

01-11-2002

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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

ET U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

ZB Company, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

1-4-02

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

2. Name and address of receiving party(ies)

Name: Wells Fargo Retail Finance LLC

Internal Address: 18th Floor

Street Address: One Boston Place

City: Boston State: MA Zip: 02108

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Delaware 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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: September 5, 2001

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

A. Trademark Application No.(s) 75/824,712; 76-032,176; 75/611,593; 75-663,413

B. Trademark Registration No.(s) 1,730,089; 2,322,480; 2,439,498; 2,346,949; 2,449,637; 2,010,223; 2,324,283; 2,223,839; 2,322,479; 1,872,949; 1,971,605; 2,426,455;

Additional number(s) attached Yes No

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

Name: Alina Kantor Nir, Esq.

Internal Address: Choate, Hall & Stewart 35th

Street Address: 53 State Street

City: Boston State: MA Zip: 02109

6. Total number of applications and registrations involved:

26

7. Total fee (37 CFR 3.41): \$1,040.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

03-1721

665E

(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.

Linda D. Kostrubanic Name of Person Signing

Signature of Linda D. Kostrubanic

Date 11/19/01

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

20

01/10/2002 LNWELLER 00000115 75824712

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

01 FC:481 02 FC:482

40.00 OP 625.00 OP

Refund Ref: 01/10/2002 LNWELLER 0000113237

CHECK RETURN TOTAL: \$375.00

Item 4 (Continued):

**B. Trademark Registration No.(s)**

1,898,336; 2,184,879; 2,338,200; 1,735,825; 2,394,856; 1,781,919; 2,439,127; 2,412,354;  
2,429,187; 2,185,796

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# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as amended, supplemented or otherwise modified from time to time, the "Intellectual Property Security Agreement") is made and effective as of September 5, 2001, by ZB Company, Inc., a Delaware corporation (including any successors or permitted assignees thereof, the "Grantor"), in favor of Wells Fargo Retail Finance, LLC, as Agent for each of the Lenders from time to time party to the Loan Agreement referred to below (the "Agent"). Capitalized terms used in this Intellectual Property Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Loan Agreement.

## RECITALS

**WHEREAS**, pursuant to the Loan and Security Agreement (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement") dated as of the date hereof by and among the Grantor, the Agent and the Lenders from time to time party thereto (the "Lenders"), the Lenders have agreed, subject to the terms and conditions set forth therein, to make certain advances, cause the issuance of letters of credit and provide other financial accommodations to the Grantor (collectively, the "Loans"); and

**WHEREAS**, it is a condition precedent to the obligation of the Agent and the Lenders to execute and perform under the Loan Agreement that Grantor shall have executed and delivered this Intellectual Property Security Agreement to the Agent, for the ratable benefit of each of the Lenders;

**NOW, THEREFORE**, in consideration of the willingness of the Agent and the Lenders to enter into the Loan Agreement and to agree, subject to the terms and conditions set forth therein, to make the Loans to the Grantor pursuant thereto, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. **Grant of Security Interest.** To secure the Grantor's prompt, punctual and faithful performance of all and each of the Obligations, the Grantor hereby grants to Agent, for its benefit and the ratable benefit of each of the Lenders, a continuing first priority security interest in all of the right, title and interest of such Grantor in and to the Intellectual Property Collateral (as defined below), whether now owned or hereafter acquired:

(a) The U.S and foreign copyrights, associated copyright registrations and applications for copyright registration, and copyright licenses (to the extent permitted under the terms thereof) set forth on Schedule A attached hereto (collectively, the "Copyrights"); and

(b) The U.S. and foreign patents and patent applications, and patent licenses set forth on Schedule B attached hereto, including, without limitation, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the "Patents"); and

(c) The U.S., state and foreign trademark and service mark registrations, trademark and service mark applications, and trademark and service mark licenses (to the extent permitted under the terms thereof) set forth on Schedule C attached hereto and all goodwill associated with the foregoing (collectively, the "Trademarks"); and

(d) The domain names and registrations set forth on Schedule D attached hereto and all goodwill associated with the foregoing (collectively, the "Domain Names"); and

(e) Any and all claims and causes of action for past, present or future infringement of any of the Intellectual Property Collateral, with the right, but not the obligation, to sue for and collect damages for infringement of the Intellectual Property Collateral; and

(f) Any and all licenses or rights granted under any of the Intellectual Property Collateral, and all license fees and royalties arising from such licenses or rights, in each case to the extent permitted by such licenses or rights; and

(g) Any and all amendments, renewals, extensions, reissuances and replacements of any of the Intellectual Property Collateral; and

(h) Any and all products and proceeds of any of the foregoing.

2. Requested Recordation. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks (and any state, foreign or other authorities to which this Intellectual Property Security Agreement is submitted) to file and record this Intellectual Property Security Agreement (and any corresponding or separate application forms of such jurisdiction) in order to publicly reflect the interests of the Agent and the Lenders in the Intellectual Property Collateral.

3. Assignment. Upon the occurrence of and during continuation of an Event of Default, the Grantor shall execute and deliver to Agent an absolute assignment transferring its entire right, title, and interest in and to the Intellectual Property Collateral to the Agent, for its benefit and the ratable benefit of the Lenders.

4. Power of Attorney. The Grantor hereby irrevocably grants the Agent for its benefit and for the ratable benefit of the Lenders a power of attorney, to act as the Grantor's attorney-in-fact, with full authority in the name, place and stead of the Grantor, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem reasonably necessary or advisable to accomplish the purposes of this Intellectual Property Security Agreement. This authority includes, without limitation, the following:

(a) To modify or amend (in sole discretion of the Agent and the Lenders and without first obtaining the Grantor's approval of or signature thereto) Schedule A, Schedule B, Schedule C, and/or Schedule D hereof, as appropriate, to include references to any registered intellectual property (or application or license therefor) acquired by the

Grantor after the execution hereof or to delete any reference to any Intellectual Property Collateral in which the Grantor no longer has or claims any right, title or interest; and

(b) To execute, file and pursue (in sole discretion of the Agent and the Lenders and without first obtaining the Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form or other document in order to perfect, maintain, continue or otherwise protect the Agent's interest or the Grantor's rights in the Intellectual Property Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) To execute any document required to acknowledge, register or perfect the interest of the Agent and the Lenders in any part of the Intellectual Property Collateral without the signature of the Grantor unless prohibited by applicable law.

The foregoing power of attorney is coupled with an interest and is irrevocable.

5. Release. Unless otherwise agreed in writing by the parties, the security interests granted herein will terminate (and all rights to the Intellectual Property Collateral will revert to the Grantor) upon satisfaction of the following conditions: (a) payment and performance in full of all the Obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Loan Agreement. Upon any such termination, the Agent (at the Grantor's request and sole expense) will promptly execute and deliver to the Grantor (without any representation, warranty or recourse of any kind whatsoever) such documents as the Grantor may reasonably request and provided to the Agent to evidence such termination.

6. Miscellaneous.

(a) This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to the Agent, for its benefit and the ratable benefit of the Lenders, under the Loan Agreement. The rights and remedies of the Grantor and the Agent with respect to the security interests granted herein are in addition and without prejudice to those set forth in the Loan Agreement, all terms and provisions of which are hereby incorporated herein by reference. In the event that any provisions of this Intellectual Property Security Agreement are deemed to conflict with the Loan Agreement or the other Loan Documents, the provisions of the Loan Agreement or the other Loan Documents shall govern.

(b) This Intellectual Property Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original but all counterparts together will constitute one and the same instrument.

[Signatures appear on following pages.]

IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement, as an instrument under seal, through their duly authorized officers, as of the date first written above.

**GRANTOR:**  
ZB COMPANY, INC.

By: R. P. Springer  
Name:  
Title:

**AGENT:**

WELLS FARGO RETAIL FINANCE, LLC,  
as Agent

By: \_\_\_\_\_  
Name: Patrick J. Norton  
Title: Vice President

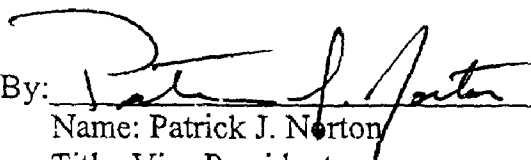
IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement, as an instrument under seal, through their duly authorized officers, as of the date first written above.

**GRANTOR:**  
ZB COMPANY, INC.

By: \_\_\_\_\_  
Name:  
Title:

**AGENT:**

WELLS FARGO RETAIL FINANCE, LLC,  
as Agent

By:  \_\_\_\_\_  
Name: Patrick J. Norton  
Title: Vice President

Signature Page for Intellectual Property Security Agreement

**TRADEMARK**  
**REEL: 002420 FRAME: 0399**



ACKNOWLEDGMENT

STATE OF Pennsylvania :  
COUNTY OF Philadelphia : SS

Before me, the undersigned, a Notary Public, on this 31<sup>ST</sup> day of August, 2001, personally appeared RAY SPRINGER to me known personally, who, being by me duly sworn, did say that he/she is the VICE PRESIDENT of ZB Company, Inc., as Borrower, and that said Intellectual Property Security Agreement was signed on behalf of said ZB Company, Inc., as Borrower, by authority of its board of directors, and the said RAY SPRINGER acknowledged said instrument to be his/her free act and deed.

Loreena Kay Tinneny  
Notary Public  
My Commission Expires: \_\_\_\_\_

Notarial Seal  
Loreena Kay Tinneny, Notary Public  
Philadelphia, Philadelphia County  
My Commission Expires Apr. 7, 2003  
Member, Pennsylvania Association of Notaries

**REGISTERED TRADEMARKS**

<b>Trademark</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Registered Owner</b>	<b>Country of Registration</b>
A ZILLION NEAT THINGS FOR KIDS	1,730,089	11/03/92	ZB COMPANY, INC.	United States
DOLLS TO LOVE	2,322,480	02/22/00	ZB COMPANY, INC.	United States
DREAM DOUGH	2,439,498	03/27/01	ZB COMPANY, INC.	United States
FREE FUN EVERY DAY	2,346,949	05/02/00	ZB COMPANY, INC.	United States
HUGS N' SNUGS AND DESIGN	2,449,637	05/08/01	ZB COMPANY, INC.	United States
KIDS LEARN BEST WHEN THEY'RE HAVING FUN	2,010,223	10/22/96	ZB COMPANY, INC.	United States
KIDSTRUMENTS	2,324,283	02/20/00	ZB COMPANY, INC.	United States
KIDSULTANT	2,223,839	02/16/99	ZB COMPANY, INC.	United States
MY LITTLE PLAY PALS	2,322,479	02/22/00	ZB COMPANY, INC.	United States
NOODLE KID DESIGN	1,872,949	01/10/95	ZB COMPANY, INC.	United States

**REGISTERED TRADEMARKS**

Trademark	Registration Number	Registration Date	Registered Owner	Country of Registration
NOODLE KIDOODLE	1,971,605	04/30/96	ZB COMPANY, INC.	United States
OCEANMOTION	2,426,455	02/06/01	ZB COMPANY, INC.	United States
OODLES & ODDLES OF FUN THINGS TO LEARN	1,898,336	06/06/95	ZB COMPANY, INC.	United States
PRICE CHOMPER	2,184,879	08/25/98	ZB COMPANY, INC.	United States
WHY TAKE AN EXTRA-ORDINARY KID TO AN ORDINARY TOY STORE?	2,338,200	04/04/00	ZB COMPANY, INC.	United States
ZANY BRAINY	1,735,825	11/24/92	ZB COMPANY, INC.	United States
ZANY BRAINY	2,394,856	10/17/00	ZB COMPANY, INC.	United States
ZANY BRAINY	319242	01/12/98	ZB COMPANY, INC.	Mexico
ZANY BRAINY	7491	1998	ZB COMPANY, INC.	Japan
ZANY BRAINY	751819	12/24/97	ZB COMPANY, INC.	Australia
ZANY BRAINY	707794	12/15/97	ZB COMPANY, INC.	Europe

**REGISTERED TRADEMARKS**

Trademark	Registration Number	Registration Date	Registered Owner	Country of Registration
ZANY BRAINY AND DESIGN	1,781,919	07/13/93	ZB COMPANY, INC.	United States
ZANY BRAINY.COM	2,439,127	03/27/01	ZB COMPANY, INC.	United States
ZANY BRAINY.COM and DESIGN	2,412,354	12/12/00	ZB COMPANY, INC.	United States
ZANY PRICE CHOMPER and Design (Head looking left with broken \$ in mouth with words over and under head)	2,429,187	02/20/01	ZB COMPANY, INC.	United States
ZANY ZONE	2,185,796	09/01/98	ZB COMPANY, INC.	United States

PENDING TRADEMARK APPLICATIONS

Trademark	Serial Number	Application Date	Applicant	Country of Application
DREAM DOUGH AND DESIGN	75-824712	10/15/99	ZB COMPANY, INC.	United States
I GOT YOU BABY	76-032176	04/24/00	ZB COMPANY, INC.	United States
MISCELLANEOUS "PRICE CHOMPER" DESIGN (Standing With Broken \$ in mouth looking left)	75-611593	12/23/98	ZB COMPANY, INC.	United States
ZANY BRAINY	864671	12/17/97	ZB COMPANY, INC.	Canada
WHAT YOU WANT YOUR CHILD TO BECOME	75-663413	03/19/99	ZB COMPANY, INC.	United States

**NON-REGISTERED TRADEMARKS**

Trademark	Status of Trademark
BLUE SKY	AWAITING APPLICATION TO BE SIGNED AND FILED
BLUE SKY DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED
BRAINY GAMES ICON	---
BRIGHT START	---
BRIGHT START ICON	---
CREATIVITY ICON	---
CRITTERS NAME ICON	---
DEPART-MENTAL ICON DESIGN (15)	---
DOLLS ICON	---
GOOD SPORTS NAME ICON	---
GREEN ORBIT	AWAITING APPLICATION TO BE SIGNED AND FILED
GREEN ORBIT DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED

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**NON-REGISTERED TRADEMARKS**

Trademark	Status of Trademark
GRANDTASTIC	---
HOBBIES ICON	---
IMAGINATION	AWAITING APPLICATION TO BE SIGNED AND FILED
IMAGINATION DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED
KIDSTRUMENTS DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED
KIDTRONICS NAME ICON	---
LET'S PRETEND NAME ICON	---
OUR PLANET NAME ICON	---
OUT OF THE BOX	AWAITING APPLICATION TO BE SIGNED AND FILED
OUT OF THE BOX DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED
OUT TO PLAY	AWAITING APPLICATION TO BE SIGNED AND FILED
OUT TO PLAY DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED

**NON-REGISTERED TRADEMARKS**

Trademark	Status of Trademark
PLAY PALS NAME ICON	---
PLAYSHOP PLANNER	---
PRETENDABLES	---
PUZZLEMANIA NAME ICON	---
READY, SET... GROW!	AWAITING APPLICATION TO BE SIGNED AND FILED
READY, SET... GROW! DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED
SMART SUPPLIES	AWAITING APPLICATION TO BE SIGNED AND FILED
SMART SUPPLIES DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED
SOFTWARE ICON	---
STATIONERY ICON	---
SUPER STARS NAME ICON	---
TEACHER'S RESOURCE NAME ICON	---



**NON-REGISTERED TRADEMARKS**

Trademark	Status of Trademark
TECHNO KIDS	AWAITING APPLICATION TO BE SIGNED AND FILED
TECHNO KIDS DESIGN	AWAITING APPLICATION TO BE SIGNED AND FILED
VIDEO ICON	---
WORDS & MUSIC (OR SIGHTS & SOUNDS) NAME ICON	---
YOUNG BUILDERS NAME ICON	---
ZANY ALPHABET DESIGNS (26)	---
ZANY BRAINY COMPUTER BUGZ	---

**REGISTERED DOMAIN NAMES**

Domain Name	Registered Owner	Registrar
EXCHANGETOYS.COM	ZB COMPANY, INC.	Network Solutions
MYZB.COM	ZB COMPANY, INC.	Network Solutions
NOODLEKABOODLE.COM	ZB COMPANY, INC.	Network Solutions
NOODLEKADOODLE.COM	ZB COMPANY, INC.	Network Solutions
NOODLEKIDOODLE.COM	ZB COMPANY, INC.	Network Solutions
NOODLEKIDOODLE.COM	ZB COMPANY, INC.	Network Solutions
TOZB.COM	ZB COMPANY, INC.	Network Solutions
TRADE-A-TOY.COM	ZB COMPANY, INC.	Network Solutions
ZAINYBRAINY.COM	ZB COMPANY, INC.	Network Solutions
ZANIEBRAINY.COM	ZB COMPANY, INC.	Network Solutions
ZANYBRAINY.COM	ZB COMPANY, INC.	Network Solutions
ZANYBRAINY.CO.UK	ZB COMPANY, INC.	REGISTER.COM / COMPUSOLVE

**REGISTERED DOMAIN NAMES**

<b>Domain Name</b>	<b>Registered Owner</b>	<b>Registrar</b>
ZANYBRAINY.NET	ZB COMPANY, INC.	REGISTER.COM
ZANYBRAINY.ORG	ZB COMPANY, INC.	REGISTER.COM
ZANYBRAINY.TV	ZB COMPANY, INC.	dotTV
ZANYBRAINYCATALOG.COM	ZB COMPANY, INC.	Network Solutions
ZANYBRAINYINC.COM	ZB COMPANY, INC.	Network Solutions
ZANYBRAINYONLINE.COM	ZB COMPANY, INC.	Network Solutions
ZANYBRAINYSTORES.COM	ZB COMPANY, INC.	Network Solutions
ZANYBRANY.COM	ZB COMPANY, INC.	Network Solutions
ZANYINC.COM	ZB COMPANY, INC.	Network Solutions
ZB.COM	ZB COMPANY, INC.	Network Solutions
ZBOOKS.COM	ZB COMPANY, INC.	Network Solutions
ZBCATALOG.COM	ZB COMPANY, INC.	Network Solutions

**REGISTERED DOMAIN NAMES**

Domain Name	Registered Owner	Registrar
ZBMUSIC.COM	ZB COMPANY, INC.	Network Solutions
ZBSOFTWARE.COM	ZB COMPANY, INC.	Network Solutions
ZBSTORES.COM	ZB COMPANY, INC.	Network Solutions
ZBTOY.COM	ZB COMPANY, INC.	directNIC
ZBTOYS.COM	ZB COMPANY, INC.	Network Solutions
ZBVIDEO.COM	ZB COMPANY, INC.	Network Solutions