 2,384,188; 2,276,778; 2,450,257;  
2,123,489; 2,402,294; 2,181,832, 2,215,998; 2,407,212;

Additional numbers attached? Yes  No  (see attached continuation sheet)

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

Name: **Mary Aversano, Esq.**

Internal Address: **Kramer Levin Naftalis & Frankel LLP**

Street Address: **919 Third Avenue**

City: **New York** State: **New York** Zip: **10022**

6. Total number of applications and registrations involved..... 16

7. Total fee (37 CFR 3.41) ..... \$415.00

- Enclosed
- Authorized to be charged to deposit account # 50-0540

8. Deposit account number: 50-0540

(Attach duplicate copy of this page if paying by deposit account)

Do not use this space

9. 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.

**Katherine Meyer**

Name of Person Signing

*Kate J*  
Signature

*June 27, 2003*  
Date

Total number of pages including cover sheet, attachments, and document: 7

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

**Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231**

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as may be amended, supplemented or otherwise modified from time to time, the "IP Security Agreement") dated May 15, 2003, is made by the Persons listed on the signature pages hereof (collectively, the "Grantors") in favor of BNP PARIBAS ("BNPP"), as agent (the "Agent") for the Secured Parties (as defined in the Second Amended and Restated Credit Agreement referred to below).

WHEREAS, rue21, inc. f/k/a Pennsylvania Fashions, Inc., a Pennsylvania corporation has entered into a Second Amended and Restated Credit Agreement dated as of May 15, 2003 (as may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), with BNPP, as Agent, and the Lender Parties party thereto. Capitalized terms used herein and not otherwise defined are used herein as defined in the Second Amended and Restated Credit Agreement.

WHEREAS, as a condition precedent to the execution and delivery by the Lenders of the Second Amended and Restated Credit Agreement, each Grantor shall have executed that certain Amended and Restated Security Agreement by and among the Grantors and the Administrative Agent dated as of May 15, 2003 (as may be amended, supplemented or otherwise modified from time to time, the "Security Agreement").

WHEREAS, under the terms of the Security Agreement, Grantors have granted a security interest in certain intellectual property of Grantors to the Administrative Agent for the ratable benefit of the Secured Parties, and have agreed as a condition thereof to execute this IP Security Agreement for recording with the U.S. Patent and Trademark Office, the United States Copyright Office, and other governmental entities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantors agree as follows:

SECTION 1. Grant of Security. Each Grantor hereby grants to the Administrative Agent for the ratable benefit of the Secured Parties a security interest in and to all of such Grantor's right, title and interest in and to the following (the "Collateral"):

(i) The United States, international, and foreign patents, patent applications, and patent licenses set forth on Exhibit A hereto including reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof, and all rights therein provided by international treaties or conventions (the "Patents");

(ii) The United States and foreign trademark and service mark registrations, applications, and licenses set forth on Exhibit B hereto (the "Trademarks");

(iii) The copyrights, associated United States and foreign copyright applications and registrations, and copyright licenses set forth on Exhibit C hereto (the "Copyrights");

(iv) any and all causes of action for past, present and future infringement or breach of the Patents, Trademarks and Copyrights, with the right,

but not the obligation to sue for and collect, or otherwise recover, damages for such infringement or breach; and

(v) any and all proceeds of the foregoing.

SECTION 2. Recordation. Each Grantor authorizes and requests that the Register of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this IP Security Agreement.

SECTION 3. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 4. Conflict Provision. This IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement and the Second Amended and Restated Credit Agreement. The rights and remedies of each party hereto with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement and the Second Amended and Restated Credit Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this IP Security Agreement are in conflict with the Security Agreement or the Second Amended and Restated Credit Agreement, the provisions of the Security Agreement or the Second Amended and Restated Credit Agreement shall govern.

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

RUE21, INC.

By 

Name: CHARLES F HEIDER

Title: SEC & TRASURER

Address of Chief Executive Office and for Notices:

rue21, inc.  
155 Thornhill Road  
Warrendale, PA 15086  
Attention: CEO MAIL

**EXHIBIT A**

**PATENTS**

None

**EXHIBIT B  
TRADEMARKS**

Trademarks and Trademark Applications:

**U.S. Trademark and Service Mark  
Registrations**

<b>Mark</b>	<b>Filing Date</b>	<b>Issue Date</b>	<b>Serial No.</b>	<b>Registration No.</b>
CAPERS and Design	9/19/86	8/11/92	73/620,952	1,707,357
CARBON RUE TWENTY ONE	5/17/99	4/17/01	75/708,019	2,445,086
CASSIE WEST	3/5/87	9/14/87	73/647,859	1,457,589
CLARION HILL	6/3/83	10/30/84	73/428,651	1,302,720
LINDSAY GRAY	3/1/85	9/24/85	73/524,750	1,362,064
R21	3/10/99	9/5/00	75/657,147	2,384,188
RUE 21	11/22/96	9/7/99	75/978,339	2,276,778
RUE 21	3/8/99	5/8/01	75/980,000	2,450,257
RUE 21	11/22/96	12/23/97	75/203,034	2,123,489
RUE TWENTY ONE	11/22/96	11/7/00	75/202,439	2,402,294
RUE TWENTY ONE	11/22/96	8/18/98	75/202,444	2,181,832
STOCKROOM	7/21/97	1/5/99	75/328,191	2,215,998
TAREA BY RUE 21	3/8/99	11/21/00	75/656,061	2,407,212
THE FASHION FACTORY	11/14/77	8/9/83	73/148,431	1,247,942

**U.S. Trademark and Service Mark  
Pending Applications**

<b>Mark</b>	<b>Filing Date</b>	<b>Serial No.</b>

ORCHARDS RUE 21	5/17/99	75/708,097
RUE 21	3/8/99	75/656,058

**State Trademark and Service Mark  
Applications and Registrations**

Mark	Issue Date	State
CAPERS	3/16/94	Wisconsin
RUE 21	12/19/94	Alabama
RUE 21	10/1/96	Colorado (128/200)
RUE 21	7/28/94	Kansas
RUE 21	5/7/96	Maine
RUE 21	10/28/99	Nebraska
RUE 21	9/7/94	Pennsylvania
RUE 21	9/14/94	Wisconsin
RUE 21 COMPANY STORE	4/16/97	Colorado
RUE 21 COMPANY STORE	4/14/97	Kansas
RUE 21 COMPANY STORE	7/25/95	Louisiana
RUE 21 COMPANY STORE	3/1/96	Maine
RUE 21 COMPANY STORE	7/20/95	Pennsylvania
RUE 21 COMPANY STORE	2/28/96	Wisconsin
STOCK ROOM	5/7/97	Wisconsin

**EXHIBIT C**  
**COPYRIGHTS**

None