

NOTICE OF RELINQUISHMENT OF SECURITY
INTEREST (IN U.S. TRADEMARKS)

THIS NOTICE OF RELINQUISHMENT OF SECURITY INTEREST AND COLLATERAL ASSIGNMENT (this "Notice") entered into this 15th day of November 2002, by and between THE PARAGON GIFTS HOLDING, INC. (as successor by assignment by Bits & Pieces, Inc. f/k/a New Bits & Pieces, Inc.), a corporation organized and existing under the laws of the State of Delaware (the "Assignor") and THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY (as successor by merger with IBJ Whitehall Bank & Trust Company f/k/a IBJ Schroder Bank and Trust, a National Banking Association (the "Assignee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Credit and Security Agreement, as defined below.

R E C I T A L S

WHEREAS, the Assignor and Assignee have previously agreed to make certain loans and provide other financial accommodations to the Assignor and the other borrowers pursuant to, and subject to the terms and conditions of the Credit Agreement dated as October 31, 1997 (the "Credit Agreement");

WHEREAS, said Credit Agreement provided for the extension of certain credit facilities to the Assignor; and the Assignor, pursuant to the Credit Agreement, among other things, granted to Assignee a security interest in the Collateral, including all general intangibles, including without limitation all registered and unregistered trademarks and service marks; and

WHEREAS, in connection with the Credit Agreement, the Assignor executed in favor of Assignee a Trademark Collateral Security Agreement dated October 31, 1997 (the "Security Agreement") and recorded with the United States Patent and Trademark Office on February 9, 1998 at reel/frame 1682/0728.

NOW THEREFORE, in consideration of and in exchange for good and valuable consideration, the receipt of which is hereby acknowledged, Assignee hereby relinquishes, releases and terminates its security interest in, and reassigns, grants and conveys to the Assignor, all of its right, title and interest in and to, any and all general intangibles owned by the Assignor, including, but not limited to, all of the trademarks, including trademarks identified in Exhibit A attached hereto and obtained pursuant to the Credit Agreement and Security Agreement.

[Signatures Appear on Next Page]

SCHEDULE A

Trademarks

Trademark Registration Number

Country

BITS & PIECES

1,707, 502

USA

#416948

RECORDED: 12/11/2002

**TRADEMARK
REEL: 002586 FRAME: 0274**