

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

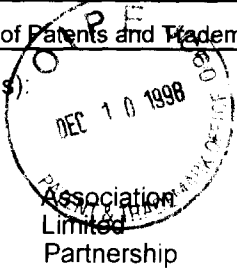


100925455

MWD 12-10-98

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

1. Name(s) of conveying party(ies):
 Value Communications, Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation of California
 Other: _____
 Additional name(s) of conveying party(ies) attached? Yes No



2. Name(s) and address(es) of receiving party(ies):
 Name: Schwartzman Pictures Inc.
 Address: 10730 Bellagio Road
Los Angeles, CA 90077
 Individual(s)
 Association
 General Partnership
 Limited Partnership
 Corporation
 Other:
 If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designation 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: Asset purchase agreement
 Execution Date: 11/11/92

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 B. Trademark Registration No.(s)
1,108,644
 Additional numbers attached? Yes No

6. Total number of applications and registrations involved: 1
 7. Total fee (37 CFR 3.41): \$ 40.00
 Enclosed
 Authorized to be charged to deposit account
 Authorized to be charged to deposit account only if fee is deficient
 8. Deposit account number:
06-0916

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Lisa F. Peller
 Address: Finnegan, Henderson, Farabow,
Garrett & Dunner, L.L.P.
1300 I Street, N.W.
Washington, D.C. 20005-3315

12/15/1998 BNGUYEN 00000260 1108644

01 FC:481

40.00 OP

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.
Lisa F. Peller
 Name of Person Signing *Lisa F. Peller*
 Signature December 10, 1998
 Date

Total number of pages including cover sheet, attachments, and document: 17

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of November 11, 1992, by and between Schwartzman Pictures, Inc., a California corporation ("Buyer"), and Eric D. Wolf ("Wolf"), as Trustee of the bankruptcy estate of Value Communications, Inc., a California corporation ("VCI"), and Gerald H. Davis ("Davis"), as Trustee of the bankruptcy estate of Oak Tree Publications, Inc., a California corporation ("OTP") (hereinafter collectively "Sellers"). OTP is a wholly-owned subsidiary of Vizcom, Inc., ("Vizcom"). The bankruptcy estates of VCI and OTP are collectively referred to herein as the "Bankruptcy Estates." Buyer, Wolf and Davis are sometimes collectively referred to as the "Parties." The Parties enter into this Agreement with reference to the following facts:

A. P. Spencer Johnson ("Johnson") and his former wife Ann Donegan Johnson (collectively, the "Johnsons") co-authored a series of children's books under the ValueTales trademark (collectively referred to as "ValueTales").

B. The Johnsons conveyed all trademarks, copyrights and tangible and intangible rights in and to ValueTales to VCI pursuant to a certain agreement dated July 1, 1977 (the "1977 Agreement"). A copy of the 1977 Agreement is attached hereto as Exhibit "A" and incorporated herein by reference.

C. Payment of royalties under the 1977 Agreement is guaranteed by that certain Guarantee dated July 14, 1977, executed by OTP (the "Guarantee"). A copy of the Guarantee is attached hereto as Exhibit "B" and incorporated herein by reference.

D. On or about February 4, 1987, Johnson filed a civil action in the Superior Court for the State of California, San Diego County, against VCI, OTP and others, for an accounting under the 1977 Agreement (the "Superior Court Action"). VCI and OTP filed cross-complaints against Johnson seeking declaratory relief and damages.

E. On or about February 2, 1989, VCI and OTP each filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code, as Case Nos. 89-00726-B11 and 89-00727-B11, respectively (the "Bankruptcy Petitions"). A copy of each Petition is attached hereto, collectively marked as Exhibit "C", and incorporated herein by this reference.

schwartz 2/01

Dec. 03 1998 07:46AM P2

PHONE NO. : 808 637 7505

FROM :

TRADEMARK
REEL: 1827 FRAME: 0339

F. Johnson, as an individual, and as assignee of the rights of Ann Donegan Johnson, and Vizcom, VCI, OTP, and Arnold Lord, an individual, entered into a certain Settlement Agreement dated February 9, 1990 (the "Settlement Agreement") which provided, among other things, for a full discharge and settlement of all claims and causes of action by, between and among Johnson, Vizcom, VCI and OTP. The Settlement Agreement was approved by the United States Bankruptcy Court of the Southern District of California (the "Court") by an order entered on October 10, 1990. A copy of the Settlement Agreement is attached hereto as Exhibit "D" and incorporated herein by reference.

G. The Chapter 11 Bankruptcy cases of VCI and OTP were converted to cases under Chapter 7 of the United States Bankruptcy Code on May 31, 1991, and on June 3, 1991, respectively (the "Chapter 7 Cases"). Wolf and Davis are the duly appointed, qualified and acting bankruptcy trustees of the respective bankruptcy estates and the respective bankruptcy estate's sole representatives pursuant to Bankruptcy Code § 323.

H. On or about August 13, 1991, Johnson filed that certain action entitled Johnson vs. Wolf and Davis (Case No. 80-00726-B7, Adversary No. 91-90577-B7) (the "Johnson Litigation").

I. Between January 29, 1975, through November 30, 1978, Steve Pileggi contends he entered into approximately fourteen (14) separate contracts with VCI (collectively referred to as the "Pileggi Contracts") whereby Mr. Pileggi agreed to perform and prepare certain artwork for the ValueTales book series under the terms set forth in said contracts. A copy of eleven (11) Pileggi Contracts are attached hereto as Exhibit "E" and incorporated herein by reference.

J. On or about December 7, 1977, OTP and Grolier Enterprises, Inc., ("Grolier") entered into an agreement for the sale and distribution of ValueTales (the "Grolier I Agreement"). On or about November 1, 1988, OTP and Vizcom entered into a subsequent agreement with Grolier to sell and distribute ValueTales (the "Grolier II Agreement"). The Grolier I Agreement and the Grolier II Agreement each require Grolier, among other things, to pay royalties and provide OTP and Vizcom an accounting for sales. Copies of the Grolier I Agreement and the Grolier II Agreement are attached hereto as Exhibits "F" and "G", respectively, and are incorporated herein by reference.

* * *

schwartz.2/0

Dec. 03 1998 07:46AM P3

PHONE NO. : 808 637 7505

FROM :

TRADEMARK
REEL: 1827 FRAME: 0340

K. On or about November 15, 1990, VCI and OTP and Child Products, Inc. ("CPI"), purportedly entered into an agreement ("CPI License Agreement") to transfer publishing rights from VCI and OTP to CPI. A copy of the CPI License Agreement is attached hereto as Exhibit "H" and incorporated herein by reference.

L. On or about May 20, 1986, OTP and Vizcom entered into a "Film Agreement" for exploitation of the ValueTales series which said agreement was "confirmed" by VCI and included a copyright assignment from VCI to Vizcom ("Film Agreement"). A copy of the Film Agreement is attached hereto as Exhibit "I" and incorporated herein by this reference. On or about January 14, 1987, OTP, VCI and Vizcom purportedly entered into a contract entitled "Film Agreement - Amendment", purportedly amending the "Film Agreement" ("Film Agreement Amendment"). A copy of the Film Agreement Amendment is attached hereto as Exhibit "J" and incorporated herein by this reference. On or about November 15, 1990, Vizcom and CPI entered into an Assignment and Assumption Agreement wherein Vizcom purportedly assigned to CPI its rights in the Film Agreement and the Film Agreement Amendment ("Film Agreement Assignment"). OTP purported to specifically consent to the Film Agreement Assignment on November 15, 1990, but without Bankruptcy Court approval. The Film Agreement Assignment is attached hereto as Exhibit "K" and incorporated herein by reference.

M. On or about October 15, 1992, the Bankruptcy Court entered its Second Amended Order: (1) Disapproving Sale of Assets by Trustees to Child Products, Inc.; and (2) Authorizing Sale of Assets by Trustees to Schwartzman Pictures, Inc., Free and clear of Liens and Interests Pursuant to 11 U.S.C. §363(f) ("Second Amended Order") in the VCI Bankruptcy Estate, and a copy of said Order is attached hereto as Exhibit "L" and incorporated herein by this reference.

N. On or about October 26, 1992, the Bankruptcy Court entered its Supplemental Order Authorizing Sale of Assets by Trustee to Schwartzman Pictures, Inc. Free and Clear of Liens and Interests Pursuant to 11 U.S.C. §363(f) ("Supplemental Order"), which order specifically authorized a sale free and clear of any and all interests, if any, of Child Products, Inc. or Arnold Lord arising from the CPI License Agreement. A copy of the Supplemental Order is attached hereto as Exhibit "M" and incorporated herein by this reference.

* * *
* * *

schwartz.2/0

FROM :

TRADEMARK
REEL: 1827 FRAME: 0341

PHONE NO. : 808 637 7505

Dec. 03 1998 07:47AM

O. Haddon Craftsman, Inc., has asserted a warehouseman's lien against certain assets of the Bankruptcy Estates, which lien is specifically excepted by the Bankruptcy Court's Second Amended Order from those liens and interests sold free and clear.

P. On or about October 6, 1992, Davis commenced and there is now pending an adversary proceeding, Case No. 92-90764-E7, in the OTP bankruptcy case entitled Davis vs. Child Products, Inc., and Arnold Lord, seeking, inter alia, to have the CPI License Agreement and the purported transfer of certain rights to the ValueTales book series by VCI and OTP to CPI thereby declared void ab initio by the Bankruptcy Court.

Q. On November 6, 1992, Wolf commenced, and there is now pending, an adversary proceeding, Case No. 92-90847-B7 in the VCI bankruptcy case entitled Eric D. Wolf, Trustee vs. Child Products, Inc., et al., seeking, inter alia, to have the CPI License Agreement and the purported transfer of certain rights to the ValueTales book series by VCI and OTP to CPI thereby declared void ab initio or avoidable under 11 U.S.C. § 549.

R. Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, all of the assets which are property of the Bankruptcy Estates which are described below in paragraph 2.1 and, to the extent they are known, more specifically described in Exhibit "N" (the "Assets") pursuant to the terms and conditions of this Agreement as set forth below.

NOW, THEREFORE, in consideration of the foregoing facts and the mutual promises set forth below, the Parties agree as follows:

1. Conditions Precedent and Subsequent. Unless expressly waived by both Sellers and Buyer in writing, the following must be satisfied as conditions precedent and subsequent to "Closing" (defined in paragraph 7 below) of the sale:

Condition Precedent.

1.1 No Action. No action, injunction or proceeding other than the Johnson Litigation or any litigation relating to the litigation initiated by the Sellers to avoid the CPI License Agreement, shall have been instituted against Sellers before any court or other governmental entity with respect to the Assets as of the Closing Date (defined in paragraph 7 below).

* * *

schwartz 2/01

Dec. 03 1998 07:47AM PS

PHONE NO. : 808 637 7505

FROM :

TRADEMARK
REEL: 1827 FRAME: 0342

Condition Subsequent.

1.2 Court Authorization of this Sale. An order shall be entered in the United States Bankruptcy Court, for the Southern District of California, in the OTP bankruptcy case, substantially similar in form and content to the "Second Amended Order (1) Disapproving Sale of Assets by Trustees to Child Products, Inc.; and (2) Authorizing Sale of Assets by Trustees to Schwartzman Pictures, Inc., Free and Clear of Liens and Interest pursuant to 11 U.S.C. §363(f)" entered by the Bankruptcy Court in the VCI bankruptcy case on October 15, 1992, a copy of which is attached hereto as Exhibit "O" and incorporated herein by this reference.

2. Sale and Purchase of Assets. Upon satisfaction of all conditions precedent and subject to the terms of this Agreement, Sellers hereby agree to sell to Buyer, and Buyer hereby agrees to purchase from Sellers the "Assets" (as defined below).

2.1 Assets Defined. The assets to be sold pursuant to this agreement (the "Assets") shall be all rights, titles and interests of Sellers and VCI and OTP in and to:

(a) ValueTales, the Oak Tree and AS Barnes literary imprints, the 1977 Agreement, the Settlement Agreement, the Pileggi Contracts, and the Grolier Agreement (except as provided in paragraph 2.2 below);

(b) any additional rights and interests of VCI and OTP listed in the bankruptcy schedules of the Bankruptcy Estates exclusive of cash on hand or in banks;

(c) any additional rights and interests of VCI and OTP not listed in the bankruptcy schedules of the Bankruptcy Estates to the extent such rights and interests relate to ValueTales, the Oak Tree and AS Barnes literary imprints, the 1977 Agreement, the Settlement Agreement, the Pileggi Contracts, and the Grolier Agreement (except as provided in paragraph 2.2 below); and

(d) except claims against Grolier accruing before the Closing Date of this Agreement.

* * *

* * *

To the extent related to the Assets described above, the Assets shall include, but not be limited to, all copyrights (including any and all extensions and renewals thereof), trademarks, tradenames, logos, intellectual property, contract rights, original artwork, illustrations, inventory, motion pictures, video, photographs, books, and any and all related products now in existence or created in the future, and other tangible and intangible rights and interests related to the above, and all inventory, receivables, original artwork, templates, printing plates, and software associated therewith, and other tangible assets which directly make or made use of such interests or "rights" as they are defined and more fully described in Exhibit "N" which is attached hereto and expressly made a part hereof by this reference.

Sellers shall identify the location of the Assets, to the best of their knowledge, at Closing.

2.2 Past Due Grolier Payments. All claims accruing under the Grolier I Agreement and the Grolier II Agreement (defined in paragraph "J" above) before the Closing Date (defined in paragraph 7 below) shall be paid to Sellers subject to the terms of this Agreement and all such monies collected from Grolier by Sellers will be applied to the Additional Payments defined in paragraph 3.2 below, to be applied against the first payments due thereunder.

2.2.1 Attorneys' Fees And Costs. Buyer shall reimburse the Bankruptcy Estates for all attorneys' fees and costs incurred by Sellers in prosecuting civil claims or collecting monies owed to the Bankruptcy Estates from Grolier Enterprises, Inc. and all such attorneys' fees and costs incurred by Sellers shall be billed monthly as services are rendered and are due and payable by Buyer upon receipt of such billing statements. Sellers shall keep Buyer apprised of all material developments in the litigation against Grolier and shall use best efforts to avoid unnecessary duplication of attorneys' fees and costs between the Bankruptcy Estates.

2.3 Sale Free And Clear Of Liens And Interests. The sale of Assets pursuant to this Agreement shall be free and clear of any and all liens and interests pursuant to 11 U.S.C. § 363(f), including any and all liens and interests, if any, of CPI or Arnold Lord arising from the CPI License Agreement (Exh. "H"), except the warehouseman's lien held by Haddon Craftsman and those interests specified in paragraph 8.

* * *

schwarz 2/01

FROM :

PHONE NO. : 808 637 7505

Dec. 03 1998 07:48AM

2.4 Adversary Proceedings. Wolf and Davis have commenced the adversary proceedings described in paragraphs "P" and "Q" above. Wolf and Davis agree to take reasonable action to prosecute these cases to a conclusion in which they are the prevailing party.

3. Purchase Price. The purchase price (the "Purchase Price") for the Assets shall consist of the following:

3.1 Initial Payment. Buyer has paid \$275,000 ("Initial Payment") to the Sellers, the receipt of which is hereby acknowledged by Sellers. Said payment is held by Sellers in separate interest-bearing sequestered accounts pending the Closing of the sale (defined in paragraph 7 below). In the event this sale shall fail to Close, through no fault of the Buyer, the Initial Payment shall be promptly refunded to Buyer, otherwise said sum shall be non-refundable.

3.2 Additional Payments. The Additional Payments will be made up of two separate, but interdependent, obligations, one in an amount necessary to satisfy approved administrative expenses of the Bankruptcy Estates and allowed non-subordinated claims asserted against the Bankruptcy Estates and the other in an amount necessary to satisfy allowed subordinated claims asserted against the Bankruptcy Estates, if any, as follows:

(a) Approved administrative expenses of the Bankruptcy Estates and allowed non-subordinated claims asserted against the Bankruptcy Estates will be paid with a maximum of eight (8) payments of \$55,000 each, with the first payment due on November 1, 1993, and each succeeding payment due every six (6) months thereafter, until a total amount of \$715,000 (including the Initial Payment) is paid, or until all approved administrative expenses of the Bankruptcy Estates and allowed non-subordinated claims asserted against the Bankruptcy Estates are paid, whichever is less; and

(b) Allowed subordinated claims asserted against the Bankruptcy Estates will be paid with a maximum of four (4) payments of \$50,000 each, with the first payment due on the date six (6) months after all allowed non-subordinated claim payments are completed in accordance with the preceding paragraph, and each succeeding payment due every six (6) months thereafter,

schwarz 2/015

Dec. 03 1998 07:49AM PB

PHONE NO. : 808 637 7505

FROM :

TRADEMARK
REEL: 1827 FRAME: 0345

until a total payment of \$200,000 is made, or until all allowed subordinated claims asserted against the Bankruptcy Estates are paid, whichever is less; providing, however, the allowed subordinated claims shall be paid in accordance with this paragraph only in the same percentage that each allowed non-subordinated claim is satisfied in accordance with paragraph 3.2(a).

(c) Whether a claim is paid in accordance with paragraph 3.2(a) or 3.2(b) of the Agreement shall be determined by the Court with reference to the subordination provisions of 11 U.S.C. §510.

3.3 Creditor Claims and Administrative Expenses.

Buyer agrees to pay a total Purchase Price in the amount necessary to pay 100% of allowed claims of all creditors and approved administrative expenses in accordance with the payment schedule set forth in Section 3.2, up to a maximum of \$915,000, including the Initial Payment.

4. Sellers' Security Interest. All obligations of the Buyer under this Agreement shall be secured by the following assets ("Collateral"):

All rights, title and interests relating to ValueTales, including but not limited to, all copyrights, trademarks, any and all exclusive and nonexclusive licenses, assignments or transfers, and all rights and interests relating to ValueTales described in paragraph 2.1 and Exhibit "O" attached to this Agreement and incorporated by this reference.

At Closing, Buyer shall execute and/or furnish and deliver to Sellers such documents and other instruments, in form and substance reasonably required by Sellers to effectively create and perfect a security interest in the Collateral, including, but not limited to, that necessary for recordation with the United States Copyright Office and/or any other required governmental offices or agencies. The Sellers' security interest in the Collateral shall be binding and enforceable against the Buyer and any and all assignees, licensees, transferees or successors in interest of the Buyer.

* * *
* * *

5. No Obligation to Proceed. Nothing contained herein shall be construed to obligate Buyer to publish, produce, license, exhibit, advertise, distribute, or otherwise exploit any of the Assets or Rights sold, transferred, conveyed and assigned hereby.

6. Copyright Assignment And Security. Upon written request by the other party after the Closing Date (defined in paragraph 7 below), Sellers and Buyer agree to execute and deliver such further written documentation consistent with this Agreement as may be reasonably required, including but not limited to formal Copyright Assignments in the usual form specifying all copyrights assigned to Buyer and all formal documents required to perfect Sellers' security interest in the Collateral pursuant to this Agreement, in a form suitable for appropriate recordation of same.

7. Closing. The closing of this sale shall occur on November 11, 1992, such date being referred to herein as the "Closing Date" or "Closing."

8. Assumed Liabilities. Except as expressly set forth herein, Buyer does not and shall not assume, directly or indirectly, any liability, obligation, duty or responsibility whatsoever of Sellers, including, but not limited to, any obligation or liability of Sellers under the Guarantee, the Film Agreement, the Film Agreement Amendment, the Film Agreement Assignment, the Haddon Craftsman warehouseman's lien and the CPI License Agreement, or any and all tax liability of Sellers arising under federal, state or local laws, whether or not such liability or obligation arises out of or in connection with the transfer of or sale of Assets hereunder, except such tax liabilities of the Bankruptcy Estates which shall be an administrative expense of the Bankruptcy Estates, and which shall be paid pursuant to Paragraph 3.2 of this Agreement. On the Closing Date, Sellers shall transfer and assign to Buyer and Buyer shall assume the obligation of Sellers which arise after the Closing Date under only the contracts, licenses and agreements set forth as follows: the 1977 Agreement, the Settlement Agreement, the Crolier II Agreement, and the Pileggi Contracts. Buyer shall indemnify and hold harmless Sellers from any and all liability, loss, damage, cost or expense, including reasonable attorneys' fees, which Sellers may hereinafter incur, suffer, or be required to pay by reason of any liability or obligation assumed by Buyer pursuant to this paragraph.

9. Further Assurance. Sellers and Buyer at any time after the Closing Date, but before close of the respective Sellers' Chapter 7 cases, shall execute, acknowledge and deliver any assignments, conveyances and other assurances, documents and instruments of transfer or reassignment reasonably requested by either of them and will take any other action subject to the terms of this Agreement that may reasonably be requested by either of them for the purpose of (i) better transferring to Buyer or reducing to possession the Assets, (ii) the assumption of the Assumed Liabilities by Buyer, or (iii) reassignment of the 1977 Agreement, the Settlement Agreement, the Pileggi Contracts and/or the Grolier II Agreement as set forth above.

10. Claims Objection Litigation. Sellers shall review and object to any claim, to the extent required under 11 U.S.C. §704.

10.1 Duty of Cooperation. In connection with the trustee's duties under 11 U.S.C. §704 and as may be otherwise specified in law, Sellers shall keep Buyer apprised of all major developments with respect to any claims objection litigation initiated by either of the Sellers, and shall use their best efforts to avoid duplication of attorneys' fees between the Bankruptcy Estates in the event any claims objections are initiated by either of the Sellers.

10.2 Right to Participation. Notwithstanding any provision in this Agreement to the contrary, Buyer expressly reserves its right to participate in the claims objection litigation to the extent provided in the Bankruptcy Code.

11. Covenants.

11.1 Compliance. Each Seller will use his best efforts to cause the Conditions Precedent to be timely and completely satisfied.

11.2 Conduct of Business. Between the date hereof and the Closing Date, Sellers will use their best efforts to preserve the Assets.

* * *
* * *
* * *

11.3 Access to Information. Upon the Closing of this sale, Sellers shall permit Buyer's representatives, including its accountants, to have reasonable access, at the Buyer's expense, to any and all books, records and data in the Sellers' actual possession relating to creditors' claims for the period prior to the Closing, to the extent such books, records and/or data are not legally privileged.

11.4 Name. After the Closing, Sellers shall not use or adopt, or in any way cause, indirectly or directly, the use or adoption of the names "ValueTales," "Oak Tree," "Value Communications," "AS Barnes" or any variant thereof (collectively, the "Marks"), including use or adoption of the Marks as a trade name, service mark, business name, trade style, fictitious business name or "d.b.a.", for purposes other than the administration of the Bankruptcy Estates. In addition, Sellers shall not challenge the validity or any use of the Marks, or Buyer's ownership or right to use the Marks anywhere in the world, provided that Buyer is not in breach of this Agreement.

12. Sellers' Representations and Warranties. Sellers each, jointly and severally, make the following acknowledgements, representations and warranties to Buyer as of the date first written above, which acknowledgments, representations and warranties shall survive the execution of this Agreement.

12.1 No Prior Action. To the best of Sellers' knowledge, no action or proceeding other than the Johnson Litigation has been instituted against Sellers, VCI or OTP, prior to or at the Closing before any court or other governmental body, which in any way pertains to the acquisition by Buyer of the Assets.

12.2 No Prior Assignment. No prior assignment or transfer of the Assets or any portion thereof has been made by Sellers as of the Closing Date.

12.3 No Other Representations or Warranties. Except as hereinabove expressly provided, this sale is without any representations or warranties of Sellers, either express or implied.

* * *

* * *

13. Buyer's Representations and Warranties. Buyer makes the following acknowledgments, representations and warranties to Sellers as of the date first written above, which acknowledgments, representations and warranties shall survive the execution of this Agreement.

13.1 Authorization and Binding Effect. The execution, delivery and performance of the Agreement by Buyer and the consummation of the transactions contemplated by this Agreement have been duly authorized by the board of directors of Buyer, and the corporate acts, proceedings and approvals required of the Buyer, its officers, directors and shareholders for all of the foregoing have been duly taken and remain in effect. Upon execution by all Parties, this Agreement will constitute the legal, valid and binding obligation of Buyer and Sellers, enforceable against Buyer and Sellers in accordance with its terms.

13.2 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of California.

13.3 Execution and Performance of Agreement. The execution and performance by Buyer of this Agreement and the transactions contemplated hereby will not violate any provision of, or result in the breach of, any contract, agreement or instrument by which Buyer is, or will as of the Closing Date be, bound.

14. Survival of Representations. The representations and warranties made by the Sellers herein, except as they may be fully performed prior to or contemporaneously with the Closing, shall survive until the close of their respective Bankruptcy Estates. The representations and warranties made by Buyer herein, except as they may be performed prior to or contemporaneously with the Closing, shall survive until the close of both Bankruptcy Estates.

* * *
* * *
* * *
* * *
* * *

15. Defaults and Remedies. The occurrence of any of the following shall constitute an event of default under this Agreement ("Event of Default"):

15.1 Seller's Defaults.

(a) Failure or refusal to perform any obligation imposed upon Sellers under this Agreement where such failure or refusal shall continue for a period of 14 days after written notice thereof from Buyer to Sellers.

(b) Any representation or warranty by Sellers in this Agreement proves to have been incorrect in any material respect when made or at any time it is deemed to have been remade under the applicable document.

15.2 Buyer's Defaults.

(a) Failure or refusal to perform any obligation imposed upon Buyer under this Agreement where such failure or refusal shall continue for a period of 14 days after written notice thereof from Sellers to Buyer.

(b) Any representation or warranty by Buyer in the Agreement proves to have been incorrect in any material respect when made or at any time it is deemed to have been remade under the applicable document.

16. General Provisions.

16.1 Notices. All notices, requests, consents, and other communications required or permitted hereunder shall be in writing and shall be personally delivered or mailed by using first-class, registered, or certified mail, postage prepaid, to the following addresses or to such other addresses as the Parties hereto may designate in writing.

Sellers:

- (1) Eric D. Wolf, Trustee
121 Broadway, Room 555
San Diego, California 92101

* * *

* * *

with a copy to:

Kevin J. Hoyt, Esq.
Estes & Hoyt, A P.C.
1010 Second Avenue, Suite 1300
San Diego, CA 92101

(2) Gerald H. Davis, Trustee
110 West C Street, Suite 1611
San Diego, CA 92101

with a copy to:

N. James Richardson, Esq.
Karp & Richardson
110 W. "C" Street, Suite 2000
San Diego, CA 92101

Buyer:

SCHWARTZMAN PICTURES, Inc.
10730 Bellagio Road
Los Angeles, CA 90077

with a copy to:

Edward C. Walton, Esq.
Walton, Ottesen, Meads, Koler & Hack
225 Broadway, Suite 800
San Diego, CA 92101

All such notices, requests, consents and other communications shall be deemed to be properly given if delivered personally or, if sent by mail, three business days after the same has been deposited in mail, addressed and postage prepaid as set forth above.

16.2 Counterparts. This Agreement may be executed in any number or counterparts, each of which when executed by the Parties hereto and delivered shall be deemed to be an original, and all such counterparts taken together shall be deemed to be but one and the same instrument.

16.3 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California and the laws of the United States of America, as applicable.

16.4 Integration and Construction. This Agreement shall comprise the complete and integrated Agreement of the Parties hereto and shall supersede all prior offers, written or oral, on the subject matter hereof. This Agreement shall be deemed to have been drafted with joint participation of the Parties hereto and shall be construed to be neither against nor in favor of Sellers or Buyer in accordance with the fair meaning thereof.

16.5 Waivers and Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement, and no consent to any departure therefrom, may in any event be effective unless in writing and signed by the party or parties affected thereby, and then only in the specific instance and for the specific purpose given.

16.6 Attorney's Fees. Each party to this Agreement shall bear its own legal fees and any and all other expenses relating to the transactions contemplated in this Agreement. In the event any action or proceeding is commenced between or among the Parties hereto with respect to the terms of this Agreement or the rights, obligations, duties or liabilities of the Parties under this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs incurred, in addition to any other relief to which that party may be entitled.

16.7 Headings. The headings of this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

16.8 Exhibits. Each Exhibit referred to herein and attached hereto is an integral part of this Agreement and is incorporated herein by reference.


16.9 Successors and Assigns. This Agreement and the provisions hereof shall be binding upon and inure to the benefit of each of the Parties and their successors and assigns.

* * *
* * *
* * *
* * *

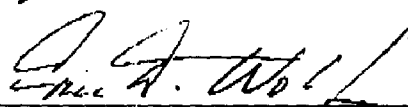
16.10 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

SCHWARTZMAN PICTURES, INC.


DATED: NOVEMBER 11, 1992

By 
Jack Schwartzman, President

DATED: November 11, 1992


Eric D. Wolf, Trustee for the
Bankruptcy Estate of
VALUE COMMUNICATIONS, INC.

DATED: 11/11/92


Gerald H. Davis, Trustee for the
Bankruptcy Estate of
OAK TREE PUBLICATIONS, INC.

FROM : schwartz, 2/015

PHONE NO. : 808 637 7505 Dec. 03 1998 07:53AM