FORM PTO-1618A Expires 06/30/99 OMB 0651-0027

ADDRESS.

09-21-2000



101464819

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

RECORDATION FORM COVER SHEET

	MARKS UNLY	
	Please record the attached original document(s) or copy(ies).	
Submission Type $ 4 28.00 $	Conveyance Type	
X New	Assignment License	
Resubmission (Non-Recordation) Document ID #	Security Agreement	
Correction of PTO Error Reel # Frame #	Merger Month Day Year 3/8/2 J 0 0	
Change of Name		
Corrective Document Reel # Other		
Conveying Party	Mark if additional names of conveying parties attached Execution Date	
Name Kappa Puzzle Group, Inc	Month Day Year 3 / 8 / 200	
Formerly		
Individual General Partnership	Limited Partnership x Corporation Association	
Other		
Citizenship/State of Incorporation/Organization	Delaware]	
Receiving Party	Mark if additional names of receiving parties attached	
	J	
Name Danisa, Inc.		
DBA/AKA/TA		
Composed of		
Address (line 1) P.O. Box 736		
Address (line 2)		
Address (line 3) Fort Washington	Pennsylvania 19034	
City	State/Country Z code	
Individual General Partnership	Limited Partnership If document to be recorded is an	
X Corporation Association	assignment and the receiving party is not domiciled in the United States, an appointment of a domestic	
Other	representative should be attached. (Designation must be a separate	
Citizenship/State of Incorporation/Organization Delaware		
FOR OFFICE USE ONLY		
#\$		
	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 D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management of the Comments of the	approximately so minutes per Cover Seet to be recorded, including time for reviewing the document and ng this burden estimate to the U.S. Patent and Trademark Office, Chief Information (Afficer, Washington, gement and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20:103. See OMB ment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS	

Mail documents to be recorded with required cover sheet(s) information to:

Commissioner of Patents and Trademarks, Box Assignments , Washingon, DEWARK

REEL: 002143 FRAME: 0205

FORM	PTO-1618B
Expires 06/3	30/ 9 9
OMB 0651-	0027

Page 2

U.S. Department of Commerci-Patent and Trademark Office TRADEMARK

Domestic Representative Name and Address Name TRA DEMARK 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 (215) 569-5767		
Name David M. Perry, Esquire	-1	
Address (line 1) BLANK ROME COMISKY & McCAULEY LLP	7	
Une Loyan Square		
Address (line 3) Philadelphia, PA 19103 Address (line 4)		
Addition (illica)		
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).	DI .	
Trademark Application Number(s) Registration Number(s)		
	1	
1,248,976 1,249,831 1,275,099]	
[1,264,200] [1,249,833] [1,252,920]]	
1,285,981 1,240,720 1,249,832]	
Number of Properties Enter the total number of properties involved. # 14		
Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$ 365.00		
365.00		
Method of Payment: Enclosed X Deposit Account		
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Method of Payment: Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) Deposit Account Number: # 02-2555		
Method of Payment: Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) Deposit Account Number: # 02-2555 Authorization to charge additional fees: Yes X No		
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Method of Payment: 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 X 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	>	

FORM PTO-1618C Expires 06/30/99 OMB 0651-0027

RECORDATION FORM COVER SHEET CONTINUATION TRADEMARKS ONLY

U.S. Department of Commerce Patent and Trademark Office TRADI::MARK

Onveying Party Mark if additional names of conveying parties attached Execution Date Month Day Year		
Name	multi Day real	
Formerly		
Individual General Partnership	Limited Partnership Corporation Association	
Other		
Citizenship State of Incorporation/Organization	ı [
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 Limited Partnership If document to be recorded is an	
Individual General Partnership	Linken Falmership	
Corporation Association	assignment and the receiving party is not domiciled in the United States, an appointment of a domiestic representative should be attached	
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Corporation Association Other Citizenship/State of Incorporation/Organizatio Trademark Application Number(s) or Re Enter either the Trademark Application Number or the Reg	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.) m gistration Number(s) Mark if additional numbers attached pistration Number (DO NOT ENTER BOTH numbers for the same property). Registration Number(s) 1,248,975 1,264,954 1,264,201	

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement") is made as of the 8th day of March 2000 by KAPPA PUZZLE GROUP, INC. ("Grantor"), a Delaware corporation having a mailing address at P. O. Box 736, Fort Washington, PA 19034, and delivered to DANISA, INC., a Delaware corporation having a mailing address at P. O. Box 736, Fort Washington, PA 19034 ("Lender").

BACKGROUND

- A. This Agreement is being executed contemporaneously with that certain Loan Agreement of even date herewith among Grantor and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Loan Agreement"), and that certain Security Agreement of even date herewith among Grantor and Lender (as it may hereafter be supplemented, restated, amended, superseded or replaced from time to time, the "Security Agreement") under which, inter alia, Grantor is granting Lender a lien on and security interest in certain assets of Grantor associated with or relating to products leased or sold or services provided under Grantor's trademarks and the goodwill associated therewith as security for the payment and performance of all the Secured Obligations (as defined in the Security Agreement) of Grantor, and under which Lender is entitled to foreclose or otherwise deal with such assets, trademarks, service marks and tradenames under the terms and conditions set forth therein. Capitalized terms not defined herein shall have the meanings given to such terms in the Security Agreement.
- B. Grantor has adopted, used and is using (or has filed applications for the registration of) the trademarks, servicemarks and tradenames listed on <u>Schedule "A"</u> attached hereto and made part hereof (all such marks or names hereinafter referred to as the "Trademarks").
- C. Pursuant to the Security Agreement, Lender is acquiring a lien on, security interest in, and license to use the Trademarks, together with all the goodwill of Grantor associated therewith and represented thereby, as security for all of the Secured Obligations, and desires to have its security interest in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office.

NOW THEREFORE, with the foregoing Background hereinafter 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:

1. In consideration of and pursuant to the terms of the Loan Agreement and the Security Agreement and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the payment and performance of all the Secured

- 1 -

Obligations of Grantor, Grantor grants a lien and security interest to Lender in all of its present and future right, title and interest in and to the Trademarks, together with all the goodwill of Grantor associated with and represented by the Trademarks, and the registration thereof 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, (collectively the "Collateral"). Notwithstanding the foregoing Lender's Lien on intellectual property hereunder is subject to the rights of Curtis Circulation Company ("Curtis") pursuant to that certain Agreement between Curtis and Grantor dated March 8, 2000.

- 2. Grantor hereby covenants and agrees to maintain the Trademarks in full force and effect and otherwise perform all of its obligations and undertakings under this Agreement until all of the Secured Obligations are indefeasibly paid and satisfied in full and the Loan Agreement and the Security Agreement have been terminated.
 - 3. Grantor represents, warrants and covenants that:
- (a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;
- (b) Each of the Trademarks is registered (or in the process of application for registration), and, to the best of Grantor's knowledge, is valid and enforceable;
- (c) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and except for Liens permitted under the Loan Agreement, each of the Trademarks is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, options, and covenants by Grantor not to sue third persons;
- (d) Grantor has the unqualified right, power and authority to enter into this Agreement and perform its terms;
- (e) Grantor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks;
- (f) Grantor has used and will continue to use for the duration of this Agreement consistent standards of quality in services or products leased or sold under the Trademarks, and hereby grants to Lender and its employees and agents the right (with no obligation of any kind upon Lender to do so) to visit Grantor's affiliates, franchises or management locations and to inspect the use of the Trademarks and quality control records relating thereto at reasonable times during regular business hours to ensure Grantor's compliance with this paragraph 3(f); and

- 2 -

(g) Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Trademarks.

4. Grantor further covenants that:

- (a) Until all of the Secured Obligations have been indefeasibly paid and satisfied in full, Grantor will not enter into any agreement which is inconsistent with Grantor's obligations under this Agreement or which restrict or impair Agent's right or priorities hereunder.
- (b) If Grantor acquires rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto and such trademarks shall be deemed part of the Trademarks. Grantor shall give Lender written notice promptly upon its first use thereof along with an amended Schedule "A".
- 5. So long as this Agreement is in effect and so long as Grantor has not received notice from Lender that an Event of Default has occurred and is continuing under the Security Agreement and that Lender has elected to exercise its rights hereunder, Grantor shall continue to have the right to use the Trademarks and Lender shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.
- 6. Grantor agrees not to sell, grant any option, assign or further encumber its rights and interest in the Trademarks without prior written consent of Lender or as may be expressly permitted under the Loan Agreement and/or the Security Agreement. Notwithstanding the foregoing, and providing that no Potential Event of Default (as defined in the Loan Agreement) or Event of Default has occurred and is outstanding, Grantor shall be entitled to license any Trademarks in exchange for fair market consideration in the exercise of its reasonable business judgment.
- 7. Following the occurrence and during the continuance of an Event of Default under the Security Agreement, Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State whose law governs the interpretation of the Loan Agreement, may take such action permitted under the Loan Agreement and the Security Agreement, hereunder or under any law, in its exclusive discretion, to foreclose upon or otherwise exercise its rights against the Trademarks covered hereby. For such purposes, Grantor authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Grantor's true and lawful attorney-infact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for 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 Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute on Grantor's behalf a trademark assignment

- 3 -

in the form attached hereto as <u>Exhibit I</u>. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or willful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Security Documents, and until all the Secured Obligations are indefeasibly paid and satisfied in full.

- 8. This Agreement shall not be modified without the written consent of the parties hereto.
- 9. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Loan Agreement and the Security Agreement and shall be cumulative. In the event of an inconsistency between this Agreement and the Security Agreement, the language of the Security Agreement shall control.
- 10. Upon full and unconditional satisfaction of all of the Secured Obligations, Lender shall execute and deliver to Grantor all documents reasonably necessary to terminate Lender's security interest in the Trademarks.
- 11. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by Lender in connection with the preparation and execution of this Agreement and all other documents relating hereto, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Grantor on demand by Lender and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at the highest rate applicable from time to time under the Loan Agreement.
- 12. Subject to any applicable terms of the Security Agreement, Grantor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Agreement or thereafter to preserve and maintain all rights in the Trademarks, and upon reasonable request of Lender, Grantor shall make federal application on registrable but unregistered trademarks belonging to Grantor. Any reasonable expenses incurred in connection with such applications shall be borne by Grantor. Grantor shall not abandon any Trademark without the prior written consent of the Lender, which consent shall not unreasonably be withheld.
- 13. Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event Lender may, if Grantor reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that it is not

- 4 -

thereby incurring any risk of liability because of such joinder. Grantor shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

- 14. If an Event of Default is outstanding under the Security Agreement, Lender may, without any obligation to do so, complete any obligation of Grantor hereunder, in Grantor's name or in Lender's name, but at Grantor's expense, and Grantor hereby agrees to reimburse Lender in full for all reasonable costs and expenses, including attorneys' fees, incurred by Lender in protecting, defending and maintaining the Trademarks.
- 15. No course of dealing between Grantor and Lender nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Documents, or by any other future agreements between Grantor and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.
- 16. The provisions of this Agreement 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.
- 17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
- 18. This Agreement shall be governed by and construed in conformity with the laws of the Commonwealth of Pennsylvania without regard to its otherwise applicable principles of conflicts of laws.
- 19. Grantor and Lender each waive any and all rights it may have to a jury trial in connection with any litigation, proceeding or counterclaim arising with respect to rights and obligations of the parties under this Agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

- 5 -

K:\HARKIEWICZ\Kappa\DANISA-KAPPA PAZZLE Trademark 2.wpd

IN WITNESS WHEREOF, the parties hereto have executed this Trademark Security Agreement the day and year first above written.

KAPPA PUZZLE GROUP, INC.

By: 4 South function ARING

DANISA, INC.

By: William JETONNE JE.

Name: WILLIAM J BONNE JE.

Title: VIE PRESIDENT

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :

STATE OF : SS

COUNTY OF :

WILLIAM R

On this 9th of wart, 2000, before me personally appeared MANNARING, to me known and being duly sworn, deposes and says that Whe is PRESIDENT of KAPPA PUZZLE GROUP, INC..; that Whe signed the Agreement thereto as such officer pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such corporation; and she desires the same to be recorded as such.

Sylvia W. Kichards
Notary Public

My Commission Expires:

NOTARIAL SEAL

SYLVIA W RICHARDS, Notary Public Ambler Boro, Montgomery County My Commission Expires July 5, 2003

- 7 -

Exhibit I

TRADEMARK ASSIGNMENT

United States trademarks, tradenames and i	OUP, INC. ("Grantor") is the registered owner of the registrations listed on <u>Schedule "A"</u> attached hereto which are registered in the United States Patent and
WHEREAS,at Trademarks;	("Grantee"), having a place of business , is desirous of acquiring said
acknowledged, and intending to be legally be hereby transfer, assign and set over unto Gr present and future right, title and interest in all goodwill associated therewith issued und	d valuable consideration, receipt of which is hereby ound hereby, Grantor, its successors and assigns, does rantee, its successors, transferees and assigns, all of its a and to the Trademarks and all proceeds thereof and der and pursuant to the Power of Attorney. dersigned has caused this Trademark Assignment to,
	Bv·

TRADEMARK REEL: 002143 FRAME: 0215

Attorney-in-fact

STATE OF	;	
COUNTY OF	: S.S. :	
State, personally ap behalf of KAPPA P executed the forego Grantor for the pur	peared known to me or satisfact PUZZLE GROUP, INC. ("Gran oing Trademark Assignment on b rposes therein contained.	ne, a Notary Public for the said County and corily proven to me to be attorney-in-fact on tor") and s/he acknowledged to me that s/he behalf of Grantor, and as the act and deed of
in witne	SS WHEREOF, I hereunto set 1	ny hand and official seal.
		Notary Public
My Commission E	xpires:	

- 9 -

TRADEMARK

POWER OF ATTORNEY

KAPPA PUZZLE GROUP, INC., ("Grantor"), hereby authorizes DANISA, INC., its successors and assigns, and any officer or agent thereof (collectively, "Lender") as Grantor's true and lawful attorney-in-fact, with the power to endorse Grantor's name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Trademark Security Agreement between Grantor and Lender dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Trademark Agreement"), including, without limitation, the power to use the Trademarks (as defined in the Trademark Agreement) and listed on Schedule A attached hereto and made a part hereof, to grant or issue any exclusive or nonexclusive license under the Trademarks to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks, in each case subject to the terms of the Trademark Agreement.

This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of a certain Loan Agreement bearing even date herewith between Grantor and Lender, and a certain Security Agreement bearing even date herewith between Grantor and Lender as each document may be hereinafter supplemented, restated, superseded, amended or replaced.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Trademark Agreement.

This Power of Attorney shall be irrevocable for the life of the Trademark Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, this ____ day of _____, 2000

KAPPA PUZZLE GROUP, INC.

By: Collycener

Name: W. L' IM R. MAINWARING

Title: PRESIDENT

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :

STATE OF : SS

COUNTY OF :

On this <u>Attorney</u>, 2000 personally appeared <u>MAINWACINC</u>, to me known and being duly sworn, deposes and says that Whe is <u>RESIDENT</u> of KAPPA PUZZLE GROUP, INC., the Grantor corporation described in the foregoing Power of Attorney; that s/he signed the Power of Attorney as such officer pursuant to the authority vested in her/him by law; that the within Power of Attorney is the voluntary act of such corporation; and s/he desires the same to be recorded as such.

Notary Public

My Commission Expires:

NOTARIAL SEAL SYLVIA W. RICHARDS, Notary Public Ambler Boro, Montgomery County My Commission Expires July 5, 2003

SCHEDULE "A"

TRADEMARKS

Name/Title

Registration Number

Date of Registration

	 	
1. ABC Crosswords	1,248,976	8/23/83
2. Discover & Word	1,264,200	1/17/84
3. Easy to Do Crosswords	1,285,481 1/ 47/4	7/17/84
4." Fun 'N Hasy Crosswords	1,249,831	8-/30/83
-5- Jiffy Crosswords	1,249,833	8/30/83
6. Prize Winning Fill-ins	1,240,720	5/31/83
7. Quick 'N Easy Fill-ins	1,275,099	4/14/84
8. Search-A-Word	1,252,920	10/4/83
9. Simply Fun Crosswords	1,249,832	8/30/83
10. Super Word Circle	1,248,975	8/23/83
11. Tip Top Fill-ins	1,264,954	1/24/84
12. Word Circle Search	1,264,201	1/17/84
13. Word Fun	1,252,919 /	10/4/93
14. Word Hunt	1,496,742	7/19/88

BLANK ROME COMISKY & McCauley LLP____

Counselors at Law

Direct Dial:

(215) 569-5767

Fax:

(215) 569-5628

Email:

Perry@BlankRome.com

Pelaware Florida Maryland New Jersey New York Pennsylvania Washington, DC

August 23, 2000

Box ASSIGNMENT

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

Re:

Trademark Security Agreement (3/8/00) between

Kappa Puzzle Group, Inc. and

Danisa, Inc.

Dear Madam:

Enclosed for recordation is a "Trademark Security Agreement" pledging as security interest selected trademark registrations from Kappa Puzzle Group, Inc. ("Conveying Party" or "Grantor'), to Danisa, Inc. ("Receiving Party" or "Lender"):

TRADEMARK REGISTRATIONS

Trademark	Registration Number	<u>Date</u> <u>Registered</u>
ABC CROSSWORDS	1,248,976	8/23/83
DISCOVER A WORD	1,264,200	1/17/84
FUN 'N EASY CROSSWORDS	1,249,831	8/30/83
JIFFY CROSSWORDS	1,249,833	8/30/83
PRIZE WINNING FILL-INS	1,240,720	5/31/83
QUICK 'N EASY FILL-INS	1,275,099	4/24/84
SEARCH-A-WORD	1,252,920	10/24/83

One Logan Square • Philadelphia, Pennsylvania 19103-6998 • 215.569.5500 • Fax: 215.569.5555 www.blankrome.com

BLANK ROME COMISKY & McCauley LLP______

Commissioner of Patents and Trademarks August 23, 2000

Page 2

RECORDED: 08/28/2000

SIMPLY FUN CROSSWORD	1,249,832	9/28/82
TIP TOP FILL-INS	1,264,954	1/24/84
WORD CIRCLE SEARCH	1,264,201	1/17/84
WORD FUN	1,242,919	10/4/83
WORD HUNT	1,496,742	7/19/88
EASY-TO-DO CROSSWORDS	1,285,981	7/17/84
SUPER WORD CIRCLE	1,248,975	8/23/83

A check in the amount of \$365.00 is included to cover filing fees due in connection with the above recordation.