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

1. Name of conveying party(ies): AMERICAN CANDY COMPANY

09-02-1999

U.S. Patent & TMO/c/TM Mail Rpt Dt. #26

- Individual(s), General Partnership, Corporation-State DE, Other

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

3. Nature of conveyance:

- Assignment, Security Agreement, Merger, Change of Name, Other

Execution Date: June 22, 1998

Name and address of receiving party(ies) Name: Bank of America, National Association formerly "NationsBank, N.A."

Internal Address: Street Address: 100 South Charles Street City: Baltimore State: MD ZIP: 21201

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, 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) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

See Attached

1724734

B. Trademark Registration No.(s)

See Attached

Additional numbers attached? Yes No

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

Name: Tanya D. Bennett Internal Address: Miles & Stockbridge

09/08/1999 JSHBAZZ 00000040 200052 1724734

01 FC:481 40.00 CH 02 FC:482 425.00 CH

Street Address: 10 Light Street 8th Floor City: Baltimore State: MD ZIP: 21202

6. Total number of applications and registrations involved: 13

7. Total fee (37 CFR 3.41): \$ 465.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number: 20-0052

(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.

Tanya D. Bennett Name of Person Signing

David Adams

Signature of Tanya D. Bennett

August 31, 1999

Date

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

INTELLECTUAL PROPERTY

<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
AMERICAN CANDY COMPANY® and Design	1,724,734	10/13/92
AMERICAN® with Shield Design	969,748	10/02/73
DOUBLE FRUIT POPS®	974,404	12/04/73
DROOLERS®	1,881,557	02/28/95
FIRECRACKER®	794,520	08/17/65
HOT POPS®	1,023,369	10/21/75
LONG BOYS®	1,299,773	10/09/84
LONG BOYS® Character	1,716,198	09/15/92
LUV POPS®	1,203,800	08/03/82
PIK A STIK®	1,540,518	05/23/89
SPIKES® with Design	794,518	08/17/65
TREASURE CHEST®	887,578	03/10/70
TRIM-A-PACKAGE®	1,861,618	08/30/94
TWIRL POPS®	1,114,626	03/06/79
NIK-L-NIP	75-442,707	03/02/98
MAGIC STICKS	75-459,000	03/30/98

PENDING APPLICATIONS:

<u>Trademark</u>	<u>App-Serial No.</u>
FROOPS	Not yet assigned
FROOPS Character	Not yet assigned

FOREIGN REGISTRATIONS

<u>Trademark</u>	<u>County</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
LONG BOYS	Mexico	499463	07/28/95
LUV POPS	Mexico	512277	12/06/95
POUND O' POPS	Mexico	498234	07/24/95

SCHEDULE B

None

COLLATERAL ASSIGNMENT OF TRADEMARKS AS SECURITY

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS AS SECURITY (this "Assignment") is made as of this 26th day of August, 1999, by AMERICAN CANDY COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Assignor"), in favor of BANK OF AMERICA, NATIONAL ASSOCIATION, a national banking association formerly, "NationsBank, N.A." (the "Lender").

RECITALS

A. The Assignor has applied to the Lender for certain revolving credit, time loan, capital expenditure line and letter of credit facilities (the "Credit Facilities") under the provisions of a certain Financing and Security Agreement dated June 22, 1998 by and between the Lender and the Assignor (as amended, restated, supplemented or otherwise modified, the "Financing Agreement"). All capitalized terms used, but not specifically defined herein, shall have the same meaning given such terms in the Financing Agreement.

B. The Assignor has adopted, used and is using certain trademarks as listed on SCHEDULE A attached hereto and made a part hereof and has applied for or has pending the trademarks also as listed on SCHEDULE A (collectively, the "Trademarks").

C. The Financing Agreement and certain other Financing Documents contain security agreements under which the Assignor has granted to the Lender, a Lien on, and security interest in, certain assets of the Assignor associated with or relating to products sold under any one or more of the Trademarks and under which the Lender is entitled to foreclose or otherwise deal with the Trademarks under the terms and conditions set forth in the Financing Agreement.

D. The Lender desires to have the interest of the Lender in such Trademarks confirmed by a document identifying the same and in such form that it may be recorded in the United States Patent and Trademark Office.

E. As collateral security for the Obligations, whether arising under the Financing Documents or otherwise, the Assignor has agreed to assign to the Lender a security interest in the Trademarks and the goodwill of the business associated therewith.

NOW THEREFORE, with the foregoing Recitals being deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

ARTICLE I
ASSIGNMENT

In consideration of and pursuant to the terms of the Financing Agreement and each of the other Financing Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure all of the Obligations, the Assignor hereby grants to the Lender a security interest in and Lien on the Trademarks, together with all the

goodwill of the Assignor associated with and represented by the Trademarks and any registration therefor, and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits and all rights corresponding thereto throughout the world; provided, however, that no security interest or Lien on an application for trademark registration filed on an intent-to-use basis shall be effective unless or until the Assignor has filed and the U.S. Patent and Trademark Office has accepted an Amendment to Allege Use or a Statement of Use with respect to such application.

The foregoing grant, security interest and assignment is a present grant of a collateral assignment and, upon the occurrence and during the continuation of an Event of Default and notice to the Assignor from the Lender, and subject to the filing with and notice to the United States Patent and Trademark Office, shall become an absolute assignment in favor of the Lender or in favor of such person as the Lender may designate, and may be the subject of such confirmatory instruments as the Lender may elect, which instruments shall be conclusive evidence of the Event of Default and absolute assignment.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1 Trademark Existence.

The Assignor represents and warrants to the Lender, and shall be deemed to represent and warrant to the Lender at the time a Loan is made or a Letter of Credit is issued, that based on the records of the United States Patent and Trademark Office and any state trademark offices and based on the Assignor's knowledge:

2.1.1 The registered Trademarks are subsisting and have not been adjudged invalid or unenforceable in the United States or in the jurisdictions in which they are registered.

2.1.2 Each of the registered Trademarks is valid and enforceable in the United States or in the jurisdictions in which it is registered.

2.1.3 Except as set forth on SCHEDULE B to this Assignment, the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Trademarks, in the United States or in the jurisdictions in which it is registered, each of the Trademarks is free and clear of any Liens (other than Permitted Liens), licenses, and other encumbrances including, without limitation, covenants by the Assignor not to sue third persons.

2.1.4 The Assignor has the right to enter into this Assignment and perform its terms.

ARTICLE III
COVENANTS AND AGREEMENTS

Section 3.1 New Agreements, Trademarks and Consents.

The Assignor covenants that until all the Obligations have been paid and performed in full, all Commitments have been terminated or have expired and all Letters of Credit have been cancelled or have expired:

3.1.1 It will not enter into any agreement, including without limitation, license agreements that would have a material adverse effect on the Lender's rights under this Assignment.

3.1.2 It will exercise reasonable supervision over each of its present and future employees, agents and consultants which will enable the Assignor to comply with the covenants herein contained.

3.1.3 If the Assignor acquires rights to any new Trademarks, the provisions of this Assignment shall automatically apply thereto and the Assignor shall give the Lender prompt written notice thereof along with an amended SCHEDULE A.

3.1.4 The Assignor shall, at the Lender's request, obtain consents to this Assignment where the Assignor's right to assign any Trademarks requires such consent.

Section 3.2 Maintenance.

3.2.1 Except as permitted by the provisions of the Financing Agreement and to the extent that the maintenance of any given Trademark is justified by its value in the Assignor's business, the Assignor hereby covenants and agrees to maintain the Trademarks in full force and effect until all of the Obligations are satisfied in full, all Commitments have been terminated or have expired and all Letters of Credit have been cancelled or have expired.

3.2.2 Except as permitted by the provisions of the Financing Agreement, the Assignor shall have the duty to (a) prosecute diligently any trademark application that is part of the Trademarks pending as of the date of this Assignment or thereafter to the extent the value of such application in the Assignor's business justifies such prosecution until the Obligations shall have been satisfied in full, all Commitments have been terminated or have expired and all Letters of Credit have been cancelled or have expired, (b) preserve and maintain all rights in such applications and/or Trademarks including but not limited to the payment of registration and renewal fees, if any, to the extent the value of such application and/or Trademarks in the Assignor's business justifies such preservation and maintenance and (c) upon reasonable written request of the Lender, to make federal application for registration of registerable but unregistered trademarks to the extent the value of such application in the Assignor's business justifies such application for registration. Any expenses incurred in connection with such applications shall be part of the Enforcement Costs. The Assignor shall not abandon any Trademark or any pending application for trademark registration, without the consent of the Lender.

3.2.3 Other than during the continuation of an Event of Default, the Assignor shall have the right to bring suit in its own name to enforce the Trademarks, in which event the Lender may, if necessary, at its own expense, be joined as a nominal party to such suit if the Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. If suit is brought during the continuation of an Event of Default, the Assignor shall promptly, upon demand, reimburse and indemnify the Lender for all damages, costs and reasonable expenses, including attorneys' fees, as they arise incurred by the Lender in the fulfillment of the provisions of this paragraph.

3.2.4 If the Assignor fails to comply with any of its obligations hereunder in any material respect, the Lender may do so in the Assignor's name or in the Lender's name, but at the Assignor's expense, and the Assignor hereby agrees to reimburse and indemnify the Lender in full for all reasonable expenses, including reasonable attorneys' fees, incurred by the Lender in protecting, defending and maintaining the Trademarks.

3.2.5 The Assignor will continue to use, for the duration of this Assignment, proper statutory identification in connection with its use of the Trademarks.

3.2.6 The Assignor will continue to meet for the duration of this Assignment, consistent standards of quality in its manufacture of products sold under the Trademarks comparable to the standards met by Assignor prior to the date of this Assignment.

Section 3.3 Fees and Expenses.

The Assignor agrees to pay to the Lender upon demand as part of the Enforcement Costs, any and all reasonable fees, costs and expenses, of whatever kind or nature, including attorney's fees and legal expenses incurred by the Lender in connection with the preparation of this Assignment and of all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining or preserving the Trademarks, or in enforcing the Lender's rights therein or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by the Assignor on demand by the Lender.

ARTICLE IV
EVENTS OF DEFAULT; RIGHTS AND REMEDIES

Section 4.1 Assignor Use.

Other than during the continuation of an Event of Default (a) the Assignor shall have an exclusive nontransferable right and license to use the Trademarks and (b) the Lender shall have no right to use the Trademarks or issue any exclusive or non-exclusive license under the Trademarks, or assign, pledge or otherwise transfer title in the Trademarks to any other party. Except as otherwise permitted by the Financing Agreement, the Assignor agrees not to sell or assign its interest in, or grant any sublicense under, except in the ordinary course of the Assignor's business and only if such sublicensee is provided notice that the sublicense is subject

to the terms of this Assignment, or allow any Lien (other than Permitted Liens) to attach to the license granted to the Assignor in this Section, without the prior written consent of the Lender.

Section 4.2 Certain Lender Rights.

The Assignor hereby covenants and agrees that the Lender, as assignee hereunder and as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of Maryland, and under any other applicable law, during the continuation of an Event of Default, upon notice to the Assignor, may terminate the license set forth in Section 4.1 and may take such other action permitted hereunder or under the other Financing Documents or permitted by applicable Laws, in its exclusive discretion, to foreclose upon the Trademarks covered hereby. For such purposes, and during the continuation of an Event of Default hereunder or in the Obligations, the Assignor hereby authorizes and empowers the Lender to make, constitute and appoint any officer of Lender as the Lender may select, in its exclusive discretion, (with full power of substitution and delegation, in its exclusive discretion), as the Assignor's true and lawful attorney-in-fact, with the power, without notice to the Assignor, to endorse the Assignor's name on all applications, documents, papers and instruments in the name of the Lender or in the name of the Assignor or otherwise, for the use and benefit of the Lender to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for the Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. This power of attorney shall be irrevocable for the life of this Assignment, the Financing Agreement, the Financing Documents and other obligations and until all of the Obligations to the Lender are satisfied in full and all Commitments and Letters of Credit have been terminated or otherwise have expired.

Section 4.3 Rights and Remedies.

All rights and remedies herein granted to the Lender shall be in addition to any rights and remedies granted to the Lender under the Financing Documents.

Section 4.4 Re-Vesting of Assignor's Rights.

Upon the full payment and performance of all of the Obligations and termination or expiration of all Commitments and all Letters of Credit, the Lender shall, upon the Assignor's request and at the Assignor's expense, execute and deliver to the Assignor all documents reasonably necessary to terminate this Assignment and re-vest in the Assignor full title to the Trademarks.

Section 4.5 No Waiver.

No course of dealing between the Assignor and the Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Financing Documents shall operate as a waiver thereof, and all of the Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Documents, or by any other future agreements between the Assignor and the Lender or by law shall be cumulative and may be exercised singularly or concurrently.

ARTICLE V
MISCELLANEOUS

Section 5.1 Severability.

The provisions of this Assignment are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

Section 5.2 Successors and Assigns.

This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties and shall specifically inure, without limitation, to the benefit of each Person who may from time to time be the "Lender" under the Financing Agreement.

Section 5.3 Modification.

This Assignment is subject to modification only by a writing signed by the parties and shall be subject to the terms, provisions, and conditions set forth in the Financing Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

Section 5.4 Captions and Headings.

The section headings in this Assignment are for convenience only, and shall not limit or otherwise affect any of the terms hereof.

Section 5.5 Governing Law.

This Assignment shall be governed by and construed in conformity with the laws of the State of Maryland.

IN WITNESS WHEREOF, the Assignor has executed this Assignment, under seal, the day and year first above written.

WITNESS OR ATTEST:

Chris Bedard

AMERICAN CANDY COMPANY

By: _____ (SEAL)

John I. Wechsler
Co-Chairman

Approved and Accepted:

By: _____


Name:

Title:

ACKNOWLEDGMENT

STATE OF New York, CITY/COUNTY OF WESTCHESTER, TO WIT:

On this 26 day of August, 1999, before me personally appeared John I. Wechsler, to me known and being duly sworn, deposes and says that he is the Co-Chairman of American Candy Company, a Delaware corporation, the Assignor; that he signed the Assignment as Co-Chairman of such corporation pursuant to the authority vested in him by law; that the within Assignment is the voluntary act of such corporation; and he desires the same to be recorded as such.



Notary Public

My Commission Expires: 9/30/2000

JOHN A. DIONISIO
Notary Public, State of New York
No. 01DI4804045
Qualified in Westchester County
Commission Expires 9/30/2000

SCHEDULE A

LIST OF TRADEMARKS

See Attached

SCHEDULE B

None