

08-22-2001

U.S. Department of Commerce  
Patent and Trademark Office

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HEET

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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):  
 Guaranty Business Credit Corporation **8-10-01**

Individual(s)                       Association  
 General Partnership             Limited Partnership  
 Corporation-State of Delaware  
 Other \_\_\_\_\_

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

2. Name and Address of receiving party(ies)  
 Name: Hambleton-Hill Publishing, Inc.  
 Address: 1501 Country Hospital Road  
 Nashville, Tennessee 37218

3. Nature of conveyance:  
 Assignment     Merger  
 Security Agreement                                       Change of Name  
 Other Release of Security Interest Agreement

Execution Date: July 12, 2001

Individual(s) citizenship  
 Association  
 General Partnership  
 Limited Partnership  
 Corporation-State Tennessee  
 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 registration number(s):

A. Trademark Application No.(s)    B. Trademark Registration No.(s) **1,899,799 and 2,166,758**

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
 Sandra Covington, Esq.  
 Cowan, Liebowitz & Latman, P.C.  
 1133 Avenue of the Americas  
 New York, NY 10036-6799

6. Total number of applications and registrations involved: 2.



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7. Total fee (37 CFR 3.41)..... \$65.00  
 Enclosed  
 Any deficiency is authorized to be charged to Deposit Account No. 03-3415.

8. Deposit Account No. 03-3415  
 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

01 FC 481    40.00 00  
 02 FD 482    25.00 00

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.*

Sandra Covington  
 Name of Person Signing

*Sandra Covington*  
 Signature

August 10, 2001  
 Date

Total number of pages including cover sheet, attachments, and document: 4

Mail to: U.S. Patent and Trademark Office, Office of Public Records, Crystal Gateway 4, Room 335, Washington, DC 20231

SXC/LMG/23645/17/482673.1

TRADEMARK  
REEL: 002352 FRAME: 0289

GUARANTY BUSINESS CREDIT CORPORATION

400 Northridge Road  
Suite 1100  
Atlanta, Georgia 30350

July 12, 2001

Hambleton-Hill Publishing, Inc.  
1501 County Hospital Road  
Nashville, Tennessee 37218  
Attention: Mr. Van Hill, President

Guideposts  
39 Seminary Hill Road  
Carmel, New York 10512  
Attention: Mr. David I. Teitler, CFO

Re: Guaranty Business Credit Corporation – Hambleton-Hill Publishing, Inc.

Gentlemen:

Reference is hereby made to that certain Loan and Security Agreement dated September 22, 1997 (as at any time amended, the "Loan Agreement"), between Hambleton-Hill Publishing, Inc. ("Borrower") and Guaranty Business Credit Corporation, as assignee of Capital Business Credit, a division of Capital Factors, Inc. ("Lender"). Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

Borrower has informed Lender that on or about the date hereof (the "Paydown Date") Borrower intends to repay a portion of the Obligations in the amount of \$1,800,000 (the "Paydown Amount") from proceeds derived from the sale by Borrower to Guideposts ("Guideposts") of certain of the tangible and intangible assets specifically associated with the Ideal's Children's Book publishing business (the "Business") and certain books and book titles related thereto (the "Titles"). Borrower and Guideposts have advised Lender that payment of the Paydown Amount will be effected by the wire transfer to Lender from Borrower or Guideposts of immediately available funds in an amount equal to the Paydown Amount.

Instructions for the wire transfer of the Paydown Amount to Lender are as follows:

Guaranty Bank

For the Account of Guaranty Business Credit Corporation

Southeast Region - Collection Account

Account No.: 3800589156

ABA Routing No.: 314 970 664

Reference: Hambleton-Hill Publishing, Inc.

Promptly after Lender's receipt of the Paydown Amount, Lender shall terminate and release all of its security interests, liens and other interest in any of the Guidepost Sale Assets (as defined below) and shall execute and deliver to Borrower or Borrower's designee all releases necessary to terminate and release any and all liens, security interests, assignments, pledges and other interests Lender may have in the Guideposts Sale Assets, including, but not limited to, releases of the Guideposts Sale Assets from (i) UCC financing statements filed by Lender against Borrower and (ii) Patent, Trademark and Copyright Security Agreements filed by Lender against Borrower with the United States Patent and Trademark Office and United States Copyright Office. For purposes hereof, the term "Guideposts Sale Assets" shall mean the Titles, film, art and artwork, prepaid assets and inventory specifically described on Exhibit A attached hereto, together with all general intangibles, including rights, permits and permissions, prepaid assets, contracts, rights under domestic and foreign copyrights, patents, trademarks and licensing agreements, domain names, software, know-how and know-how agreements, subscription, customer and circulation lists and goodwill and books and records directly related to the Business and the Titles.

If you should have any questions concerning this matter, please contact Jenny Trask at (770) 642-5200.

Very truly yours,

**GUARANTY BUSINESS CREDIT  
CORPORATION**

By:  \_\_\_\_\_

Title: SVP \_\_\_\_\_

**EXHIBIT A**

<b><u>Trademark</u></b>	<b><u>Registration No./Application Serial No.</u></b>	<b><u>Registration Date</u></b>
DISCOVERY READERS	Registration No. 1,899,799	June 13, 1995
P.K. HALLINAN LIFELONG VALUES FOR KIDS & Design	Registration No. 2,166,758	June 23, 1998