

ASSIGNMENT OF ASSETS AND ASSUMPTION OF LIABILITIES
Incase Designs LLC

IN CONSIDERATION HEREOF, and pursuant to the dissolution and wind up of the affairs of Incase Designs, LLC, a California limited liability company ("LLC"), LLC hereby assigns and transfers to its sole Member Incase Designs Corp., a California corporation ("Corporation") all right, title and interest of the LLC in and to all assets of the LLC in existence as of December 31, 2001, both tangible and intangible and including but not limited to those assets described in Exhibit "A", attached hereto and made a part hereof.

IN FURTHER CONSIDERATION HEREOF, Corporation hereby assumes and agrees to perform, discharge and pay when required all debts, liabilities and obligations of the LLC in existence as of December 31, 2001, both known and unknown, contingent or liquidated, and further agrees to indemnify, defend and hold harmless LLC and its current and former Members from and against any and all claims, demands, actions, causes of action, costs, expenses including attorney's fees, and judgments in connection with or relating to such debts, liabilities and obligations hereby assumed by the Corporation.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate on the dates opposite their respective executions below.

INCASE DESIGNS CORP., a California corporation

Dated: December 31, 2001

By Erik P. Wahlstrom
Erik P. Wahlstrom as its President

Dated: December 31, 2001

By Richard Chan
Richard Chan as its Secretary

Incase Designs LLC		Depreciable Assets from 2001 Depreciation and Amortization Report									
Asset No.	Description	Date Acquired	Method	Life	Cost Basis	Accel Depre	Accum Depre	Remain Value			
1	Organization Cost	1-Jan-98		60M	1,387		1,387				
2	Start Up Costs	1-Jan-98		60M	4,781		4,781				
3	Eqpt - Copy Machine	1-Jan-98	SL	5	679		476	203			
4	Eqpt - Fax Machine	1-Jan-98	SL	5	544		382	162			
5	Sewing Machine	1-Jul-98	SL	5	1,376		963	413			
6	Furniture - Chairs/Desks/Storage	1-Jan-98	SL	5	633		585	248			
7	Computers - Gateway, Apple	1-Jan-98	SL	5	4,728		3,311	1,417			
8	Books - Reference Books/Software	1-Jan-98	SL	5	840		588	252			
9	Computer - G4 + Flat Display	1-Jul-00	SL	5	6,500		6,500				
10	Computers - (3)Apple + (4)Dells	1-Jul-01	SL	3	23,295		3,873	19,362			
						Amount Transferred to Corporation		\$	22,057.00		

EXHIBIT A

incase
A/R Aging Summary
 As of December 31, 2001

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Apple Web Store	0.00	16,000.00	16,500.00	11,906.08	0.00	44,406.08
Brightpoint	2,475.00	0.00	0.00	0.00	0.00	2,475.00
Corporate Express	4,605.90	4,000.00	0.00	0.00	0.00	8,605.90
Designobject.com	565.00	28.00	58.00	0.00	0.00	651.00
eBags, Inc.	1,412.50	135.00	0.00	0.00	0.00	1,547.50
Fabric8.com	0.00	175.50	0.00	0.00	504.00	679.50
Franklin T. Figg Travelware	334.50	0.00	0.00	0.00	0.00	334.50
Handspring Inc	68,940.00	0.00	0.00	0.00	0.00	68,940.00
MacAdam Computers	385.00	0.00	0.00	0.00	-45.00	340.00
MXYPZYK	0.00	800.00	0.00	0.00	0.00	800.00
SFMOMA Museum Store	0.00	2,262.50	0.00	0.00	0.00	2,262.50
Sony Metreon - Microsoft	1,479.00	0.00	0.00	0.00	0.00	1,479.00
Superior Communications	73,924.15	188,584.00	0.00	0.00	0.00	262,508.15
Techsonic Industries	6,750.00	0.00	0.00	0.00	0.00	6,750.00
Velocity Technology	0.00	0.00	1,200.00	0.00	0.00	1,200.00
TOTAL	160,871.05	211,985.00	17,758.00	11,906.08	459.00	402,979.13

Incase Designs LLC					
Income Statement					
	1997	1998	1999	2000	2001
Product Sales Branded		74,510	223,024	464,764	937,482
Product Sales Co-Branded		104,550	123,513	212,129	510,650
Design Consultancy		17,936	37,778	43,560	43,900
Less Discounts>Returns			(7,419)	(16,653)	(14,306)
Other Income				385	
TOTAL REVENUE	\$ -	\$ 196,996.45	\$ 376,895	\$ 704,185	\$ 1,477,724
Cost of Sales					
CGS Branded		59,707	191,050	269,553	524,719
CGS Co-Branded		68,920	73,697	158,286	335,216
CGS Design Consultancy					
TOTAL COST OF SALES	\$ -	\$ 128,627	\$ 264,747	\$ 427,839	\$ 859,935
GROSS PROFITS	\$ -	\$ 68,369	\$ 112,148	\$ 276,346	\$ 617,789
Operating Expenses					
Salaries and Related		1,542	36,714	94,000	266,739
Taxes and Licenses		2,279	1,833	4,694	10,446
Bad Debt		-	-	-	16,704
Insurance		1,874	493	770	7,050
General Office		18,710	22,646	30,306	91,639
Outsourced Services		770	452	17,050	11,325
Marketing and Advertising		9,926	11,732	30,100	8,754
Product Development		3,096	5,791	2,366	53,530
Rent and Related		20,735	15,101	16,884	26,410
Auto Expense		-	2,879	3,999	3,565
Travel and Lodging		3,926	5,170	16,464	50,553
Meals And Entertainment (x.5)		628	642	1,784	2,397
TOTAL OPERATING EXPENSES	\$ -	\$ 63,496	\$ 103,654	\$ 218,416	\$ 549,112
Income Before Int. and Tax		4,884	8,494	57,930	66,677
Interest Expense		1,043		6,667	10,671
Interest Income					
Depreciation & Amotization		2,135	3,034	3,034	8,143
INCOME BEFORE TAXES	\$ -	\$ 1,706	\$ 5,460	\$ 48,229	\$ 49,863
TAX EXPENSE (\$0-LLC)	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ 1,706	\$ 5,460	\$ 48,229	\$ 49,863

Balance Sheet						
	Dec-97	Dec-98	Dec-99	Dec-00	Dec-01	
ASSETS						
Current Assets						
Checking/Savings	30,360	25,351	30,406	53,579	-	
Accounts Receivable	-	13,806	23,243	122,630	400,167	
Other Current Assets						
Inventory Asset	-	68,771	58,226	87,733	87,317	
Prepaid Inventory	-	13,416	18,801	26,507	19,485	
Note Receivable	-	-	8,000	8,000	-	
Other Depreciable Asset	-	8,098	6,297	4,496	22,057	
Intangible Asset	-	4,935	3,702	2,469	-	
Other Deposits	-	960	960	960	2,240	
TOTAL ASSETS	\$ 30,360	\$ 155,337	\$ 149,637	\$ 306,374	\$ 531,266	
LIABILITIES AND EQUITY						
Liability						
Current Liabilities						
Accounts Payable	-	-	-	-	172,639	
Loan Payable	-	50,000	50,000	50,474	50,000	
BayView Credit Line	-	-	-	50,000	-	
Merrill Credit Line	-	-	-	-	75,556	
Wamu Credit Line	-	-	-	-	-	
Other Current Liabilities						
Sales Tax Payable	-	54	469	1,906	1,241	
Accrued Expenses	-	-	743	65,583	93,915	
Total Current Liabilities	\$ -	\$ 50,054	\$ 51,211	\$ 167,963	\$ 393,351	
Equity						
Member's Capital Accounts	30,360	105,283	98,426	138,411	137,915	
Retained Earnings	-	-	-	-	-	
Total Equity	\$ 30,360	\$ 105,283	\$ 98,426	\$ 138,411	\$ 137,915	
TOTAL LIABILITIES & EQUITY	\$ 30,360	\$ 155,337	\$ 149,637	\$ 306,374	\$ 531,266	