

11-14-94

RECORDATION FORM COV
TRADEMARKS ONLY

11-23-1998



COMMERCE
mark Office

100909005

Honorable Commissioner of Patents and Trademarks: Please record

hereof.

1. Name of conveying party(ies):
Commemorative Brands, Inc.

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

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other: Exclusive License

Execution Date: October 9, 1997

2. Name and address of receiving party(ies)
Name: Aurafin Corporation
Internal Address:
Street Address: 14001 N.W. 4th Street
City: Sunrise State: FL ZIP: 33325

Individual(s) citizenship:
 Association:
 General Partnership:
 Limited Partnership:
 Corporation-State: Florida
 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) and address(es) attached? Yes No

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

A. Trademark Application No.(s)
191,171

B. Trademark No.(s)
764,668; 588,288; 880,173; 1,109,309

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed
Name: Kevin P. Crosby
Internal Address: Malin, Haley, DiMaggio & Crosby, P.A.
Street Address: One East Broward Blvd., Suite 1609
City: Fort Lauderdale State: Florida ZIP: 33301
Telephone: (954) 763-3303

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41) \$200.00
 Enclosed
 Authorized to be charged to Deposit Account

8. Deposit account number: 13-1130
(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.

Loren D. Pearson 11/6/1998
Loren D. Pearson, Reg. No. 42,987 Date

Total number of pages including cover sheet, attachments, and document: 30

Mail documents to be recorded with required cover sheet information to:
Commission of Patents and Trademarks, Box Assignments

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11/20/1998 DNGUYEN 00000299 764668

01 FC:481 40.00 OP
02 FC:482 100.00 OP

Refund Ref: DNGUYEN 0000067050
11/20/1998
CHECK Refund Total: \$50.00

TRADEMARK
REEL: 1817 FRAME: 0271

TRADEMARK LICENSE AGREEMENT

This Trademark License Agreement (this "**Agreement**"), dated as of October 9, 1997, is between **COMMEMORATIVE BRANDS, INC.**, a Delaware corporation ("**Licensor**"), and **AURAFIN CORPORATION**, a Florida corporation ("**Licensee**").

INTRODUCTION

A. Licensor owns and has the right to license the registered trademark "**ARTCARVED**" and the other registered and common law marks set forth on Schedule "A" attached hereto (collectively, the "**Licensed Marks**") which are used in connection with the Licensed Products (as defined below).

B. Licensee desires to use the Licensed Marks in connection with the manufacture and sale of the Licensed Products by Licensee under the terms and conditions of this Agreement.

C. Licensor is willing to grant Licensee a license to use the Licensed Marks on or in connection with Licensed Products under the terms and conditions of this Agreement.

THEREFORE, Licensor and Licensee hereby agree as follows:

1. DEFINITIONS: For purposes of this Agreement, the terms defined above shall have the meanings set forth above and:

(a) "**Affiliate**" shall mean any person, corporation, partnership, joint venture, limited liability company, trust or other entity (each a "**Person**") controlling, controlled by or under common control with another Person.

(b) "**Authorized Distribution Outlets**" shall mean jewelry stores, department stores and catalog showrooms in which fine jewelry is sold, broadcast and electronic media, and

other outlets that would not impair or dilute the value of the Licensed Marks or their business reputation as agreed to in advance in writing by Licensor, which agreement shall not be unreasonably withheld.

(c) "**Certified Diamond Rings**" means diamond rings sold with a certificate of quality, size, etc., in accordance with industry standards. The certificate generally refers to the center stone but may refer to side stones if appropriate.

(d) "**Licensed Products**" shall mean (i) gold, platinum and silver bridal rings, including without limitation plain and carved wedding rings, diamond wedding rings, diamond engagement rings, and anniversary bands; (ii) gold platinum and silver wedding crosses; and (iii) gold, platinum and silver necklaces, bracelets, earrings and pendants but only for those designs or collections specifically approved by Licensor pursuant to Section 2(b) below, conforming to the Gold Labeling Act of 1976 as amended from time to time (15 U.S.C. 295 et seq.) (the "**Gold Act**") and Federal Trade Commission regulations under "Guides for the Jewelry Industry" in Title 16, Part 23 of the Code of Federal Regulations (the "**Jewelry Industry Guides**"). Licensed Products shall not include any Licensor Products.

(e) "**Licensee Competitor**" shall mean any entity not owned or controlled by Licensee that is engaged in the business of manufacturing or selling bridal and commitment jewelry anywhere in the world.

(f) "**Licensor Competitor**" shall mean any entity not owned or controlled by Licensor that is engaged in the business of designing, tooling, manufacturing, servicing or selling class ring jewelry anywhere in the world.

(g) "**Licensor Products**" shall mean (i) class rings, sports rings and championship rings, military, corporate recognition and family jewelry, (ii) necklaces, bracelets,

earrings and pendants other than those included as Licensed Products, (iii) other forms of jewelry other than the Licensed Products, and (iv) any other goods and services not constituting Licensed Products, whether or not currently produced by Licensor.

(h) "Territory" shall mean the jurisdictions set forth on Schedule "B" attached hereto and such additional jurisdictions as the parties may otherwise agree in writing from time to time.

(i) The terms "trademark," "trade name," and "service mark" shall have the meanings given them in the Lanham Act (15 U.S.C. 1051 et seq.) as amended. The term "mark" shall refer to a trademark and/or service mark.

2. GRANT OF RIGHTS.

(a) Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee the exclusive right to use the Licensed Marks in the Territory on or in connection with the sale of Licensed Products in Authorized Distribution Outlets. This grant includes the right of Licensee to authorize third party manufacturers to use the Licensed Marks in connection with the Licensed Products solely as necessary in connection with Licensee's exercise of its contract manufacturing rights pursuant to Section 17 hereof. The license granted pursuant to this Agreement is limited to the use of the Licensed Marks in the Territory. Licensee is not authorized to use and shall not use the Licensed Marks in connection with (i) any goods or services outside the Territory, except as the parties may otherwise agree in advance in writing, (ii) any goods or services other than Licensed Products inside the Territory except as the parties may otherwise agree in writing, (iii) any outlet or other store, retail or wholesale, other than an Authorized Distribution Outlet, (iv) the manufacture or sale of products inside the

Territory for resale outside the Territory or (v) the sale of goods or provision of services in a manner not specifically described or contemplated by this Agreement. The parties to this Agreement agree to negotiate in good faith upon the request of Licensee, to extend the Territory and to permit Licensee to use the Licensed Marks in connection with any goods and services outside the then current Territory without any additional consideration; provided, however, that Licensee agrees to pay for or reimburse Licensor for all out-of-pocket costs and expenses, including filing and legal fees, relating to or arising from the registration, renewal or maintenance of the Licensed Marks pursuant to Licensee's request to use the Licensed Marks in any territories outside the then current Territory. Licensor and Licensee shall each have the non-exclusive right to use the Licensed Marks for publications such as educational, training and advertising material related to Licensor Products or the Licensed Products, respectively. The exclusivity of the license granted by this Agreement shall not preclude Licensor's use (either by itself or through licensees) of the Licensed Marks within and outside the Territory with respect to Licensor Products. During the term of this Agreement Licensor agrees not to use or to license any third party other than Licensee to use the Licensed Marks in connection with Licensed Products anywhere in the world.

(b) Licensee shall not use the Licensed Marks on or in connection with necklaces, bracelets, earrings or pendants without obtaining the prior approval of Licensor, which approval will not be unreasonably withheld for any design or collection if Licensee's proposed design or collection or a substantially similar product is not then being sold or planned to be sold by Licensor or if it otherwise would impair or dilute the value of Licensed Marks. Licensee agrees to submit the design of items consisting of necklaces, bracelets, earrings and

pendants to Licensor for its approval. Unless Licensor gives written notice of rejection within five (5) business days following the date of receipt of such submission stating the reasons for rejection, such design or collection will be deemed to be approved and included in Licensed Products hereunder. Designs submitted by Licensee shall remain the property of Licensee and Licensor agrees not to expropriate any such designs or concepts for its own use.

(c) Licensee shall not use the Licensed Marks as a mark for or name associated with any product or service other than Licensed Products. If Licensee manufactures or sells any other product or renders any other service, it shall conduct its business with respect to such product or service not licensed to it hereunder under a mark or trade name which in Licensor's reasonable opinion is not confusingly similar to the Licensed Marks and which does not include the Licensed Marks or any portion or element of the Licensed Marks (e.g., "ART" or "CARVED"). Licensee shall not use the Licensed Marks as a mark, trade name or otherwise, on labels, packaging, invoices, checks, signs, business cards, letterhead, uniforms, advertising or promotional materials in connection with any other product, service, or business of Licensee other than the business directly related to the Licensed Products.

(d) Licensee shall not hold itself out as corporately related or otherwise related to Licensor except as a licensee of the Licensed Marks. Licensee may, however, truthfully and in good faith describe itself as the successor to a business which has sold Licensed Products for many years, and may refer to the history of that business and its products as its own.

(e) Licensee will have no right to use the Licensed Marks except in connection with the Licensed Products as provided in this Agreement. In order to avoid conflicts with third parties, Licensee shall not have the right to coin new marks based on the Licensed Marks or portions or elements of the Licensed Marks without Licensor's prior written consent, which may

be withheld at Licensor's sole discretion, and such new marks, if granted, shall be registered in the name of Licensor at Licensee's expense and shall inure to the benefit of Licensor. Licensee shall not have the right to use in its corporate name(s) the Licensed Marks, portions or elements of the Licensed Marks, or any other mark or name which in Licensor's reasonable opinion is confusingly similar to the Licensed Marks.

(f) Licensee, its permitted successors and assigns, hereby agree, for itself and for any present or future Affiliate to limit its and their use of the Licensed Marks to the Territory.

(g) The rights granted to Licensee hereunder shall be limited to those set forth in this Agreement.

3. PRODUCT QUALITY.

(a) Licensee may use the Licensed Marks only in connection with Licensed Products which are of a quality which is reasonably acceptable to Licensor and which are in compliance with the Gold Act and the Jewelry Industry Guides (as amended from time to time) and all other applicable laws and governmental regulations. The quality and product specifications of the Licensed Products heretofore manufactured and sold by Licensor or by JTW Industries, Inc., under the Licensed Marks are hereby adopted as acceptable for the Licensed Products to be sold by Licensee under the Licensed Marks. Licensor will not object to Licensee's use of the Licensed Marks in association with Licensed Products equal to or exceeding the quality and product specifications of Licensor Products. Licensee may not reduce such quality or product specifications without the prior written consent of Licensor, which consent may be withheld by Licensor in its sole discretion.

(b) Whenever reasonably requested by Licensor, Licensee shall make available for inspection by Licensor samples of the Licensed Products and specimens of the labels, packaging, advertising and promotional material to which the Licensed Marks are applied or to be applied, for the purpose of Licensor's examination and approval hereunder sufficiently in advance of any sale or distribution thereof. Thereafter, any reduction in the quality of any of the Licensed Products shall be submitted in like fashion for approval by Licensor in advance. From time to time, samples of Licensed Products shall be submitted at Licensor's request without charge to Licensor for its examination and approval as to the maintenance of the approved standards of quality. Licensor shall return samples submitted to Licensor by Licensee upon Licensee's request at the conclusion of the matter involving such samples.

4. QUALITY CONTROL.

(a) Licensor, or its designees, shall have the right, upon reasonable notice, to enter the premises on which the Licensed Products are produced, packaged, or stored, at all reasonable times, during normal business hours, to determine whether the quality standards of Section 3 of this Agreement are being met. At such inspections, Licensor's representative shall have the right to observe the production of Licensed Products and the rendition of the services concerned. Such inspection visits shall be made by appointment at a time mutually convenient for Licensor and Licensee.

(b) If Licensor is dissatisfied with the quality of a Licensed Product and upon written notice to Licensee from Licensor, Licensee shall cooperate with Licensor to correct any perceived deficiencies in product quality. If the perceived deficiency is not resolved to Licensor's satisfaction by good faith negotiations within thirty (30) days of the written notice of

dissatisfaction from Licensor, either party may, upon written request for arbitration to the other, submit the issue to be decided and settled by one arbitrator selected by mutual agreement of the parties. Selection of the arbitrator by Licensor and Licensee shall be made within ten (10) business days after the written request for arbitration. The cost of arbitration proceedings shall be borne by Licensor and Licensee equally or otherwise as the arbitrator may determine. The arbitration proceedings shall be held in the city in which the main offices of Licensor are located, unless the parties agree otherwise. The decision of the arbitrator shall be final. This arbitration provision shall be governed by, and all rights and obligations specifically enforceable under and pursuant to, the Federal Arbitration Act (9 U.S.C. § 1, et seq.).

5. WARRANTIES BY LICENSOR. Licensor represents and warrants to and covenants with Licensee as follows:

(a) Licensor is the record owner of the Licensed Marks and has the right and authority to license the Licensed Marks as provided in this Agreement. All the Licensed Marks now used on Licensed Products are available for use by Licensee on or in connection with each Licensed Product without infringing the rights of any third party. The foregoing warranties of Licensor shall not apply with respect to products and/or services first introduced by Licensee or any sublicensee after the date of execution of this Agreement. Licensor has not granted any third party the right to use and has not entered into any license agreement for the Licensed Marks in violation of or which would limit the rights granted to Licensee under this Agreement, other than the license granted to JTW Industries, Inc., which is being terminated simultaneously with the execution hereof.

(b) Licensor has not been charged with and, to the best of Licensor's knowledge, has not been threatened to be charged with the infringement of or wrongful

appropriation of and is not infringing on any common law or registered trademark, trade name or copyright (whether registered or not), trade secret or other proprietary right of any party in the United States or in any foreign country.

(c) To the best of Licensor's knowledge, the use by JTW Industries, Inc. of the Licensed Marks in the manufacture and sale of the Licensed Products prior to the date of execution of this Agreement did not infringe upon or violate the service or trademarks (registered or common law), trade names, licenses or other intellectual property rights of any other party. To the best of Licensor's knowledge, no service or trademark of any other party infringes upon the Licensed Marks.

(d) Licensor agrees to protect, defend, indemnify and hold Licensee, its agents, shareholders, employees, officers, directors, subsidiaries and affiliates, successors and permitted assigns (individually, an "**Indemnified Party**"; collectively, the "**Indemnified Parties**"), harmless from and against any and all claims, lawsuits, demands, actions, liabilities, losses, damages and expenses (including but not limited to the amount of any judgment, penalty, interest, court costs and legal fees) (collectively, "**Claims**"), arising out of or resulting from (i) Licensor's breach of the representations and warranties set forth in this Section 5, (ii) Licensor's breach of any other provision of this Agreement, (iii) Claims involving improper labeling or advertising of, or arising out of allegedly defective products manufactured or services rendered by, Licensor or a sublicensee of Licensor, or (iv) Claims that trademarks and/or designs that Licensor or any sublicensee uses in association with a Licensed Mark infringe the rights of third parties.

(e) Licensee shall notify Licensor promptly in writing of a Claim for which it may seek indemnification from Licensor under this Section 5. The Indemnified Party shall

have the right to participate in the defense of the Claim through counsel of its selection at its own expense. Licensor shall have the right at all times, in its sole discretion, to control the defense of the Claim; provided, however, that Licensor shall not settle any such Claim without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld.

(f) The foregoing indemnity in this Section 5 for infringement of proprietary rights shall not apply to claims arising in connection with the use of the Licensed Marks in a manner or for a purpose not contemplated by this Agreement.

6. WARRANTIES AND OTHER COVENANTS BY LICENSE.

(a) Licensee agrees that it will not use the Licensed Marks to sell any services or products other than the Licensed Products, as defined in this Agreement. The Licensed Marks shall be used and displayed in such a manner that their distinctiveness, validity, or reputation is not impaired. In this regard, but without limitation, and unless Licensor shall have given its prior consent in writing:

- (i) Licensee shall not make the Licensed Marks a part of any trademark or service mark belonging to Licensee or any other party, but may display the Licensed Marks in conjunction with another mark, provided that the Licensed Marks are identifiable as a separate mark and are properly identified as a registered mark with the symbol "®" or "™"; and
- (ii) Licensee shall not use the Licensed Marks or any confusingly similar mark in connection with any trade name or corporate name, unless such use is made in connection with and is

identifiable with the Licensed Products, as licensed in this Agreement.

(b) Licensee agrees that it is only authorized to distribute the Licensed Products through Authorized Distribution Outlets and that, prior to any distribution by Licensee at any outlet not conforming to the requirements of an Authorized Distribution Outlet, Licensee must request Licensor's prior written approval of the distribution at the proposed outlet, which approval shall not be unreasonably withheld.

(c) Licensee agrees to use the Licensed Marks properly as a trademark or service mark, by, for example: (i) using the symbol "®"; (ii) including the statutory language "Registered in U.S. Patent and Trademark Office" or "Reg. U.S. Pat. & Tm. Off."; or (iii) using the Licensed Marks as an adjective followed by generic terms or employing notices indicating Licensor's ownership of the Licensed Marks. Licensor and Licensee recognize, however, that use of trademark registration symbols and generic terms every time a mark is used on a particular item may be awkward and is not necessary in order to make acceptable trademark or service mark usage. Advertising, packaging and labeling by Licensee shall be made available to Licensor from time to time for the purposes of satisfying Licensor of Licensee's compliance with this Section.

(d) Licensee represents and warrants to Licensor that Aurafin Bridal, Inc., a Florida corporation, as listed in Section 9 of this Agreement, is not a Licensor Competitor or owned or controlled by a Licensor Competitor.

7. INDEMNIFICATION BY LICENSEE.

(a) Licensee agrees to protect, defend, indemnify and hold Licensor, its agents, shareholders, employees, officers, directors, subsidiaries and affiliates, successors and

assigns (individually, a "Licensor Indemnified Party"; collectively, the "Licensor Indemnified Parties"), harmless from and against any and all Claims arising out of or resulting from (i) Licensee's breach of this Agreement, (ii) the use by Licensee or any of its sublicensees of any Licensed Mark in a manner not specifically permitted by this Agreement, (iii) Claims involving improper labeling or advertising of, or arising out of allegedly defective products manufactured or services rendered by, Licensee or a sublicensee of Licensee, or (iv) Claims that trademarks and/or designs that Licensee or any sublicensee uses in association with a Licensed Mark infringe the rights of third parties.

(b) Licensor shall notify Licensee promptly in writing of a Claim for which it may seek indemnification from Licensee under this Section 7. The Licensor Indemnified Party shall have the right to participate in the defense of the Claim through counsel of its selection at its own expense. Licensee shall have the right at all times, in its sole discretion, to control the defense of the Claim except claims that a Licensed Mark infringes the rights of a third party, in which case Licensor shall have the right to control the defense of such claim; provided, however, that Licensee shall not settle any such Claim without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld.

(c) At all times during which Licensee uses the Licensed Marks pursuant to this Agreement, Licensee will maintain product liability and advertising liability insurance, naming Licensor as an additional insured with entitlement to at least thirty (30) days advance written notice of termination, revocation or diminution of coverage, in an amount not less than One Million Dollars (\$1,000,000). Licensee shall deliver to Licensor evidence of such insurance within thirty (30) days following the execution of this Agreement. Licensor shall notify Licensee of any Claim for which it may seek indemnification from Licensee promptly following its

becoming aware of such Claim, and Licensee shall have the right to control the defense of such Claim. Licensee may elect to defend against any such Claim without thereby waiving any objection as to Licensee's obligations to defend Licensor therefrom. Licensor shall have the right to participate in the defense of such Claim through counsel of its selection at its own expense, provided Licensee shall have the right at all times, in its sole discretion and at Licensee's expense, to retain or resume control of the conduct of the defense.

8. LICENSOR'S RIGHTS/OWNERSHIP OF LICENSED MARKS.

(a) Licensee hereby acknowledges that Licensor is the sole and rightful owner of the Licensed Marks and all goodwill attached to the Licensed Marks and that Licensor and its successors and assigns shall retain full right to the Licensed Marks, all registrations granted with respect to the Licensed Marks, and all the goodwill associated therewith, subject only to the authorization of Licensee by Licensor to use the Licensed Marks in connection with the Licensed Products under this Agreement. Licensee agrees it will do nothing inconsistent with Licensor's ownership of the Licensed Marks and that use of the Licensed Marks by Licensee pursuant to this Agreement shall inure to the benefit of Licensor.

(b) Licensee agrees that during the continuance and after termination of this Agreement, nothing in this Agreement shall give Licensee any right, title or interest in the Licensed Marks or any confusingly similar variation thereof, and Licensee will not claim any rights in or to the Licensed Marks other than the authorization to use the Licensed Marks in accordance with this Agreement. Licensee will not dispute or otherwise challenge or assist others to dispute or otherwise challenge the ownership and title of Licensor to the Licensed Marks or the validity of the Licensed Marks. Licensee agrees, at the request of Licensor, to execute any and all papers, documents, or other filings, or take other actions necessary to

preserve and extend the trademark and service mark rights relating to the Licensed Marks, and any documents required by governmental authorities to show the relationship between Licensor and Licensee. This Agreement shall not restrict, limit, or otherwise affect, and Licensor hereby expressly reserves the right to use itself and license other parties to use, any and all other marks owned by Licensor.

(c) The failure of Licensor to insist upon strict adherence to any term of this Agreement on any occasion will not be considered a waiver by Licensor or be deemed to deprive or limit Licensor of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement in the particular subsequent instance. Any waiver must be in writing.

9. ASSIGNMENT.

(a) The grant of the trademark license under this Agreement is unique to Licensee, and may not be transferred, assigned or pledged in whole or in part by Licensee except (i) to Aurafin Bridal, Inc., a Florida corporation, provided Licensee guarantees the obligations of such assignee hereunder and provided that such assignee is not, at the time of the proposed assignment, a Licensor Competitor or an entity in which a Licensor Competitor has any interest and provided further the Licensee delivers to Licensor written notice of any such proposed assignment at least ten (10) business days prior to the date of the proposed assignment, or (ii) upon the prior written consent of Licensor, which consent shall not be unreasonably withheld, if the proposed assignment is to a purchaser of the bridal and commitment jewelry business of Licensee or Aurafin Bridal, Inc. and such purchaser (1) has a good business reputation, (2) would not impair or dilute the value of the Licensed Marks, (3) is financially capable of conducting such business and (4) is not a Licensor Competitor or an entity in which a Licensor Competitor has any interest, provided that any such assignee agrees in writing to such

assignment and to be bound to the terms of this Agreement. After any such assignment, all references in this Agreement to Licensee shall be deemed to refer to such assignee.

(b) This Agreement shall be binding upon and for the benefit of Licensor, its legal representatives, successors and assigns. Without limiting any of Licensor's rights generally under this Agreement, Licensor shall be entitled to assign this Agreement and any of its rights, interests, or obligations hereunder, without the prior written consent of Licensee to a purchaser of the Licensed Marks and/or to Licensor's senior lender as a collateral assignment. In the event of an assignment by Licensor to such a purchaser, such purchaser shall replace Licensor as a party to this Agreement and shall be solely responsible for its obligations hereunder and entitled to all benefits as Licensor hereunder. Licensor shall give Licensee at least ten (10) business days advance written notice of any assignment of Licensor's rights and duties hereunder.

(c) A change of control of Licensee, such that a Licensor Competitor acquires voting control of Licensee or otherwise exercises control of Licensee, or the acquisition by a Licensor Competitor of Licensee, by operation of law or otherwise (including without limitation by purchase of assets or stock or by merger), shall, for the purposes of this Agreement, constitute an assignment by Licensee for which consent of Licensor shall be required pursuant to paragraph (a) above.

(d) Any purported assignment or delegation other than in accordance with this Section shall be void and ineffective for all purposes and shall constitute a material breach of this Agreement for which Licensor may terminate this Agreement pursuant to Section 12(a)(ii).

10. LIMITATIONS ON SUBLICENSING BY LICENSEE.

(a) Licensee may not grant any sublicenses to any third party in connection with the Licensed Marks, the Licensed Products or any other rights, privileges or licenses granted hereunder without the prior written approval of Licensor, which approval may be withheld in the sole discretion of Licensor, except that Licensee shall have the right to sublicense, without the prior written approval of Licensor, any of the rights, privileges and licenses granted hereunder during the period this Agreement is in effect to an entity (i) that is not a Licensor Competitor, (ii) is not owned or controlled by a Licensor Competitor or an Affiliate of a Licensor Competitor, (iii) in which Licensee or an Affiliate of Licensee owns greater than 50% of the outstanding voting securities and exercises such voting rights, and (iv) that agrees in writing to be bound by the terms of this Agreement. Any sublicense shall not relieve Licensee of its obligations hereunder. A copy of any Sublicense shall be furnished to Licensor.

(b) Licensee hereby agrees that it shall not enter into any sublicensing agreement for a duration which exceeds the duration of this Agreement and that in the event any sublicensing agreement is scheduled to expire on a date subsequent to the expiration of this Agreement, any such sublicensing agreement shall terminate automatically upon the expiration or termination of this Agreement.

(c) Licensee agrees that the rights granted by such sublicenses with respect to the Licensed Marks shall not exceed the rights granted by Licensor to Licensee pursuant to this Agreement.

(d) This Section 10 shall not restrict or otherwise diminish Licensee's contract manufacturing rights under Section 17 hereof.

11. TERM. This Agreement shall commence on the date first above written and shall remain in effect for a term of ten (10) years thereafter, unless sooner terminated as provided for herein. Provided no material default by Licensee has occurred and is continuing, this Agreement shall automatically renew for successive terms of five (5) years each until the Licensed Marks have been abandoned by Licensee for the Licensed Products. Licensor shall have no obligations to Licensee under this Agreement subsequent to such abandonment by Licensee, other than as set forth in Section 5 hereof, which section shall remain in effect. Abandonment shall be determined by applying Lanham Act standards and presumptions. Subject to Licensor's rights of termination in Section 12, Licensor agrees to maintain and seek renewals of the registration of the Licensed Marks for such period as Licensee may desire to use the Licensed Marks in connection with the Licensed Products in the Territory as described in this Agreement provided Licensee has paid the Royalties and any other items including filing fees due under this Agreement.

12. TERMINATION.

- (a) Licensor shall have the right to terminate this Agreement immediately without notice to Licensee upon the occurrence of any of the following events of default:
- (i) The transfer or attempted transfer by Licensee of the license under this Agreement in violation of Section 9 of this Agreement;
 - (ii) The sub-licensing or attempted sub-licensing by Licensee in connection with the Licensed Marks and/or the Licensed Products in violation of Section 10 of this Agreement;

- (iii) The suspension by Licensee of its business related to the Licensed Products for a period of thirty (30) days or more, other than in the event of a force majeure event;
- (iv) The filing by Licensee of a voluntary petition pursuant to any present or future bankruptcy law;
- (v) The institution of any proceeding or arrangement against Licensee relating to or in the nature of a bankruptcy, insolvency, or assignment for the benefit of creditors, which proceeding or arrangement is consented to by Licensee or is not dismissed or discontinued within thirty (30) days after the institution of the proceeding or arrangement;
- (vi) The making of any assignment for the benefit of creditors or the appointment of a receiver of or for Licensee or of or for all or substantially all of the business, assets, or properties of Licensee;

(b) In the event that Licensee shall fail to pay the Royalty when due or defaults in the performance of or otherwise breaches any other provision of this Agreement not otherwise specified in this Section and such default or breach is not remedied within thirty (30) days after Licenser has given Licensee written notice stating the nature of such default or other breach, Licenser may terminate this Agreement upon written notice to Licensee.

(c) Licensee shall have the right to terminate this Agreement (i) upon ninety (90) days written notice to Licenser, or (ii) immediately upon notice to Licenser in the event that Licenser is and/or the Licensed Marks are acquired by a Licensee Competitor.

(d) In the event Licensor defaults in the performance of or otherwise breaches any provision of this Agreement and such default is not remedied within thirty (30) days after Licensee has given Licensor written notice stating the nature of such default or other breach, Licensee's obligations to pay Royalties hereunder shall be suspended for the duration of such breach (but not to exceed three (3) months from the due date) and Licensee, at its option, may (i) pay the Royalties and allow this Agreement to continue or (ii) terminate this Agreement upon written notice to Licensor.

(e) In addition to any other legal rights and remedies Licensor or Licensee may have in the event of a breach of this Agreement, Licensor or Licensee shall have the right to seek specific performance of the duties and obligations under this Agreement.

(f) Provided Licensor has performed its obligations under this Agreement in all material respects, the termination of this Agreement shall not relieve the Licensee of its obligations to pay Royalties or other sums accrued to the date of termination.

13. EFFECT OF TERMINATION. Upon termination of this Agreement, Licensee agrees immediately to discontinue all use of the Licensed Marks, name, trade designation, and any term confusingly similar thereto, to cooperate with Licensor or its appointed agent to apply to the appropriate authorities to cancel recordings of this Agreement or other documents from all government records, to destroy all printed materials bearing the Licensed Marks, and to take such other actions as shall be necessary to insure that all rights in the Licensed Marks and the goodwill connected therewith shall remain the property of Licensor. The foregoing notwithstanding, (a) unless the termination was the result of Licensee's breach of the quality standards imposed by this Agreement, Licensee, for a period of six months after termination of this Agreement, or (b) Licensee's creditors holding security interests in Licensee's inventory of

Licensed Products and their assignees or transferees for purposes of liquidation (the "Secured Creditor(s)"), for a period commencing with the acceleration of indebtedness by a Secured Creditor and ending six months after termination, shall have the right (1) to dispose of any inventory of Licensed Products meeting the quality standards pursuant to this Agreement and manufactured in the ordinary course of business prior to termination and on hand as of the termination and (2) to use signs, packaging, labels, advertising and promotional material bearing the Licensed Marks that are on hand at the date of termination. Such six month period shall be extended by (and shall not accrue during) the number of days, if any, that the Secured Creditors are stayed from exercising their rights of foreclosure or liquidation by operation of law or by order of a court of competent jurisdiction.

14. INFRINGEMENTS.

(a) Licensee shall immediately notify Licensor in writing upon becoming aware of any infringement, suspected infringement, unauthorized use, or suspected unauthorized use of the Licensed Marks, a mark which may be confusingly similar to the Licensed Marks, or any application for the registration of a mark which Licensee believes should be opposed, any registration for a mark which Licensee believes should be canceled, or any matter or circumstance of whatever nature which in the reasonable opinion of Licensee would adversely affect the interest of the Licensor in the Licensed Marks.

(b) With respect to such uses of a mark on products or services other than Licensed Products then in use by Licensee, Licensor shall have the sole right and discretion to assert such claim, file such action for infringement, file such opposition or cancellation proceeding, enter into a settlement or take such other steps for the protection of the Licensed Marks or decline to take any action as Licensor may consider advisable in the exercise of its

reasonable discretion. Licensee shall supply such assistance and information as Licensor may reasonably require in support thereof.

(c) With respect to such uses of a mark on any Licensed Products then in use by Licensee, Licensee and Licensor shall each have the right and discretion to assert such claim, file such action for infringement, file such opposition or cancellation proceeding, enter into a settlement or take such other steps for the protection of the Licensed Marks or decline to take any action as each may consider advisable in the exercise of its sole discretion. Each party agrees to join in and supply such assistance and information as the other party may reasonably require in support thereof.

(d) Licensor's reasonable costs for claims, actions and other proceedings brought or joined in by Licensor at Licensee's request shall be paid to Licensor by Licensee. Licensee shall have the right, in consultation with Licensor, reasonably to control the course of any such litigation not joined in by Licensor through counsel of Licensee's choice; however, any settlement of such litigation shall, to the extent it may adversely impact the rights of Licensor, be subject to Licensor's approval which approval may not be unreasonably withheld.

(e) Subject to paragraph (b) and (c) of this Section 14 and, subject to Licensor's prior written approval, which may be withheld in Licensor's sole discretion Licensee shall have the right after first consulting with Licensor, independently and in its own name and at its expense, to assert claims, file actions, file opposition or cancellation proceedings or take such other steps in particular cases of unauthorized use of the Licensed Marks or registration of another mark or name in connection with Licensed Products or a product, service or mark closely related to the Licensed Marks or any Licensed Products as it deems appropriate for

protection of the Licensed Marks and its interests with respect thereto.

15. ROYALTY. For the rights, privileges and license granted hereunder, Licensee shall pay to Licensor the following amounts (the "Royalty") in the manner hereinafter provided:

(a) A Royalty in the following amounts for Annual Net Sales of the Licensed Product consisting of plain and millgrained wedding rings, karat gold jewelry and Certified Diamond Rings:

First \$10 million	0.5%
Thereafter	0.25%

(b) A Royalty in the following amounts for Annual Net Sales of the Licensed Product consisting of all other Licensed Products sold by Licensee:

First \$30 million	2.0%
Next \$10 million	1.5%
Next \$10 million	1.0%
Thereafter	0.5%

(c) Upon execution of this Agreement, Licensee is delivering to Licensor the sum of Fifty Thousand Dollars (\$50,000), receipt of which is hereby acknowledged, as an advance royalty (the "Advance Royalty"). Licensee shall set off against the Advance Royalty the first Royalties otherwise payable by Licensee hereunder.

(d) In the event Licensee enters into a sub-license agreement pursuant to the terms and conditions hereof, such sales shall be included in calculating the Royalty payable by Licensee hereunder.

(e) As used herein, the term "Net Sales" shall mean Licensee's (or applicable sub-licensee's) gross sales of the Licensed Product, minus returns and allowances, minus any invoiced shipping charges and insurance charges included in the sales price, and minus volume

rebates. Bad debts shall not be a permitted deduction. The Licensed Product shall be considered "sold" when billed or invoiced.

(f) No multiple royalty shall be payable because the Licensed Product, its manufacture, lease or sale, is or shall be covered by more than one license or sub-license or on resales of Licensed Product on which the Royalty has been paid and for which no subsequent credit has been taken.

(g) For purpose of this Agreement, the term "Annual" shall mean the period commencing on the date of this Agreement and ending December 31, 1997 and on each December 31 thereafter during the term of this Agreement. Royalty payments shall be paid quarterly within forty-five (45) days after the end of each calendar quarter in accordance with Section 16 to Licensor at its principal place of business or at such other place as Licensor may reasonably designate.

(h) Royalty payments not made when due shall bear interest at the prime rate as announced and in effect from time to time at Chase Bank, New York, plus three percent (3%) per annum, until paid, but not in excess of the highest rate permitted by law.

(i) Advertising and promotional expenditures paid (or credited) by Licensee or its sub-licensees or reimbursed by Licensee or its sub-licensees to or on behalf of their customers to promote the brand name of the Licensed Marks may be deducted by Licensee from the Royalty obligations otherwise due at the rate of \$0.25 per each dollar expended (or credited) in excess of \$500,000 during any Annual period.

16. REPORTS AND RECORDS.

(a) Licensee shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amount payable to Licensor by

way of Royalty and shall afford Licensor and its authorized representatives access thereto during normal business hours upon reasonable advance notice.

(b) Licensee within forty-five (45) days after the end of each calendar quarter shall deliver to Licensor true and accurate reports giving such particulars of the business conducted by Licensee during the preceding quarter under this Agreement as shall be pertinent to a royalty accounting hereunder. The report shall include: (i) all Licensed Product sold, (ii) total billings for all Licensed Product sold, (iii) deductions applicable as provided in Section 15 including any deductions relating to prior periods, and (iv) total Royalties due.

(c) With each such report submitted, Licensee shall pay Licensor the Royalties due and payable under this Agreement.

(d) In the event there is a material discrepancy between the quarterly report prepared by Licensee and its books of account and supporting data, based upon an inspection by Licensor or by an independent certified public account retained by Licensor to verify Licensee's royalty statement for compliance, Licensor shall recover from Licensee reasonable accountants' fees and other out-of-pocket expenses incurred as a result of the audit or inspection. A "material discrepancy" is defined as a short-fall of three percent (3%) or more in Royalties reported for any Royalty payment period, as determined by an audit or inspection of Licensee's records.

17. CONTRACT MANUFACTURING. Licensee shall have the right to use third-party manufacturers to produce Licensed Products meeting the quality standards of Section 3 hereof for the purchase or resale by Licensee to a third party. Licensed Products produced by a third-party manufacturer pursuant to this Section, and use of the Licensed Marks in connection therewith, shall be subject to the terms and conditions of this Agreement including

without limitation the product quality provisions contained in Section 3, for which Licensee shall be responsible. Licensee shall be responsible and liable for all Licensed Products manufactured on behalf of Licensee by a third-party manufacturer pursuant to this Section.

18. NOTICES. All notices hereunder given by Licensor and Licensee shall be in writing and shall be hand delivered or sent by U.S. Registered or Certified Mail, postage prepaid, return-receipt requested, or delivered by a courier company, prepaid, to the addresses indicated below. The addresses of Licensor and Licensee until further written notice to the contrary are:

Licensor: Commemorative Brands, Inc.
7211 Circle S Road
Austin, Texas 78745
Attention: Mr. Jeffrey H. Brennan, CEO

with a required copy to:

Mr. Thomas D. Manford, III
Bracewell & Patterson, L.L.P.
711 Louisiana, Suite 2900
Houston, Texas 77002-2781

Licensee: Aurafin Corporation
14001 N.W. 4th Street
Sunrise, Florida 33325
Attention: Steven L. Hansen, EVP

with a required copy to:

William R. Nuernberg
Eckert Seamans Cherin & Mellott, LC
701 Brickell Avenue-Suite 1850
Miami, Florida 33131

19. RELATIONSHIP OF THE PARTIES. This Agreement does not make either party the agent of the other, create a partnership or joint venture between the parties or any

relationship other than that of Licensor and Licensee, nor shall this Agreement give either party the power to obligate or bind the other in any manner whatsoever. The manufacture, distribution, sale, offering for sale, pricing, trade promotion and marketing of the Licensed Products shall be accomplished by Licensee at Licensee's sole cost and expense.

20. HEADINGS. The headings and captions used in connection with the Sections and paragraphs of this Agreement are inserted only for the purpose of reference. Such captions shall not be deemed to govern, limit, modify, or in any other manner affect the scope, meaning or intent of the provision of this Agreement or any part thereof; nor shall such captions otherwise be given any legal effect.

21. GOVERNING LAW. This Agreement shall be governed by, construed under, and enforced in accordance with the laws of the State of Texas and applicable federal law, without reference to any conflicts of laws or principles that may require reference to the laws of other jurisdictions.

22. SEVERABILITY. If any provision of this Agreement should be determined by a court of competent jurisdiction to be void or in any measure unenforceable, the parties intend that such determination shall amend or modify this Agreement by eliminating or modifying only those provisions affected by the determination.

23. AMENDMENTS. This Agreement may be amended or modified only by a written agreement signed by the Licensor and Licensee.

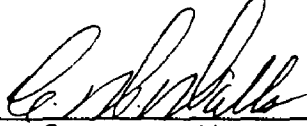
24. ENTIRE AGREEMENT. This Agreement contains a complete statement of all the agreements between the parties with respect to its subject matter, and cannot be changed or terminated orally, and will be binding upon and shall inure to the benefit of Licensor's successors and assigns and Licensee's successors assigns permitted and approved

in accordance with his Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

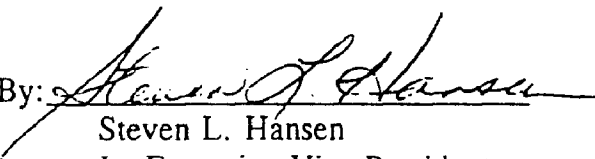
LICENSOR:

COMMEMORATIVE BRANDS, INC.

By: 
Name: C.W. WALLS
Title: Vice president

LICENSEE:

AURAFIN CORPORATION

By: 
Steven L. Hansen
Its Executive Vice President
and Chief Financial Officer

SCHEDULE A

LICENSED MARKS

Trademarks

Registration No.

ArtCarved - US	Reg. #764,668
ArtCarved - Canada	Reg. # 51,076
ArtCarved - Costa Rica	Reg. # 98,648
ArtCarved - El Salvador (Pending)	Ser. #3610/96
ArtCarved - Guatemala (Pending)	Ser. #96-5440
ArtCarved - Mexico	Reg. #383,987
ArtCarved - Panama (Pending)	Ser. #081,264
ArtCarved Bridal Jewelry - US (Pending)	Ser. #191,171
ArtCarved	Reg. #588,288
ArtCarved Diamond Center	Reg. #880,173
ArtCarved Flawless	Reg. 1,109,309
ArtCarved Canada	Reg. #219,298

Other Marks

Registration (if any)

SCHEDULE B

TERRITORY

1. The United States of America
2. Canada
3. The Bahamas
4. The Caribbean Islands
5. Costa Rica
6. El Salvador
7. Panama
8. Guatemala

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