

04-22-1999



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COVER SHEET
ONLY

Record the attached original documents or copy thereof.

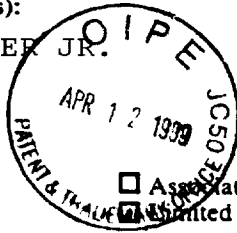
86-21-4
69W

1. Name of conveying party(ies):
RONALD C. CLAPPER JR.

Individual(s)
 General Partnership
 Corporation-State
 Other

Association
 Limited Partnership

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



2. Name and address of receiving party(ies):
Name: DIAMOND GAME ENTERPRISES, INC.
Internal Address: 9817 VARIEL AVE.
Street Address:
City CHATSWORTH State CA. ZIP 91311

Individual(s) citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation-State California
 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
 Security Agreement
 Other LICENSE

Merger
 Change of Name

Execution Date:

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark registration No.(s)

Additional numbers attached? Yes No

6. Total number of applications and registrations involved: 4

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: ROBERT J. SCHAAP
Internal Address: 21241 VENTURA BLVD. SUITE #188
WOODLAND HILLS, CA. 91367
Street Address:
City: State: ZIP

7. Total fee (37 CFR 3.41):.....\$ 160.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 19-0258
(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 documents.
ROBERT J. SCHAAP
Name of Person Signing Signature Date 3-30-99

Total number of pages comprising cover sheet: 11

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

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

04/22/1999 VBR00W 00000082 2103007
 01 FC:481 40.00 OP
 02 FC:482 75.00 OP

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

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Refund Ref: 04/22/1999 VBR00W 00000045

CHECK Refund Total: \$5.00

Registration No.

Registration Date

2,103,007

October 7, 1997

2,034,879

February 4, 1997

1,964,165

March 26, 1996

1,966,777

April 9, 1996



LICENSE AGREEMENT AND ASSIGNMENT

THIS AGREEMENT is made and entered into this 26 day of MARCH, 1999, by and between RONALD C. CLAPPER, JR., having a principal place of business at 2119 Hiem Hills Road, Mountoursville, Pennsylvania 17754 (sometimes hereinafter "Clapper")

and

DIAMOND GAME ENTERPRISES, INC., a corporation of the State of California, having a principal place of business at 9817 Variel Avenue, Chatsworth, California 91311 (sometimes hereinafter "Diamond").

WITNESSED

WHEREAS, Ronald C. Clapper, Jr. is an inventor of certain new and useful improvements in pull tab dispensers and in pull tab tickets which are dispensed therefrom and has filed several U.S. and foreign patent applications and has obtained issued patents thereon;

WHEREAS, Clapper has also adopted and used and has also caused to be filed several U.S. trademark applications and has obtained several U.S. trademark registrations thereon for the name and mark "Lucky Tab" and variations thereof;

WHEREAS, Clapper has been instrumental in the formation of Diamond and therefore has previously granted a license to Diamond to use the aforesaid patents and trademarks and desires by this

document to confirm the previous grant of that right and license to Diamond.

NOW, THEREFORE, in view of the above and in view of other good and valuable consideration by and between the parties, it is hereby agreed as follows:

I. DEFINITIONS

1.1 Clapper presently owns those U.S. patents and U.S. patent applications identified in Exhibit "A" attached hereto and which is incorporated herein by reference, and including all continuation, divisional and reissue patent applications based thereon, and all patents maturing therefrom, and all international priority rights associated therewith, and which is sometimes hereinafter referred to as the "Clapper Patent Estate".

1.2 Clapper is also the owner of U.S. trademark registrations and pending trademark applications which are identified in Exhibit "B" attached hereto and which is incorporated herein by reference, and which is sometimes hereinafter referred to as the "Clapper Trademark Estate" and including all further trademark applications for the mark "Lucky Tab" and variations thereof, and all marks confusingly similar thereto and registrations maturing therefrom.

II. CONFIRMATION OF PREVIOUS GRANTS

The rights and licenses granted to Diamond by Clapper have all been previously granted to Diamond as of the date of acquisition of the property right by Clapper and the parties desire to confirm by

this Agreement the previous grant with rights and licenses and hereby confirm and reaffirm the grant of those rights and licenses, and further by this Agreement grant those rights and licenses, as set forth below.

III. LICENSE GRANT

3.1 As of the date of acquisition of the inventions which are the subject matter of and claimed in those patents and patent applications in the Clapper Patent Estate, Clapper did then, and does hereby reaffirm, that grant to Diamond of an exclusive right and license to Diamond to make, use and sell apparatus and other articles and practice the method under each of the patents and patent applications and the patents issued therefrom included in the Clapper Patent Estate.

3.2 From the date of acquisition of the trademarks by Clapper, Clapper did then, and does hereby reaffirm, that grant to Diamond of an exclusive right and license to use and promote any of the trademarks in the Clapper Trademark Estate, it then being agreed that all rights generated as a result of use of the trademarks in that Clapper Trademark Estate did and would continue to inure to the benefit of Clapper.

3.3 The rights and licenses granted to Diamond by Clapper in both Clapper Trademark Estate and in the Clapper Patent Estate was then and is presently an exclusive right and license. Clapper hereby reconfirms that grant to Diamond of an exclusive right and license to make, use and sell apparatus and articles under and

embodying the inventions in the Clapper Patent Estate and to use and promote the trademarks in the Clapper Trademark Estate for one year terms, with each one year term commencing on January 1 of each year and terminating on December 31 of that year. These one year terms are successive and may be terminated by Clapper without cause by giving sixty (60) days advance written notice to Diamond.

3.4 The right and license granted to Diamond by Clapper under both the Clapper Patent Estate and the Clapper Trademark Estate is also royalty free and is not sub-licensable by Diamond without the express written approval of Clapper. Furthermore, the rights and licenses granted hereunder do not include any right by Diamond to sell, assign, convey or encumber any part of the Clapper Patent Estate or the Clapper Trademark Estate.

IV. PROPER USE AND CONTROL OF TRADEMARK RIGHTS

4.1 Diamond agrees that it will always use the trademarks in the Clapper Trademark Estate in a proper manner and will avoid generic or descriptive use of such trademarks. However, Diamond also agrees that nothing herein shall give Diamond any proprietary interest in and to any of the trademarks in the Clapper Trademark Estate and that upon termination of this License Agreement, Diamond shall cease all use of the trademarks in the Clapper Trademark Estate.

4.2 During the term of this agreement and for any period in which Diamond is permitted to use the trademarks in the Clapper Trademark Estate, or any of them, Diamond agrees as follows:

(i) To make available to Clapper, on request by Clapper or his authorized agent, quality control data sheets showing the quality of those products offered under the Clapper Trademark Estate and which also show quality control procedures with regard to products made under the Clapper Trademark Estate.

(ii) To submit to Clapper, at regular or specified intervals, copies of labels or other materials bearing the trademarks included in the Clapper Trademark Estate and photographs showing the use of trademarks thereon, all upon request by Clapper.

(iii) Provide to Clapper, upon request by Clapper, copies of any and all advertising and marketing brochures, warranty sheets or like materials distributed by Diamond with respect to those products offered under the Clapper Trademark Estate.

(iv) Make its production facilities and operations available for inspection at all reasonable times by Clapper or authorized agents of Clapper.

V. ENFORCEMENT AND DEFENSE OF RIGHTS

5.1 Clapper is under no obligation to institute or defend any suits or complaints or causes of action in connection with the grant of the right and license of the Clapper Patent Estate and the Clapper Trademark Estate. However, Diamond is hereby granted the right to institute any suits or complaints or causes of action in connection with the rights granted to Diamond hereunder and, to the extent necessary, Clapper will join in any such suits, complaints

or causes of action, upon reasonable request by Diamond, but at the cost and expense of Diamond.

5.2 Clapper will promptly notify Diamond of any action by third parties which would infringe or suggest infringement or other violation of the Clapper Patent Estate and the Clapper Trademark Estate.

5.3 Diamond will initiate and pursue the necessary claim, demand, cause of action or lawsuit in order to prosecute any infringement or other violation of the Clapper Patent Estate or the Clapper Trademark Estate. Diamond will also defend any claim, demand, cause of action or lawsuit in which Diamond is charged with infringement or other violation of the intellectual property rights of a third party. The obligation of Diamond to initiate and pursue or defend must be reasonable with respect to the potential damage to Diamond, such that Diamond is not obligated with respect to relatively minor actions.

VI. TERMINATION

6.1 This Agreement may be terminated by Clapper by Clapper giving a written notice of termination at least sixty (60) days in advance of the expiration of each one year term commencing on January 1 of each year and ending on December 31 of each year. Otherwise, in absence of any such written notice of termination, this Agreement will continue from year to year.

6.2 This Agreement may be terminated by Diamond, without cause, at any time, by giving sixty (60) days advance written notice to Clapper.

6.3 This Agreement will automatically terminate in the event of bankruptcy, insolvency or assignment for the benefit of creditors of Diamond.

6.4 Upon termination, Diamond will immediately cease all further use of the Clapper Patent Estate or the Clapper Trademark Estate.

VII. MISCELLANEOUS

7.1 Choice of Law. This Agreement and any all disputes arising thereunder shall be governed by the laws of the State of California.

7.2 Non-Assignability. This Agreement and all rights thereunder are not assignable by either party without the express written permission of the other party hereto.

7.3 Entire Agreement. This Agreement constitutes the entire understanding between the parties and there are no understandings or representations not contained herein. No waiver, alteration, amendment or modification of any of the provisions shall be binding unless duly signed by duly authorized representatives of both parties.

7.4 Severability. In the event that any provision of this Agreement is deemed void or unenforceable, then such provision which is deemed void or unenforceable shall be deemed to be

stricken from this Agreement so as to not effect the Agreement or the remaining provisions contained herein, and that the remaining provisions will be deemed valid and enforceable.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement on the date, month and year first above written.

DATE MARCH 26, 1999



RONALD C. CLAPPER, JR.

DIAMOND GAME ENTERPRISES, INC.

BY  _____

Title Pres. _____

CLAPPER\GENERAL
LICENSE.AGR

EXHIBIT "A"

CLAPPER PATENT ESTATE

<u>Patent No.</u>	<u>Patent Date</u>	<u>Title</u>
5,536,008	July 16, 1997	Electronic Gaming Apparatus and Method
5,645,485	July 8, 1997	Multi-Ply Ticket and Electronic Ticket Dispensing Mechanism
5,348,299	September 20, 1994	Electronic Gaming Apparatus
5,810,664	September 22, 1998	Electronic Gaming Apparatus and Method
5,487,544	January 30, 1986	Electronic Gaming Apparatus and Method
5,377,975	January 3, 1995	Electronic Gaming Apparatus and Method
5,749,784	May 12, 1998	Electronic Gaming Apparatus and Method
5,609,337	March 11, 1997	Gaming Ticket Dispenser Apparatus and Method of Play

PENDING APPLICATION

<u>Appn. Serial No.</u>	<u>Filing Date</u>	<u>Title</u>
08/042,837	March 17, 1998	Electronic Apparatus and Method of Assisting in the Play of a Game and Tickets Used Therewith

EXHIBIT "B"

CLAPPER TRADEMARK ESTATE

<u>Registration No.</u>	<u>Registration Date</u>	<u>Title</u>
2,103,007	October 7, 1997	Lucky Tab
2,034,879	February 4, 1997	Lucky Tab
1,964,165	March 26, 1996	Lucky Tab
1,966,777	April 9, 1996	Lucky Tab II