

07-14-2000



101404135
RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

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OPN/FRANCOISE
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TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year _____
- Merger
- Change of Name
- Other Assignment and Assumption Agreement

Conveying Party

Mark if additional names of conveying parties attached

Name Hocalar B.V.

Execution Date
Month Day Year
11 07 1996

Formerly _____

- Individual General Partnership Limited Partnership Corporation Association

Other _____

Citizenship/State of Incorporation/Organization Netherlands

Receiving Party

Mark if additional names of receiving parties attached

Name Good Fortune Holdings, KFT

DBA/AK/A/T/A _____

Composed of _____

Address (line 1) c/o Weil, Gotshal & Manges, LLP

Address (line 2) Bank Center, Granite Tower

Address (line 3) Budapest Hungary H-1944
City State/Country Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other _____

Citizenship/State of Incorporation/Organization Hungary

07/12/2000 DNGUYEN 00000319 74389440

FOR OFFICE USE ONLY

01 FC:481 40.00 DP
02 FC:482 1325.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Filed by Express Mail
(Receipt No. EL522413444 US
on June 8, 2000

pursuant to TRADEMARK
by Dinda S. Chans
REEL: 002095 FRAME: 0542

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties Enter the total number of properties involved.

#

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)

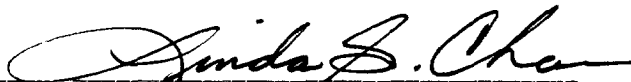
Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Linda S. Chan



June 8, 2000

Name of Person Signing

Signature

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
OMB 0851-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

74107321	<input type="text"/>	<input type="text"/>
74104819	<input type="text"/>	<input type="text"/>
74103196	<input type="text"/>	<input type="text"/>
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1203662	1701672	1615528
1118681	1697751	1591057
1775911	1684445	1591027
1766799	1675929	1578252
1748390	1646024	1568388
1748208	1620978	1564525
1728452	1618805	1559978

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

Conveying Party

Mark if additional names of conveying parties attached

Enter Additional Conveying Party

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Registration Number(s)

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1543670	1454389	<input type="text"/>
1533251	1453287	<input type="text"/>
1512610	1431960	<input type="text"/>
1512609	1429356	<input type="text"/>
1511720	1385286	<input type="text"/>
1464662	<input type="text"/>	<input type="text"/>
1460809	<input type="text"/>	<input type="text"/>

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of November 7, 1996, between **HOCALAR B.V.**, a Netherlands company (the "Assignor") and **GOOD FORTUNE HOLDINGS, KFT**, a Hungarian company (the "Assignee").

WHEREAS, the Assignor's Board of Directors has by resolution declared it desirable for Assignor to and has decided to make a distribution of certain of its assets (which include the trademark license agreements assigned below) to its shareholder, Espeloo N.V., a Netherlands Antilles company, as and for a return of capital; and

WHEREAS, the Espeloo N.V. wishes to contribute such distributed assets to Assignee, as a contribution to Assignee's capital.; and

WHEREAS, the Assignee wishes to accept such assets and is willing to assume the duties of the Assignor under and with respect to such trademark license agreement;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

Section 1. Assignment. The Assignor hereby conveys, transfers, assigns, delivers and confirms unto Assignee all of Assignor's rights, title and interest, legal and equitable, in, to and under (1) that certain License Agreement dated September 29, 1993 between G.G. Licensing, Inc., a Delaware corporation as Licensor and Assignor, as Licensee (the "Trademark License"); and (2) all sublicenses of the trademarks licensed to Licensee under said Trademark License Agreement, including but not limited to, the sublicense to Kids International Corp (formerly known as New Kids Corp.), dated September 29, 1993, as the same have been amended and extended by Trademark License Extension Agreements dated September 30, 1994 and September 30, 1996, respectively and (3) and all revenue, indebtedness and obligations of all persons and entities to Assignor, arising under such sublicenses, the payment or performance of which have not heretofore been received by Assignor, now existing or hereafter created, or arising, absolute, contingent, due or to become due direct or indirect and howsoever created, arising or evidenced;

TO HAVE AND TO HOLD unto Grantee, its successors and assigns to and for its and their own use and benefit forever.

Assignor hereby constitutes and appoints Assignee, its successors and assigns the true and lawful attorney and attorneys of Assignor with full power of substitution in its name and stead, but on behalf and for the benefit of Assignee, its successors and assigns, to demand and receive any and all assets, money, claims and rights transferred, conveyed and assigned by this Agreement and to give receipts and releases for and in respect to the same or any part thereof, to endorse any claim or right of any kind in respect thereof and to do all acts and things in relation to the above-mentioned assets, money, claims and rights which Assignee, its successors or assigns may deem desirable.

Assignor hereby declares that the foregoing powers are coupled with an interest and are and shall be irrevocable.

Assignor for itself, its successors and assigns hereby covenants and agrees that, any time and from time to time forthwith, upon the written request of Assignee, Assignor will, at its expense, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, all and every such further acts, deeds, assignments, transfers, conveyances, powers of attorney, and assurances as may be reasonably required by Assignee in order to better vest in Assignor, its successors and assigns, the assets, money, claims and rights assigned and conveyed hereby.

Section 2. Acceptance and Assumption. The Assignee hereby accepts all of Assignor's right, title and interest in and to the assets herein conveyed and, subject to the terms and provisions thereof, assumes and agrees to perform all duties and obligations of Assignor under the Trademark License Agreements and any sublicenses (entered into by Assignor prior to and existing on the date hereof) of the trademarks licensed under the Trademark License Agreement.

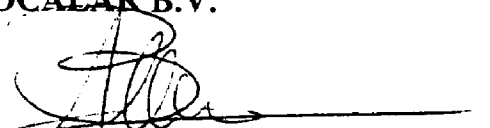
Section 3. Indemnity. Assignee does hereby agree to indemnify and hold harmless Assignor from and against all losses, liability claims, damage, expense (including , without limitation, costs of investigation and defense and reasonable attorney's fees) arising from or in connection with any failure of Assignee to perform the duties and obligations of Assignor under the Trademark License Agreement and any sublicenses (entered into by Assignor prior to and existing on the date hereof) of the trademarks licensed under the Trademark License Agreement which have been assumed by Assignee.

Section 4. Effective Date. This Assignment and Assumption Agreement shall be effective for all purposes upon delivery of this instrument (or counterparts thereof) by the parties hereto on the date hereof.

Section 5. Counterparts. This Agreement may be executed and delivered in counterparts and all such counterparts shall constitute the same agreement.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Assignment and Assumption Agreement on and as of the date first written above.

HOCALAR B.V.

By: 
J.M. Geleijn-Benner for HTM Management B.V.

GOOD FORTUNE HOLDINGS, KFT

By: 
H.J. Keilman

LICENSE AGREEMENT

LICENSE AGREEMENT, dated as of September 21, 1993, by and between G.G. Licensing, Inc., a Delaware Corporation with an address and place of business at 501 Silverside Road, Wilmington, Delaware 19009 (hereafter: "Licensor") and Hocalar B.V. a Netherlands corporation, having an office and place of business at Haaksbergweg 55, 1101 BR Amsterdam - zo, The Netherlands hereafter: "Licensee").

WHEREAS, this is a License Agreement for all purposes, legal or otherwise. The parties originally considered the purchase by Licensee of certain rights pertaining to the Trademarks, as defined below, and the goodwill associated therewith. However, the parties acknowledge that to do so would have split the marks, and potentially would have weakened the marks, which would not have been in the interest of either of the parties. Both Licensor and Licensee acknowledge their mutual obligations (as set forth herein) to police the Trademarks under particular circumstances, to cooperate in that effort and to preserve the Trademarks and their reputation for quality merchandise which has come to be associated with the Trademarks. This preamble is an integral part of this License Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Licensor hereby grants to Licensee the sole, exclusive and perpetual right and license, royalty free, to use the trademarks set forth in Schedule A (hereafter: "Trademarks") in the manufacture, marketing, sale and distribution of infants', toddlers', boys' (U.S. sizes 0-20) and girls' (U.S. sizes 0-14), apparel and accessories (subject to the rights of third parties in the product categories listed on Schedule B-1) (hereafter: "Licensed Products"), world-wide, except for those territories set forth as excluded territories on Schedule C. Notwithstanding the foregoing, Licensee is not granted a license with respect to those categories of apparel and accessories listed on Schedule B-2.

2. It is understood and agreed that Licensor's grant of the exclusive license contemplated by this License Agreement shall constitute an integral part of the purchase and sale of an ongoing business and further constitute part of the consideration given in exchange for Licensee's payment of the purchase price set forth in that certain Acquisition Agreement dated as of August 30, 1993 among Gitano Licensing, Ltd. and HOCALAR B.V. (the "Acquisition Agreement"). Accordingly, Licensee shall not be required to pay any royalty or other separate charge for the exclusive right and license granted pursuant to this License Agreement. This License Agreement has been entered into by

Licensors and Licensees with the intent of granting specific rights to the Trademarks to Licensee only as to the particular Licensed Products. Licensee expressly acknowledges that many of the Trademarks are not registered for use on Licensed Products and no representation or warranty is made that any specific Trademark is registered for such uses.

3. The Licensed Products and all tags, labels, wrappings, displays fixtures and other materials in which or with which Licensed Products are packaged and/or displayed (collectively "Packaging Materials") shall consistently be of good and approved quality, so as not to bring discredit upon the Trademarks. Licensee shall not take any action, including without limitation by way of manufacturing, marketing, advertising or selling, that would be likely to injure or damage the reputation for quality merchandise, which has come to be associated with the Trademarks. All Licensed Products when marketed and sold will be clearly marked as infants', toddlers', boys' or girls' clothing and accessories, as appropriate (i.e. hang tags, labels, packaging, etc.). All Licensed Products will be manufactured, sold and labeled in standard children's sizes as limited by this License Agreement. The parties will cooperate with each other and share with each other information with respect to color and style direction of products of Licensee and Licensing and its affiliates.

4. Licensee shall periodically advise Licensor of the launch dates for each of its upcoming selling seasons (by country). Once every selling season, at least 90 days prior to each launch date, upon Licensor's written request, Licensee shall present to Licensor for its approval, (which approval shall not be unreasonably withheld), samples of each item of Licensed Products to be included in the next season's line and the Packaging Materials that will be used in connection therewith. In the event Licensor finds that any of such samples or Packaging Materials do not maintain the quality referred to in Section 3 above, Licensor shall provide Licensee, by Certified or Registered Mail, a detailed statement of the deficiencies. Any such samples or Packaging Materials submitted to Licensor and not disapproved within ten (10) days after receipt by Licensor shall be deemed to have been approved. The Licensed Products and Packaging Materials thereafter manufactured, sold and/or distributed by Licensee shall be substantially similar to the samples as approved.

5. In any instance where approval under Section 4 is denied, Licensee may within ten (10) days of receipt of denial seek arbitration on the issue of reasonableness of such denial by delivering written notice to Licensor. Such arbitration shall take place in New York City pursuant to the rules of the American Arbitration Association before a single arbitrator with special

expertise in the manufacturing and marketing of children's apparel and accessories. If the parties do not agree on a single arbitrator within ten (10) days, each party shall within ten (10) additional days choose such an arbitrator and those two (2) arbitrators within a ten (10) day period shall choose a third arbitrator, and those three (3) shall comprise the arbitration panel. The arbitrator shall be empowered (but not required) to award fees and costs to the prevailing party in the arbitration.

6. Licensee shall not contest or dispute that Licensor is the rightful owner of the Trademarks, and Licensee shall not claim any title to or right to use the Trademarks or any variation thereof, other than the right to use the Trademarks under all the terms and conditions hereof. Subject to the rights and benefits of Licensee under this Agreement, the use of the Trademarks pursuant to this Agreement shall be for the benefit of Licensor and shall not vest in Licensee or any entity licensed by Licensee any title to or right in the Trademarks. Licensee covenants and agrees that it shall not at any time adopt or use any word or corporate name or mark, which is similar to or likely to cause confusion with the Trademarks.

7. (a) Licensor hereby covenants that: (1) provided that Licensee shall continue the requisite use of the Trademarks for Licensed Products, Licensor shall maintain and renew all registrations of the Trademarks for Licensed Products, and, where applicable, record license agreements and/or registered user filings to cause the Trademarks for Licensed Products to be maintained or renewed; and (2) it shall notify Licensee promptly in writing of any infringement or imitation of the Trademarks for Licensed Products or any adverse claims affecting the Trademarks for Licensed Products or any third party use of any trademarks, trade names or designations confusingly similar to the Trademarks which comes to its attention, which in its reasonable belief will have a material adverse effect on the Trademarks for Licensed Products. Notwithstanding the foregoing, Licensee shall bear, and shall pay to Licensor, all costs of maintaining registrations and effecting renewals of the Trademarks used exclusively on Licensed Products and the parties shall equitably apportion costs relating to maintaining and renewing multi-use applications and registrations for such Trademarks. Licensor shall submit to Licensee invoices for payment of such costs which shall be paid to Licensor within thirty (30) days of receipt. Licensee shall cooperate with Licensor in respect of the foregoing, including by providing any requested affidavits with respect to its use of the Trademarks.

(b) Concurrently with the execution and delivery of this License Agreement, Licensor is delivering to Licensee copies of the registrations for the Trademarks as they relate to the Licensed Products and all correspondence related thereto for each

of the Trademarks for Licensed Products. Licensor does hereby grant Licensee an irrevocable continuing power of attorney (coupled with an interest) authorizing and empowering Licensee to sign such maintenance and renewal documents and do all acts and things as may be necessary or appropriate to maintain and renew the Trademarks for Licensed Products; provided, however, that such power of attorney shall not be exercisable by Licensee unless and until Licensee shall have given Licensor written notice within four (4) months prior to the expiration of a filing date relating to any of the Trademarks for Licensed Products, and Licensor shall not have within 30 days of such notice from Licensee (i) advised Licensee that it has filed the requisite document or instrument and (ii) provided Licensee with a copy of the filing in question and all communications relating to the affected filing. Upon such power of attorney becoming exercisable, Licensee shall thereafter be free to take such action, if any, as it deems appropriate, but solely (a) with respect to that specific expiration date and (b) for that Trademark for Licensed Products.

(c) In the event that Licensee, from time to time, shall determine that it desires to market Licensed Products in countries in which the Trademarks are not currently registered or where registration is lapsed or abandoned or to file registrations for use of the Trademarks on Licensed Products, if not currently registered for Licensed Products, Licensee may request Licensor to apply to register (or re-register) the Trademarks for such uses and Licensor shall register the Trademarks in such country or countries in accordance with the following provisions. In the event Licensor approves any such request, Licensee shall retain for such purposes Licensor's trademark counsel, Gotlieb, Rackman and Reisman, New York, New York, or such other trademark counsel designated by Licensor, for purposes of effecting the registration. Licensee shall bear any and all costs and expenses, including without limitation, domestic or foreign counsel's fees, filing fees, registration fees and any other fee of such registration, and of any renewals or modification of the same, and shall indemnify and hold Licensor harmless from and against the same. The use of the Trademarks in any such country shall be governed by and subject to all the provisions of this License Agreement, and shall create no rights in the Trademarks beyond those expressly granted in this License Agreement.

8. (a) In the event that Licensee learns of any infringement or imitation of the Trademarks or of any use by any person or entity of a trademark similar to any of the Trademarks, it shall promptly notify Licensor. Licensor thereupon shall take such action as it, in its sole discretion, deems advisable for the protection of the Trademarks and, if requested to do so by Licensor, Licensee shall cooperate with Licensor in all

reasonable respects, at Licensor's expense, including without limitation by being a plaintiff or co-plaintiff, and Licensee irrevocably consents to the same, and by causing its officers to execute pleadings and other necessary documents. In no event, however, shall Licensor be required to take any action it, in its sole discretion, deems inadvisable. If Licensor deems it inadvisable to take any such action, Licensor shall promptly notify Licensee and Licensee may then take such action as it deems advisable at its own expense but solely with respect to an infringement, imitation, or use of the Trademarks relating to the Licensed Products. In such event Licensor shall, at Licensee's expense, render all reasonable assistance to Licensee in connection therewith. If the infringement, imitation or other use relates to Licensed Products then: (i) if Licensor undertakes any action or proceedings, Licensee will pay to Licensor all reasonable costs and expenses of such action or proceedings, including costs and expenses of counsel if the action relates solely to Licensed Products and proportionate costs and expenses, and if the action relates to Licensed Products and other products covered by the Trademarks, and (ii) if, pursuant to the foregoing Licensee undertakes any action or proceedings, Licensee shall bear all costs and expenses of the same, including reasonable costs and expenses of counsel. Any award recovered by Licensor or Licensee in any such action or proceeding commenced by Licensor or Licensee shall first be applied on a pro-rata basis, to any out-of-pocket expenses incurred by Licensor and Licensee in connection with such action, and the balance shall be (i) Licensor's property if the infringement is related to products other than the Licensed Products, (ii) Licensee's property if the infringement is related to Licensed Products, or (iii) divided proportionately between Licensor and Licensee if the infringement is related to both Licensed Products and other products.

(b) Licensee hereby acknowledges that Licensor may, in its sole discretion, permit and empower one or more of its affiliates to enforce any or all of its rights in the Trademarks, including, without limitation, its rights under the License Agreement. In such event any cost or expense of such affiliate shall, for purposes of this License Agreement, be deemed a cost or expense of Licensor.

9. Each party hereby represents and warrants that it has the full power, authority and legal right to execute and deliver, and to perform fully and in accordance with all of the terms of this Agreement, and that its performance of all of the obligations and covenants hereunder does not and will not violate any provision of any law or regulation, agreement or other instrument to which either party may be bound.

10. Licensee acknowledges that the Trademarks are an integral part of the trademarks owned by Licensor, the principal

and most valuable assets of Licensor, and that the continued quality and integrity of the Trademarks is of the greatest concern to Licensor. Licensee further acknowledges that any actions of Licensee in breach or violation of the provisions of the License Agreement could materially and irreparably harm the Trademarks and other trademarks owned by Licensor and Licensor could not be adequately compensated by monetary damages. In the event of a breach or reasonably likely breach of this Agreement, by reason of the inadequacy of monetary damages as a remedy to such breach, either party hereto shall have the right to obtain temporary or permanent injunctive or mandatory relief in a court of competent jurisdiction, it being the intention of the parties that this Agreement be specifically enforced to the maximum extent permitted by law. As to any breach hereunder related to any use or misuse of the Trademarks (including, but not limited to, any breach related to (a) the quality of goods bearing the Trademarks, (b) restrictions, including, but not limited to territorial and product category restrictions on use of the Trademarks as set forth herein, and (c) an impairment of the reputation or integrity of the Trademarks and other trademarks owned by Licensor), it will be presumed that monetary damages are inadequate. In furtherance thereof, Licensee hereby absolutely and irrevocably consents to the jurisdiction of the Federal courts located in the Southern District of New York with respect to any dispute under this Agreement and any injunctive relief sought by Licensor under this Section 10. Licensee further waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail directed to Licensee at its address set forth herein. Licensee waives to the fullest extent permitted by law any objection based on forum non conveniens. Licensee further irrevocably consents to the jurisdiction over it by the courts in any foreign country in which Licensee may in the future market and sell Licensed Products so as to permit Licensor to seek injunctive relief in such foreign country enjoining any breach or violation of this License Agreement. The parties expressly agree that the arbitration provisions set forth in Section 5 hereof shall in no way impair or affect a party's right or ability under this Section 10 to seek injunctive or mandatory relief, nor limit any court of competent jurisdiction from granting such relief.

11. Licensee may use third party manufacturers for the manufacture of the Licensed Products. Licensee may grant a sublicense for the use of the Trademarks, provided that Licensee shall include in any such sublicense agreement terms and conditions substantially identical to those contained in sections 3, 4, 5, 6, 8, 10 and 12 of this Agreement. Licensee shall provide notice of its intent to enter into any such sublicense and shall deliver to Licensor a copy of such sublicense agreement upon its execution. Licensee shall monitor the use of the Trademarks by its sublicensees, shall remain principally liable

to Licensor under this License Agreement and shall be liable for any acts of its sublicensees that would constitute a violation of this Agreement were such sublicensee the Licensee under this Agreement.

12. Licensee shall be bound by and agrees to strictly adhere to the terms of the settlement agreement between the Endicott Johnson Corporation and The Gitano Group, Inc. (the "Settlement Agreement"), a copy of which has been received by Licensee.

13. In the event that, pursuant to the applicable bankruptcy law (the "Code"), a trustee in bankruptcy of Licensee, or Licensee, as debtor, is permitted to assume this Agreement and does so and, thereafter, desires to assign this Agreement to a third party, which assignment satisfies the requirements of the Code, the trustee or Licensee, as the case may be, shall notify Licensor of same in writing. Said notice shall set forth the name and address of the proposed assignee, the proposed consideration for the assignment and all other relevant details thereof. The giving of such notice shall be deemed to constitute an offer to Licensor to have this Agreement assigned to it or to its designee for such consideration, or its equivalent in money, and upon such terms as are specified in the notice. The aforesaid offer may be accepted only by written notice given to the trustee or Licensee, as the case may be, by Licensor within fifteen (15) days after Licensor's receipt of the notice from such party. If Licensor fails to give its notice to such party within the said fifteen (15) days, such party may complete the assignment referred to in its notice, but only if such assignment is to the entity named in said notice and for the consideration and upon the terms specified therein. Nothing contained herein shall be deemed to preclude or impair any rights which Licensor may have as a creditor in any bankruptcy proceeding.

14. (a) Licensee shall indemnify and hold harmless Licensor and its affiliates from and against all loss, liability, damage and expense (including reasonable attorneys' fees and expenses) arising from (i) Licensee's alleged breach of the Settlement Agreement, (ii) acts or omissions of Licensee's sublicensees or their respective directors, officers, employees or agents, or (iii) claims by third persons against Licensor relating to the manufacture, sale, marketing, advertising or use of the Licensed Products manufactured, sold or distributed by Licensee or any sublicensee under the Trademarks, including without limitation, any claims for patent infringement. Without limiting the foregoing, Licensee shall obtain and maintain throughout the term of this Agreement, at its own expense, product liability insurance from a recognized insurance company providing adequate protection in an amount agreed to by the parties acting reasonably against any claims, suits, loss or

damage arising out of any alleged defects in the Licensed Products. As proof of such insurance, a fully paid certificate of insurance or binder, naming Licensor as an additional insured party and stating that Licensor shall receive at least 20 days' prior written notice of any change to or termination of such policy, will be submitted to Licensor by Licensee for Licensor's prior approval before any Licensed Product is distributed or sold.

(b) The provisions of this Section 14 shall survive the termination or assignment of this agreement.

15. Nothing herein contained shall be construed to place the parties in the relationship of partners or joint venturers and neither party shall have the power to obligate or bind the other in any manner whatsoever.

16. Licensee acknowledges that Licensor has licensed the Trademarks to The John Forsyth Company, Inc. ("Forsyth") for the manufacture and sale of children's apparel in Canada (the "Forsyth Agreement"). Licensee and Forsyth may cooperate with one another to their mutual benefit in the areas of design, marketing and product procurement of the Licensed Products.

17. All notices, approvals, consents, statements and other communications hereunder shall be in writing and shall be deemed given when (a) delivered personally or delivery by telecopy (evidenced by a contemporaneous telecopier confirmation) to the parties on a business day during normal business hours at the addresses or telecopier numbers set forth below (or at such other address or telecopier number for a party as shall be specified by like notice) or (b) three days after being mailed by certified mail (return receipt requested) to the parties at the addresses (or at such other address for the party as shall be specified by like notice) set forth below:

If to Licensor, to:

G.G. Licensing, Inc.
501 Silverside Road
Wilmington, Delaware 19009
Attn:
Telecopier:

With copies to:

The Gitano Group, Inc.
1411 Broadway
New York, New York 10018
Attn. General Counsel
Telecopier: 212- 869-5961

and

Kronish, Lieb, Weiner & Hellman
1345 Avenue of the Americas
New York, New York 10105-0202
Attn.: Peter J. Mansbach, Esq.
Telephone: 212-841-6110
Telecopier: 212-247-5054

and

United States Trust Company,
as Security Trustee
114 West 47th Street, 15th Floor
New York, New York 10036
Attn: Corporate Trust Department
Telephone: 212-852-1000
Telecopier: 212-

and its counsel

Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
Attn: Lawrence Rimmel, Esq.
Telephone: 212-421-4100
Telecopier: 212-326-0806

If to Licensee, to:
Hocalar B.V.
Haaksbergweg 55
1101 BR Amsterdam - zo

With copies to:
Yerushalmi, Shibolet, Yisraeli & Roberts
350 Fifth Avenue
60th Floor
New York, New York
Attn: Amnon Shibolet

18. Licensee may assign this License Agreement in whole, but not in part. Any such assignment shall not affect Licensee's indemnification obligations under Section 14(a) hereof. Licensor may assign this License Agreement in whole or in part.

19. This Agreement contains a complete statement of all arrangements between the parties with regard to its subject matter and none of the terms of this Agreement shall be deemed to be waived or modified except by an express agreement in writing

signed by a person authorized to that effect by the party against whom enforcement of such waiver, modification, etc. is sought. This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts wholly performed in said New York.

20. Except as required by law, each party agrees not to disclose the terms of this Agreement, without the prior written consent of the other party.

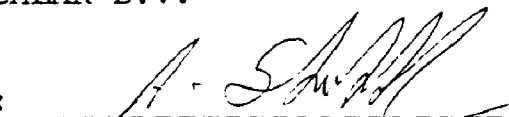
G.G. LICENSING, LTD.

By: 

STEVEN M. GE...

SECRETARY

HOCALAR B.V.

By: 

Amnon Shibolet

Attorney in fact and Agent

GJD

SCHEDULE A

United States Registrations

<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
BABY GITANO	1,739,848	12/15/92
EJ GITANO	1,568,238	11/28/89
EJ GITANO AND DESIGN	1,546,319	07/04/89
EJ GITANO CLUB	1,540,609	05/23/89
EJ GITANO CLUB	1,578,274	01/16/90
GITANO AND FOUR BAR DESIGN	1,431,960	03/10/87
GITANO KIDS	1,564,368	11/07/89
SUN KISS GITANO	1,775,911	06/08/93
GITANO & DESIGN	1,766,799	04/20/93
GITANO & DESIGN	1,748,390	01/26/93
GITANO	1,748,208	01/26/93
GITANO & CO.	1,728,452	10/27/92
GITANO 2000	1,701,672	07/21/92
PS GITANO & DESIGN	1,697,751	06/30/92
GITANO LIGHTWEIGHTS	1,684,445	04/28/92
GITANO QUALITY GUARANTEED & OVAL DESIGN	1,675,929	02/18/92
GITANO CLASSICS	1,646,024	05/28/91
SHADES OF GITANO	1,620,978	11/06/90
THE BASICS BY GITANO	1,618,805	10/23/90
GITANO AND FOUR BAR DESIGN	1,615,528	10/02/90
ESSENTIAL BASICS BY GITANO	1,591,057	04/10/90
GITANO FAMILY	1,591,027	04/10/90

<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
GITANO	1,578,252	01/16/90
UNITED FASHIONS OF GITANO	1,568,388	11/28/89
GITANO FREEWAY DENIMS AND DESIGN	1,564,525	11/07/89
STUDIO GITANO	1,559,978	10/10/89
EMPORIO GITANO	1,543,670	06/13/89
GITANO	1,533,251	04/04/89
LINEA GITANO & DESIGN	1,512,610	11/15/88
GITANO FOR MEN & DESIGN	1,512,609	11/15/88
GITANO SPORT & DESIGN	1,511,720	11/08/88
GITANO & DESIGN	1,464,662	11/10/87
GITANO & FOUR BAR DESIGN	1,460,809	10/13/87
GITANO MA MATERNITY APPAREL & DESIGN	1,454,389	08/25/87
GITANO & FOUR BAR DESIGN	1,453,287	04/18/87
GITANO & FOUR BAR DESIGN	1,431,960	03/10/87
SUN KISS GITANO & DESIGN	1,429,356	02/17/87
PS GITANO	1,385,286	03/04/86
GITANO & DESIGN	1,203,662	08/03/82
GITANO	1,119,681	06/05/79

United States Applications

<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
GITANO 2000	74/389,440	05/12/93
GITANO AMERICAN MADE & DESIGN	74/383,658	04/28/93
STORIES BY GITANO	74/348,342	01/14/93
GITANO FIVE STAR	74/344,527	12/30/92
GITANO ENVIRONMENTS	74/303,106	08/07/92
GITANO ALL TERRAIN GEAR HIKING-TREKING-CLIMBING & DESIGN	74/268,884	04/24/92
GITANO HIKERS	74/254,149	03/10/92
GITANO GENERATION	74/238,104	01/16/92
GITANO ENVIRONMENTS	74/230,213	12/13/91
EMPORIO GITANO	74/107,321	10/19/90
GITANO	74/104,819	10/11/90
ELEMENTS BY GITANO	74/103,196	10/04/90
GITANO AND FOUR BAR DESIGN	(serial no. not assigned as yet)	
GITANO AND FOUR BAR DESIGN	(serial no. not assigned as yet)	

Foreign Registrations

<u>Country</u>	<u>Trademark</u>	<u>Req. No.</u>	<u>Req. Date</u>
Algeria	GITANO (FOUR BARS)	42816	11/17/90
Australia	GITANO	A467974	07/01/87
Australia	GITANO (FOUR BARS)	A550120	02/07/91
Austria	GITANO	123,239	12/23/88
Benelux	GITANO USA	369903	11/25/80
Benelux	GITANO USA	478904	05/18/90
Bolivia	GITANO	51934-C	10/18/91
Brunei	GITANO	14,654	01/11/88
Bulgaria	GITANO	16,126	12/29/87
Chile	E.J. GITANO	342,660	05/15/89
Chile	GITANO (FOUR BARS)	342,662	05/15/89
Chile	GITANO BY ORIT	339,595	02/10/89
Chile	P.S. GITANO	342,661	05/15/89
China	GITANO (FOUR BARS)	300,753	10/10/87
Colombia	GITANO	139810	10/07/92
Czechoslovakia	GITANO	168,032	11/12/90
Denmark	GITANO (FOUR BARS)	VR014151992	03/30/92
Dominican Republic	GITANO	31,152	11/06/80
Ecuador	GITANO	2619-88	10/28/88
Egypt	GITANO	70,631	01/09/89

<u>Country</u>	<u>Trademark</u>	<u>Req. No.</u>	<u>Req. Date</u>
El Salvador	GITANO	72	05/05/89
El Salvador	LINEA GITANO	103	06/27/90
France	GITANO	1,158,154	12/24/80
Germany	GITANO	DD652734	04/19/93
Germany	GITANO (FOUR BARS)	1166556	09/21/90
Guatemala	GITANO (FOUR BARS)	59793	10/26/89
Haiti	GITANO	156/82	06/06/88
Hong Kong	GITANO (FOUR BARS)	A697/89	08/03/87
Hong Kong	GITANO	1570/89	02/26/88
Hong Kong	GITANO (FOUR BARS)	1876/93	02/26/88
Hong Kong	GITANO	819/87	08/21/85
Israel	GITANO	52,393	06/22/81
Italy	GITANO USA	388,076	01/13/86
Jamaica	GITANO	23,485	10/15/87
Korea	GITANO	121,858	12/27/85
Korea	GITANO	119,470	11/06/85
Mexico	GITANO	381106	08/16/90
Mexico	GITANO	354847	11/04/88
Mexico	GITANO	354848	09/04/88
Mexico	GITANO	354849	09/04/88
Mexico	GITANO	354850	11/04/88
Mexico	GITANO	354851	09/04/88
Mexico	GITANO	393050	11/04/88
Morocco	GITANO (FOUR BARS)	45,647	11/22/90
Neth. Antilles	GITANO	11622	12/24/80

<u>Country</u>	<u>Trademark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
Norway	GITANO (FOUR BARS)	138,079	08/10/89
Panama	GITANO	27,107	09/01/81
Philippines	GITANO	53850	11/05/92
Poland	GITANO	62,967	09/29/87
Puerto Rico	GITANO	24,060	03/25/82
Puerto Rico	GITANO	24,059	03/25/82
Saudi Arabia	GITANO (FOUR BARS)	214/15	02/27/90
Singapore	GITANO	5315/87	11/02/87
Sweden	GITANO	227 862	11/15/91
Sweden	GITANO USA	177 283	06/26/81
Sweden	GITANO	251 087	08/27/93
Switzerland	GITANO	373,428	12/04/89
Taiwan	GITANO	360,186	03/16/87
Taiwan	GITANO	178,346	06/01/82
Tangier	GITANO (FOUR BARS)	7704	11/20/90
Thailand	GITANO	76,995	09/17/82
Tunisia	GITANO (FOUR BARS)	EE901095	12/19/90
Turkey	GITANO	101,051	09/24/87
United Kingdom	GITANO	1432576	06/19/90
United Kingdom	GITANO	1432573	06/19/90
United Kingdom	GITANO (FOUR BARS)	1457479	03/05/91
Venezuela	GITANO	117.193F	4/18/86
Venezuela	GITANO	145.773	01/21/92
Venezuela	GITANO	145.774	01/21/92

Pending Applications

<u>Country</u>	<u>Trademark</u>	<u>Appl. No.</u>	<u>Filing Date</u>
Argentina	GITANO	1885542	7/93
Bangladesh	GITANO	25,979	09/26/87
Brazil	GITANO	813958431	12/09/87
Brazil	GITANO	815310803	
Colombia	EJ GITANO	314.163	12/11/89
Cyprus	GITANO (FOUR BARS)	34883	08/06/91
Finland	GITANO (FOUR BARS)	24042	
Finland	GITANO (FOUR BARS)		12/2/92
Germany	GITANO	015047/3WZ	06/21/91
Germany	GITANO BY ORIT	G35493/25WZ	04/29/88
Greece	GITANO	92352	02/06/89
Greece	GITANO	97633	02/14/90
Hong Kong	GITANO	3118/80	
Hong Kong	GITANO	3884/87	08/03/87
Hong Kong	GITANO	5040/93	05/21/93
Hong Kong	LINEA GITANO	921/88	
Hungary	GITANO	321,090	08/23/90
India	GITANO	502,456	12/19/88
Indonesia	GITANO		10/22/87
Italy	GITANO	020160	05/09/90
Japan	GITANO	63-037733	04/04/88

<u>Country</u>	<u>Trademark</u>	<u>Appl. No.</u>	<u>Filing Date</u>
Kenya	GITANO	39421	12/23/91
Korea	GITANO	397/42	11/11/92
Macau	GITANO (FOUR BARS)	9749-M	09/18/89
Malaysia	GITANO	MA/2919/87	09/07/87
Mexico	GITANO	47152	08/12/88
Mexico	GITANO	174889	08/06/93
Nicaragua	GITANO (FOUR BARS)		05/16/91
Pakistan	GITANO	95,837	09/22/87
Peru	GITANO	158.052	08/21/87
Portugal	GITANO	252,218	12/28/88
So. Africa	GITANO	87/7392	09/22/87
Spain	GITANO	1715917	08/03/92
United Kingdom	GITANO	1432575	06/16/90
United Kingdom	GITANO	1432608	06/19/90
United Kingdom	GITANO	1432607	06/19/90
Uruguay	GITANO	228,551	02/24/89
Venezuela	GITANO	16402/85	12/27/85
Venezuela	GITANO	3645/88	03/04/88
Venezuela	GITANO	5.679/92	03/24/92
Venezuela	GITANO	5.678/92	03/24/92
Venezuela	GITANO	16.861/92	08/04/92
Venezuela	GITANO	16.860/92	08/04/92
Yugoslavia	GITANO	Z-1367/92	07/02/92
Zaire	GITANO		01/31/92

Schedule B-1

LIMITATION ON LICENSE; THIRD PARTY AND LICENSOR RESERVED
RIGHTS IN PRODUCT CATEGORIES

<u>Product Category</u>	<u>Expiration Date</u>
1. Boys' shorts in all fabrications sizes 8-20 for Spring 1994. Notwithstanding this limitation, Licensee shall have the right to fulfill an \$80,000 order from Bradlees on hand as of 8/30/93 for Boys' shorts.	6/30/94
2. Sleepwear Infants (newborns through 24 mos.) and toddlers (1-4 yrs.) blanket sleepers, prams, sleepwear, and sleep and play (infants).	12/31/95 with a possible 3 yr. renewal at the licensee's option.
3. Thermal Underwear Girls' and Boys'	12/31/94
4. Girls' Daywear* (Half slips, full slips, camisoles, tap pants, chemises, pantaloons, bouffant half and full slips and bodysuits).	12/31/96 with a 2 yr. renewal term
5. Girls' Sweaters There is existing a non-exclusive agreement granting to a third party the right to use certain of the Trademarks on 7,500 dozen girls' sweaters, sizes 7-14, to be sold to Wal*Mart, with shipping to occur no later than December 1, 1993.	12/1/93

* The agreement ("Agreement") with a third party (Lady Esther Corporation) grants Lady Esther non-exclusive rights to sell Girls' Daywear in the following additional countries: Argentina, Bolivia, Chile, Columbia, Peru, Egypt, Israel and Saudia Arabia. The Licensor and Licensee have agreed that the rights of Licensor under the Agreement will be caused to be assigned to Licensee upon execution of the License Agreement, and Licensee will assume all obligations of the Licensor under the Agreement.

6. Boys' Belts
Boys' belts, suspenders, wallets, key cases
and coin holders

12/31/95
with a
possible
3 yr.
renewal at
the licensee's
option

The license granted in the License Agreement does not cover the above product categories in the United States and in Mexico (for sales to Wal*Mart or Wal*Mart affiliates in Mexico), until the respective expiration dates set forth above (or any earlier termination of license agreements referenced above). Whereupon all rights with respect to such product categories shall vest in Licensee.

Licensing or an affiliate had a licensing agreement with Gypsy Imports ("Gypsy"), which licensed to Gypsy the right to use the Trademarks to sell products, including Licensed Products, in Central and South America. This licensing agreement has been terminated. This parties to the licensing agreement are in settlement discussions regarding, among other things, the final disposition of inventories held by Gypsy. The Licensee under this Licensing Agreement expressly acknowledges that Gypsy, or its designee, may sell its existing inventories of products which, may include Licensed Products, in Central and South America, on a non-exclusive basis, and that such sales of such inventory are an exception to the exclusive rights granted to Licensee under this License Agreement.

Schedule B-2

PROHIBITED AND EXCLUDED CATEGORIES

APPAREL PRODUCTS

Product Category

1. All replenishment orders to Licensor or its affiliates, or any licensee for girls' 5-pocket denim^a jeans in sizes 4-14.
2. All replenishment orders to Licensor or its affiliates, or any licensee for boys' 5-pocket denim^a jeans in sizes 8-20.
3. Underwear and T-shirts
 - (a) Boys' and Girls' basic and fashion underpants in all sizes and all fabrications, (b) Girl's coordinated, unconstructed underwear tops coordinated to the underpants, (c) Boys' coordinated knit underwear tops and (d) Boys' and Girls' basic, knitted t-shirts, sold only on a replenishment basis (defined as quick response replacement to the retailer by stock keeping unit (sku) or by style number, which could include assortments), in white and solid colors, embellished solely by the use of the "Gitano" trademark or other related trademarks and limited to the following silhouettes: long sleeves, short sleeves, mock turtlenecks, crew necks, v-necks, tank/athletic style and oversized bodies, all of which can be styled with or without pockets.
4. Bras
 - Teens bras and coordinated panties

ACCESSORY PRODUCTS

5. Tights and Knee-highs
 - Infants', toddlers' and girls' tights, stockings, pantyhose and knee-highs.

^a For purposes of this Schedule, "denim" is defined as blue, black, and white colored fabric, in all shades of such colors.

6. Wristwatches
Girls' and boys' wristwatches,
clocks and timepieces.
7. Footwear
(Infants', toddlers', boys' (up to
mens' size 7), and girls) - all types,
excluding slippersocks.
8. Hair Accessories
Infants', toddlers' and girls' hair
accessories.
9. Ties
Boys' ties, matching tie and handkerchief
sets, matching tie and suspender sets.^b
10. Optical Frames
Girls' and boys' frames for use as
prescription glasses and prescription
sunglasses.
11. Socks
Infants', girls' and boys' casual hosiery.
12. Umbrellas and Ponchos
Girls' and boys' umbrellas, rain
ponchos (sold in packages), and rain
scarves (sold in packages).
13. Stationary
Childrens: portfolios, pocket memos, book
covers, diaries, address books, notebooks,
(wireless and wirebound), notebook packets,
student planners, assignment books, tri-fold
binders, binders, and writing stationery and
envelopes sold individually and in sets sold
in pouches or boxes.
14. Sunglasses
Infants' and children's sunglasses,
cases, cords, and repair kits.
15. Slippersocks
Infants', toddlers' and children's
slippersocks.

^b This exclusion is modified to the extent that the use of
ties in sets is obtained under Section 7.4 of the
Acquisition Agreement.

16. Costume Jewelry
Infant girls', toddler girls' and girls' costume jewelry.
17. Bags and Hats
Diaperbags, girls' and boys' back-packs, totes, handbags, belt-bags and roll-bags, knit gloves, knit scarves, knit headbands and caps and hats of all fabrications.
18. Jewelry Boxes
Girls' jewelry boxes.
19. Home Sewing Patterns
Girls' and boys' sewing patterns.^c

The above categories are not available to Licensee for sales in the United States, all Territories, possessions, and U.S. military bases inside and outside the U.S., and are not available to Licensee for sales in Mexico to Wal*Mart or Wal*Mart affiliates.

^c Also not available in Great Britain, Australia, Central and South America.

11/1

Schedule C

EXCLUDED TERRITORIES

1. Canada (all products).
2. United States (all Categories on Schedule B-2).
3. Mexico, to Wal*Mart or Wal*Mart affiliates (all categories on Schedule B-2).