

Form PTO-1594 (Rev. 04/01) **RECORDATION FORM COVER SHEET** U.S. DEPARTMENT OF COMMERCE
 QMID No. 0651-0027 (exp. 5/31/2002) **TRADEMARKS ONLY** U.S. Patent and Trademark Office

TSP settings

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

1. Name of conveying party(ies):
The Wet Seal, Inc.

Individual(s) Association
 Corporation - Delaware
 Other --

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

2. Name and address of receiving party(ies)
 Name: **S.A.C. Capital Associates, LLC, as collateral agent**
 Internal: **S.A.C. Capital Advisor, LLC**
 Address:
 Street Address: **72 Cummings Point Road**
 City: **Stamford** State: **CT** Zip: **06902**
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership
 Corporation --
 Other: **Anguillan limited liability 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 Merger
 Security Agreement
 Change of Name
 Other

Execution Date: **November 9, 2004**

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
See attached schedule
 B. Trademark Registration No.(s)
See attached schedule

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: **Santo Manna, Esq.**
 Internal Address: **Schulte Roth & Zabel LLP**
 Street Address: **919 Third Avenue**
 City: **New York** State: **N.Y.** Zip: **10022**

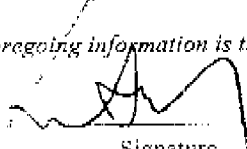
6. Total number of applications and registrations involved: **46**

7. Total fee (37 CFR 3.41) **\$ 1165**
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
No. 50-0675 - Schulte Roth & Zabel LLP
Order No. 064510/0036
 (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.

Santo Manna, Esq.  **November 11, 2004**
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: **60**

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

CH \$1165.00 600675 78335674

**THE WET SEAL INC.
TRADEMARK SCHEDULE**

TRADEMARK NAME	REGISTRATION NUMBER	OWNER
A. AUBREY	2,648,592	The Wet Seal, Inc.
ACCOMPLICE	1,630,908	The Wet Seal, Inc.
ARDEN B. SPORT	78/335,674	The Wet Seal, Inc.
BLUE ASPHALT	2,171,518	The Wet Seal, Inc.
BLUE ASPHALT	2,409,369	The Wet Seal, Inc.
BLUE ASPHALT	2,417,800	The Wet Seal, Inc.
BLUE DENIM ASPHALT QUALITY COMFORT & DESIGN	2,166,102	The Wet Seal, Inc.
CONTEMPO CASUALS	1,543,610	The Wet Seal, Inc.
CONTEMPO CASUALS & LINE DESIGN	1,850,750	The Wet Seal, Inc.
CONTEMPO CASUALS (STYLIZED)	1,904,807	The Wet Seal, Inc.
ENR EVOLUTION NOT REVOLUTION	2,645,999	The Wet Seal, Inc.
EVOLUTION, NOT REVOLUTION	2,246,439	The Wet Seal, Inc.
FORMULA X (STYLIZED)	1,464,692	The Wet Seal, Inc.
LIMBO LOUNGE	2,306,363	The Wet Seal, Inc.
LIMBO LOUNGE	2,346,141	The Wet Seal, Inc.
MEOW GENES	2,235,108	The Wet Seal, Inc.
PANTIES FOR LIFE	2,289,755	The Wet Seal, Inc.
SEAL	78/107,987	The Wet Seal, Inc.
SEAL	78/108,012	The Wet Seal, Inc.
SEAL	76/338,469	The Wet Seal, Inc.
SEAL GLAMOUR	78/114,040	The Wet Seal, Inc.
SEAL MAGAZINE	78/108,060	The Wet Seal, Inc.
SEAL TV	78/108,021	The Wet Seal, Inc.
SOCKS FOR LIFE	75/218,307	The Wet Seal, Inc.
TIGHTS FOR LIFE	75/218,293	The Wet Seal, Inc.
UNCIVILIZED	2,289,221	The Wet Seal, Inc.
URBAN VIBE	2,482,608	The Wet Seal, Inc.
URBAN VIBE	2,217,566	The Wet Seal, Inc.
WET SEAL	1,508,250	The Wet Seal, Inc.
WET SEAL	2,241,292	The Wet Seal, Inc.
ZUTOPIA	2,322,373	The Wet Seal, Inc.
ARDEN B (STYLIZED) - NEW LOGO	2,795,689	The Wet Seal, Inc.
ARDEN B (STYLIZED) - NEW LOGO	2,879,970	The Wet Seal, Inc.
EVOLUTION, NOT	2,151,261	The Wet Seal, Inc.

TRADEMARK NAME	REGISTRATION NUMBER	OWNER
REVOLUTION		
EVOLUTION, NOT REVOLUTION	2,151,262	The Wet Seal, Inc.
EVOLUTION, NOT REVOLUTION	2,151,259	The Wet Seal, Inc.
EVOLUTION, NOT REVOLUTION	2,151,260	The Wet Seal, Inc.
HUG ME	78/466,450	The Wet Seal, Inc.
SEAL PUPS	76/272,525	The Wet Seal, Inc.
SEAL STASH	76/614,878	The Wet Seal, Inc.
STYLIZER	78/472,864	The Wet Seal, Inc.
STYLIZER	78/470,924	The Wet Seal, Inc.
URBAN VIBE	2,159,385	The Wet Seal, Inc.
URBAN VIBE	2,157,341	The Wet Seal, Inc.
URBAN VIBE	2,159,386	The Wet Seal, Inc.
URBAN VIBE	76/593,479	The Wet Seal, Inc.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") dated as of November 9, 2004, by and between The Wet Seal, Inc., a Delaware corporation with its principal executive offices at 26972 Burbank, Foothill Ranch, California 92610 (the "Grantor"), and S.A.C. Capital Associates, LLC, an Anguillan limited liability company, as collateral agent (in such capacity, together with its successors and assigns in such capacity, if any, the "Collateral Agent") for the Secured Parties (as defined in the Credit Agreement referred to below), in consideration of the mutual covenants contained herein and benefits to be derived herefrom.

WITNESSETH:

Reference is made to: (a) the Credit Agreement dated as of November 9, 2004 (as amended, modified, supplemented or restated hereafter, the "Credit Agreement") by and between, among others, (i) the Grantor, (ii) the other Borrowers named therein (collectively, with the Grantor, the "Borrowers"), (iii) the Facility Guarantor named therein, (iv) the Lenders named therein, and (v) S.A.C. Capital Associates, LLC, as Administrative Agent and Collateral Agent for the Lenders; and (b) the Security Agreement dated as of November 9, 2004 (as amended, modified, supplemented or restated hereafter, the "Security Agreement") by and among the Borrowers and the Collateral Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Security Agreement (as applicable).

The Lenders have agreed to make the Term Loan to the Borrowers pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. The obligation of the Lenders to make the Term Loan is conditioned upon, among other things, the execution and delivery by the Grantor of the Security Agreement and an agreement in the form hereof to secure the Obligations.

Accordingly, the Grantor and the Collateral Agent, on behalf of itself and each other Secured Party (and each of their respective successors or permitted assigns), hereby agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

"Copyrights" shall mean all copyrights and like protections in each work of authorship or derivative work thereof of Grantor, whether registered or unregistered and whether published or unpublished, including, without limitation, the copyrights listed on **EXHIBIT A** annexed hereto and made a part hereof, together with all registrations and recordings thereof and all applications in connection therewith, and any goodwill of the business connected with, and symbolized by, any of the foregoing.

"Copyright Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to Grantor of any right to use any Copyright, including, without limitation, the agreements listed on **EXHIBIT A** annexed hereto and made a part hereof.

"Copyright Office" shall mean the United States Copyright Office or any other federal governmental agency which may hereafter perform its functions.

"Intellectual Property" shall have the meaning assigned to such term in Section 3 hereof.

"IP Collateral" shall have the meaning assigned to such term in Section 2 hereof.

"Licenses" shall mean, collectively, the Copyright Licenses, Patent Licenses and Trademark Licenses.

"Patents" shall mean all letters patent and applications for letters patent of Grantor, and the inventions and improvements therein disclosed, and any and all divisions, reissues and continuations of said letters patent including, without limitation the patents listed on **EXHIBIT B** annexed hereto and made a part hereof.

"Patent Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, the agreements listed on **EXHIBIT B** annexed hereto and made a part hereof.

"PTO" shall mean the United States Patent and Trademark Office or any other federal governmental agency which may hereafter perform its functions.

"Trademarks" shall mean all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, designs, logos and other source or business identifiers of Grantor, whether registered or unregistered, including, without limitation, the trademarks listed on **EXHIBIT C** annexed hereto and made a part hereof, together with all registrations and recordings thereof, all applications in connection therewith, and any goodwill of the business connected with, and symbolized by, any of the foregoing.

"Trademark Licenses" shall mean all agreements, whether written or oral, providing for the grant by or to Grantor of any right to use any Trademark, including, without limitation, the agreements listed on **EXHIBIT C** annexed hereto and made a part hereof.

SECTION 2. Grant of Security Interest. In furtherance and as confirmation of the Security Interest granted by the Grantor to the Collateral Agent (for the ratable benefit of the Secured Parties) under the Security Agreement, and as further security for the payment or performance, as the case may be, in full of the Obligations, Grantor hereby affirms such Security Interest and grants to the Collateral Agent (for the ratable benefit of the Secured Parties) a continuing security interest, with a power of sale (which power of sale shall be exercisable only following the occurrence and during the continuance of an Event of Default), in all of the present and future right, title and interest of the Grantor in and to the following property, and each item thereof, whether now owned or existing or hereafter acquired or arising, together with all products, proceeds, substitutions, and accessions of or to any of the following property (collectively, the "IP Collateral"):

- (a) All Copyrights and Copyright Licenses.

- (b) All Patents and Patent Licenses.
- (c) All Trademarks and Trademark Licenses.
- (d) All renewals of any of the foregoing.

(e) All General Intangibles connected with the use of, or related to, any and all Intellectual Property (including, without limitation, all goodwill of the Grantor and its business, products and services appurtenant to, associated with, or symbolized by, any and all Intellectual Property and the use thereof).

(f) All income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the foregoing, including, without limitation, payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

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

(h) All of the Grantor's rights corresponding to any of the foregoing throughout the world.

SECTION 3. Protection of Intellectual Property By Grantor. Except as set forth below in this Section 3, the Grantor shall undertake the following with respect to each of the material items respectively described in Sections 2(a), (b), (c), (d) and (e) (collectively, the "Intellectual Property"):

(a) Pay all renewal fees and other fees and costs associated with maintaining the Intellectual Property and with the processing of the Intellectual Property and take all other reasonable and necessary steps to maintain each registration of the Intellectual Property.

(b) Take all actions reasonably necessary to prevent any of the Intellectual Property from becoming forfeited, abandoned, dedicated to the public, invalidated or impaired in any way.

(c) At the Grantor's sole cost, expense, and risk, pursue the processing of each application for registration which is the subject of the security interest created herein and not abandon or delay any such efforts.

(d) At the Grantor's sole cost, expense, and risk, take any and all action which the Grantor reasonably deems appropriate under the circumstances to protect the Intellectual Property from infringement, misappropriation or dilution including, without limitation, the prosecution and defense of infringement actions.

Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, and no Material Adverse Effect would result therefrom, Grantor shall not have an obligation to use or to maintain any Intellectual Property (i) that relates solely to any product that

has been discontinued, abandoned or terminated, or (ii) that has been replaced with Intellectual Property substantially similar to the Intellectual Property that may be abandoned or otherwise become invalid, so long as the failure to use or maintain such Intellectual Property does not materially adversely affect the validity of such replacement Intellectual Property and so long as such replacement Intellectual Property is subject to the lien created by this Agreement.

SECTION 4. Grantor's Representations and Warranties. The Grantor represents and warrants that:

(a) **EXHIBIT A** is a true, correct and complete list of all Copyrights and Copyright Licenses owned by the Grantor as of the date hereof.

(b) **EXHIBIT B** is a true, correct and complete list of all Patents and Patent Licenses owned by the Grantor as of the date hereof.

(c) **EXHIBIT C** is a true, correct and complete list of all Trademarks and Trademark Licenses owned by the Grantor as of the date hereof.

(d) Except as set forth in **EXHIBITS A, B and C**, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which Grantor is the licensor or franchisor.

(e) All IP Collateral is, and shall remain, free and clear of all Liens, encumbrances, or security interests in favor of any Person, other than Permitted Encumbrances and Liens in favor of the Collateral Agent.

(f) Grantor owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use by Grantor of any of its Intellectual Property or the validity or effectiveness of any of its Intellectual Property, nor does Grantor know of any valid basis for any such claim, except as otherwise set forth in the Credit Agreement. The Grantor considers that the use by the Grantor of the Intellectual Property does not infringe the rights of any Person in any material respect. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect on the business or the property of Grantor.

(g) The Grantor shall give the Collateral Agent written notice (with reasonable detail) within ten (10) days following the occurrence of any of the following:

(i) The Grantor's obtaining rights to, and filing applications for registration of, any new Intellectual Property, or otherwise acquiring ownership of any newly registered Intellectual Property (other than the Grantor's right to sell products containing the trademarks of others in the ordinary course of the Grantor's business).

(ii) The Grantor's becoming entitled to the benefit of any registered Intellectual Property whether as licensee or licensor (other than the Grantor's right to sell products containing the trademarks of others in the ordinary course of the Grantor's business).

(iii) The Grantor's entering into any new Licenses with respect to the Intellectual Property.

(iv) The Grantor's knowing or having reason to know, that any application or registration relating to any Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO, the Copyright Office or any court or tribunal) regarding the Grantor's ownership of, or the validity of, any Intellectual Property or the Grantor's right to register the same or to own and maintain the same.

SECTION 5. Agreement Applies to Future Intellectual Property.

(a) The provisions of this Agreement shall automatically apply to any such additional property or rights described in subsections (i), (ii) and (iii) of Section 4(g), above, all of which shall be deemed to be and treated as "Intellectual Property" within the meaning of this Agreement.

(b) Upon the reasonable request of the Collateral Agent, the Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Collateral Agent's security interest in any Copyright, Patent or Trademark and the goodwill and General Intangibles of the Grantor relating thereto or represented thereby (including, without limitation, filings with the PTO, the Copyright Office or any similar office), and the Grantor hereby constitutes the Collateral Agent as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; *provided, however*, the Collateral Agent's taking of such action shall not be a condition to the creation or perfection of the security interest created hereby.

SECTION 6. Grantor's Rights To Enforce Intellectual Property. Prior to the Collateral Agent's giving of notice to the Grantor following the occurrence and during the continuance of an Event of Default, the Grantor shall have the exclusive right to sue for past, present and future infringement of the Intellectual Property including the right to seek injunctions and/or money damages, in an effort by the Grantor to protect the Intellectual Property against encroachment by third parties, *provided, however*:

(a) The Grantor first provides the Collateral Agent with written notice of the Grantor's intention to so sue for enforcement of any Intellectual Property.

(b) Any money damages awarded or received by the Grantor on account of such suit (or the threat of such suit) shall constitute IP Collateral.

(c) Following the occurrence and during the continuance of any Event of Default, the Collateral Agent, by notice to the Grantor, may terminate or limit the Grantor's rights under this Section 6.

SECTION 7. Collateral Agent's Actions To Protect Intellectual Property. In the event of

(a) the Grantor's failure, within twenty (20) days of written notice from the Collateral Agent, to cure any failure by the Grantor to observe or perform any of the Grantor's covenants, agreements or other obligations hereunder; and/or

(b) the occurrence and continuance of any other Event of Default,

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

SECTION 8. Rights Upon Default. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may, subject to the Working Capital Intercreditor Agreement, 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 Intellectual Property, in addition to which the Collateral Agent may sell, license, assign, transfer, or otherwise dispose of the Intellectual Property. Any person may conclusively rely upon an affidavit of an officer of the Collateral Agent that an Event of Default has occurred and that the Collateral Agent is authorized to exercise such rights and remedies.

SECTION 9. Collateral Agent As Attorney In Fact.

(a) The Grantor hereby irrevocably constitutes and designates the Collateral Agent as and for the Grantor's attorney in fact, effective following the occurrence and during the continuance of any Event of Default:

(i) To supplement and amend from time to time Exhibits A, B and C of this Agreement to include any new or additional Intellectual Property of the Grantor,

(ii) To exercise any of the rights and powers referenced herein.

(iii) To execute all such instruments, documents, and papers as the Collateral Agent determines to be appropriate in connection with the exercise of such rights and remedies and to cause the sale, license, assignment, transfer, or other disposition of the Intellectual Property.

(b) The within grant of a power of attorney, being coupled with an interest, shall be irrevocable until this Agreement is terminated by a duly authorized officer of the Collateral Agent.

(c) The Collateral Agent shall not be obligated to do any of the acts or to exercise any of the powers authorized by Section 9(a), but if the Collateral Agent elects to do any such act or to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Grantor for any act or omission to act except for any act or omission to act as to which there is a final determination made in a judicial proceeding (in which proceeding the Collateral Agent has had an opportunity to be heard), which determination includes a specific finding that the subject act or omission to act had been grossly negligent or in actual bad faith.

SECTION 10. Collateral Agent's Rights

(a) Any use by the Collateral Agent of the Intellectual Property, as authorized hereunder in connection with the exercise of the Collateral Agent's rights and remedies under this Agreement, the Credit Agreement and the Security Agreement shall be coextensive with the Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges.

(b) None of this Agreement, the Credit Agreement, the Security Agreement, or any act, omission, or circumstance taken or arising hereunder may be construed as directly or indirectly conveying to the Collateral Agent any rights in and to the Intellectual Property, which rights are effective only following the occurrence and during the continuance of any Event of Default.

SECTION 11. Intent. This Agreement is being executed and delivered by the Grantor for the purpose of registering and confirming the grant of the security interest of the Collateral Agent in the IP Collateral with the PTO and the Copyright Office. It is intended that the security interest granted pursuant to this Agreement is granted as a supplement to, and not in limitation of, the Security Interest granted to the Collateral Agent, for the ratable benefit of the Secured Parties, under the Security Agreement. All provisions of the Security Agreement shall apply to the IP Collateral. The Collateral Agent shall have the same rights, remedies, powers, privileges and discretions with respect to the security interests created in the IP Collateral as in all other Collateral. In the event of a conflict between this Agreement and the Security Agreement, the terms of this Agreement shall control with respect to the IP Collateral and the Security Agreement with respect to all other Collateral.

SECTION 12. Choice of Laws. It is intended that this Agreement take effect as a sealed instrument and that all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of the State of New York.

SECTION 13. Intercreditor Arrangements.

Notwithstanding anything to the contrary contained herein, the liens and security interests securing the indebtedness and other obligations incurred or arising under or evidenced by this instrument and the rights and obligations evidenced hereby with respect to such liens are subordinate in the manner and to the extent set forth in the Working Capital Intercreditor Agreement to the liens and security interests securing indebtedness (including interest) owed by


the Loan Parties pursuant to the Working Capital Credit Agreement, and certain guarantees of the indebtedness evidenced thereby, as such Working Capital Credit Agreement and such guarantees have been and hereafter may be amended, restated, supplemented or otherwise modified from time to time as permitted under the Working Capital Intercreditor Agreement and to the liens and security interests securing indebtedness refinancing the indebtedness under such agreements as permitted by the Working Capital Intercreditor Agreement; and each holder of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Working Capital Intercreditor Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Grantor and the Collateral Agent respectively have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

GRANTOR:

THE WET SEAL, INC.

By: 
Name: DOUGLAS C. FELDERMAN
Title: SECRETARY

COLLATERAL
AGENT:

S.A.C. CAPITAL ASSOCIATES, LLC,
as collateral agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Grantor and the Collateral Agent respectively have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

GRANTOR:

THE WET SEAL, INC.

By: _____
Name: _____
Title: _____

COLLATERAL AGENT:

S.A.C. CAPITAL ASSOCIATES, L.L.C.
as collateral agent, By: S.A.C. Capital Advisors, LLC

By: *Peter Lussovian*
Name: Peter Lussovian
Title: General Counsel