

05-14-2003

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 10/30/2005) Tab settings



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

102447833

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

1. Name of conveying party(ies):

The Paragon Gifts Holdings, Inc. 12-27-02

- Individual(s) Association General Partnership Limited Partnership Corporation-State Rhode Island

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 11/14/2002

2. Name and address of receiving party(ies)

Name: Fleet National Bank Internal Address:

Street Address: 111 Westminster Street

City: Providence State: RI Zip: 02903

- Individual(s) citizenship Association National Bankong General Partnership Limited Partnership Corporation-State 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) 76/431012 75/625,980

B. Trademark Registration No.(s) 1,707,502, 2483217 2,226,187

Additional number(s) attached Yes No

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

Name: Andrew J. Chlebus, Esq.

Internal Address: Edwards & Angell, LLP

Street Address: 2800 Financial Plaza

City: Providence State: RI Zip: 02903

6. Total number of applications and registrations involved:

8

7. Total fee (37 CFR 3.41) \$ 215.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Andrew J. Chlebus Name of Person Signing

Andrew J. Chlebus Signature

12/19/02 Date

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

15

01/02/2003 LNWELLER 00000026 76431012

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

01 FC:0521 40.00 DP 02 FC:0522 175.00 DP

TRADEMARK REEL: 002731 FRAME: 0642

Additional Trademark Registration Nos.

No. 2,513,330

No. 2,273,176

No. 2,215,985

PRV_544680_1/SRICHARDSON

TRADEMARK
REEL: 002731 FRAME: 0643

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of November 14, 2002, by **THE PARAGON GIFTS HOLDINGS, INC.**, a Delaware corporation (the "Debtor"), to and with **FLEET NATIONAL BANK**, a national banking association (the "Secured Party").

RECITALS

A. Debtor has executed and delivered to the Secured Party a certain Security Agreement of even date herewith, as the same may be amended, renewed, restated or extended from time to time (the "General Security Agreement") by and between the Secured Party and the Debtor.

B. Debtor has agreed to enter into this Agreement in furtherance of the rights granted to the Secured Party under the General Security Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the Debtor hereby agrees as follows:

1. **Security Interest.** The Debtor hereby grants to the Secured Party a continuing security interest in all trademarks, service marks and trade names, and all applications therefore, now or hereafter owned by the Debtor, whether registered or unregistered, including, but not limited to, those trademarks of the Debtor listed on **Schedule A** attached hereto and made a part hereof (collectively, the "Trademarks"), together with the goodwill of the business associated with and symbolized by such Trademarks (collectively, the "Collateral"), as security for the Obligations (as defined in the General Security Agreement). The Debtor hereby requests that the U.S. Commissioner of Patents and Trademarks record this Agreement with respect to the Trademarks.

2. **Representations and Warranties.** The Debtor represents and warrants that:

2.1. **Schedule A** sets forth as of the date hereof all United States trademark registrations and applications owned by the Debtor.

2.2. As of the date hereof, the Collateral set forth on **Schedule A** is subsisting and has not been adjudged invalid or unenforceable.

2.3. As of the date hereof, no claim has been made that the use of any of the Collateral violates the rights of any third person and the Debtor is not aware of any basis for any such claim to be asserted.

2.4. The Debtor is the sole and exclusive owner of the entire right, title and interest in and to the Collateral, free and clear of any lien, security interest or other encumbrances, including without limitation, pledges, assignments, licenses, registered user

agreements and covenants by the Debtor not to sue third persons (other than the security interest granted hereby and any of the foregoing entered into in the ordinary course of business).

2.5. The Debtor has the full power and authority to enter into this Agreement and perform its terms.

2.6. The Debtor has used proper statutory notice in connection with its use of the Collateral to the extent commercially practicable and customary within the relevant industry.

3. Covenants. The Debtor covenants and agrees as follows:

3.1. The Debtor will keep the Collateral free from any lien, security interest or encumbrance (except in favor of the Secured Party) and will defend the Collateral and the title thereto against all claims and demands of all other persons at any time claiming same or any interest therein.

3.2. The Debtor shall not abandon any Collateral except such Collateral which could not reasonably be expected to have a material adverse effect on the business, operations, properties, assets or condition, financial or otherwise, of the Debtor.

3.3. The Debtor shall maintain all rights held by the Debtor relating to the Collateral except such Collateral which the failure to maintain could not reasonably be expected to have a material adverse effect on the business, operations, properties, assets or condition, financial or otherwise, of the Debtor.

3.4. Until all of the Obligations shall have been paid in full and termination of the commitments therefor, the Debtor shall not enter into any agreement (including a license agreement) which conflicts with the Debtor's obligations under this Agreement other than agreements that could not reasonably be expected to affect the value of the Collateral, without the Secured Party's prior written consent.

3.5. The Debtor will not sell or offer to sell or otherwise transfer the Collateral or any interest therein (other than non-exclusive licenses granted in the ordinary course of the Debtor's business) without the prior written consent of the Secured Party.

3.6. If the Debtor shall purchase, register or otherwise acquire rights to any new registrable or registered trademark, the provisions of Section 1 shall automatically apply thereto and at least annually the Debtor shall give to the Secured Party written notice thereof, and shall execute an amendment to **Schedule A** including such registrations and applications and shall take any other action reasonably necessary to record the Secured Party's and the Secured Party' interest in such trademarks with the U.S. Commissioner of Patents and Trademarks.

3.7. The Debtor will continue to use proper statutory notice in connection with its use of the Collateral to the extent commercially practicable and customary within the relevant industry.

3.8. The Debtor shall execute, or use its reasonable efforts at its reasonable expense to cause to be executed, such further documents as may be reasonably requested by the Secured Party in order to effectuate fully the grant of security interest set forth in Section 1 hereof.

4. **Remedies.** After the occurrence and during the continuance of any Event of Default (as defined in the General Security Agreement), the Secured Party may declare all Obligations secured hereby immediately due and payable and shall have the remedies set forth in the General Security Agreement and the remedies of a secured party under the Uniform Commercial Code.

5. **Attorney-in-Fact.** The Debtor hereby appoints the Secured Party, as the Debtor's attorney-in-fact (with full power of substitution and resubstitution) with the power and authority, after the occurrence of any Event of Default, to execute and deliver, in the name of and on behalf of the Debtor, and to cause the recording of all such further assignments and other instruments as the Secured Party deem necessary or desirable in order to carry out the intent of the General Security Agreement. The Debtor agrees that all third parties may conclusively rely on any such further assignment or other instrument so executed, delivered and recorded by the Secured Party (or the Secured Party's designee in accordance with the terms hereof) and on the statements made therein.

6. **General.**

6.1. No course of dealing between the Debtor and the Secured Party, nor any failure to exercise, nor any delay in exercising on the part of the Secured Party, any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any right, power or privilege. No waiver by the Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion.

6.2. All of the Secured Party's rights and remedies with respect to the Collateral, whether established hereby or by the General Security Agreement, or by any other agreement or by law shall be cumulative and may be exercised singularly or concurrently. This Agreement is in addition to, and is not limited by nor in limitation of, the provisions of the General Security Agreement or any other security agreement or other agreement now or hereafter existing between the Debtor and the Secured Party.

6.3. If any clause or provision of this Agreement shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

6.4. This Agreement is subject to modification only by a writing signed by the parties, except as otherwise provided in Section 3.6 hereof.

6.5. The benefits and obligations of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

6.6. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws (other than the conflict of laws rules) of the State of Rhode Island.

7. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as a sealed instrument by their duly authorized representatives all as of the day and year first above written.

**THE PARAGON GIFTS HOLDINGS,
INC.**

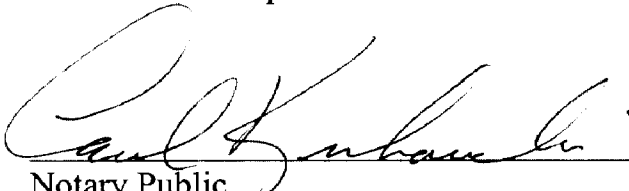
By: 
Title: PRESIDENT

FLEET NATIONAL BANK

By: 
Title: SVP

STATE OF RHODE ISLAND)
COUNTY OF PROVIDENCE)

In Providence on this 14th day of November, 2002, before me personally appeared Stephen S.K. Rowley, the President of THE PARAGON GIFTS HOLDINGS, INC., to me known and known by me to be the person executing the foregoing instrument and he acknowledged said instrument by him executed to be his free act and deed in said capacity and the free act and deed of said corporation.


Notary Public
Print Name: CAROL KRUSHNOWSKI
My Commission expires: 7-2-05

[SIGNATURES CONTINUED ON NEXT PAGE]

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence on this 14th day of November, 2002, before me personally appeared Stephen J. Craven, the Senior Vice President of Fleet National Bank, to me known and known by me to be the person executing the foregoing instrument and he acknowledged said instrument by him executed to be his free act and deed in said capacity and the free act and deed of said banking association.

Susan B. Richardson

Notary Public

Print Name: _____

My Commission expires: _____

SUSAN B. RICHARDSON, Notary Public
State of Rhode Island and Providence Plantations
My Commission Expires 7/8/2005

SCHEDULE A
TRADEMARKS

See Attached

TM Rights (Grouped by mark) + Status + Goods

Report Date: 11/8/2002

Page: 1

Mark: BITS AND PIECES						
ID	Country	Reg. Owner	App. #	Reg. #	Status	Classes
101637	United States	The Paragon Gifts Holdings Inc.	74/205,715	1,707,502	Registered	42
Goods & Services Retail mail order services in the field of jigsaw puzzles and accessories therefor.						

Mark: PARAGONGIFTS.COM						
ID	Country	Reg. Owner	App. #	Reg. #	Status	Classes
101281	United States	The Paragon Gifts, Inc.	75/701,997	2483217	Registered	35
Goods & Services On-line catalog services in the field of gifts, household and garden products, housewares, kitchenware, bed and bath products, clothing, fashion accessories, headwear, neckwear, belts, jewelry, watches, clocks, small leather goods, personalized items, reading accessories, religious items, collectibles, storage, organization and display products, photo albums, decorative lamps, flashlights, pet related products, small furniture items, silver-plated items, food gift items, table liners, decorative pillows, afghans and throws, decorative accessories, wall coverings, curtains, furniture accessories, decorative mats and rugs, notions, novelty items, stationery items, calendars, gift wrap, paper goods, books, stickers, stamps, craft kits, holiday and occasion related items, audio recordings, video recordings, computer software, computer accessories, electronic games and toys, games, puzzles, toys, toy banks and educational toys, in Class 35.						

Mark: PRACTICA						
ID	Country	Reg. Owner	App. #	Reg. #	Status	Classes
100445	Canada	The Paragon Gifts Holdings Inc.	887,687	535524	Registered	35
Goods & Services Mail order catalog services featuring practical home items, in Class 35						

TRADEMARK

REEL: 002731 FRAME: 0651

TM Rights (Grouped by mark) + Status + Goods

Report Date: 11/8/2002

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Mark ID	Country	Reg. Owner	App. #	Reg. #	Status	Classes	Goods & Services
101133	Canada	The Paragon Gifts Holdings Inc.	1,006,879	549087	Registered	3, 8, 16, 21	Kitchen hand tools, flatware and cutlery, namely flatware sets, comprising knives, forks and spoons, individual pastry and pie servers, salad servers, pickle forks; knives, all-purpose knives, paring knives, condiment spreaders; other cutting tools namely scissors, tomato slicers, bagel slicers, cheese slicers and cheese graters, onion cutters and apple corers; cooking thermometers, specially devices namely basting guns, garlic crushers and presses, shrimp peelers, bottle openers and corkscrews, jar openers, potato roasters, kabobs, steel tongs, egg separators, lemon squeezers, ice cream scoops; scissor sharpeners and tweezers; household utensils and containers, housewares and articles for cleaning, namely dish sets and individual plates, bowls, mugs and cups; canisters and jars, pitchers and kettles; plate racks; cooking pans; pastry forms; napkin holders; coasters and trivets; straw dispensers and candy dispensers; butter dishes; funnels; strainers and colanders; salt and pepper shakers, pepper mills; food trays; knife trays; cooling racks; egg cups, herb mixers; spice carousels; ramekins; grills; salad spinners; coffee pot cleaners; sponges, paper towel dispensers; sink stoppers; ironing board; clothes racks and laundry racks; shoe rack; dust brooms and dust pans; dust mits; mops and replacement mop heads; rubber gloves; bath brushes; toothbrushes; towel bars; soap dispensers; and shower caddies; bleaching preparations and laundry preparations, cleaning, polishing, scouring and abrasive preparations, namely silver, brass and jewelry polishing wipes; polishing cream and polishing gloves for precious and semi-precious metals; oven cleaner spray; wrinkle-free laundry spray; grout and tile cleaner; bath soap; and publications, namely catalogues.
100486	United States	The Paragon Gifts Holdings Inc.	75/454,283	2,226,187	Registered	35	Mail order catalog services featuring practical home items, in Class 35.
101208	United States	The Paragon Gifts Holdings Inc.	75/861344	2513330	Registered	3, 16	Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps, in Class 3
							Paper goods and printed matter, namely, books and booklets on a variety of general interest topics; catalogs featuring housewares and giftware; stationery; adhesives for stationery or household purposes, in Class 16

TRADEMARK

REEL: 002731 FRAME: 0652

Mark ID: PUZZLE MAKERS INTERNATIONAL
 Country: Reg. Owner: App. #: Reg. #: Status: Classes: Goods & Services

TM Rights (Grouped by owner) + Status

Report Date: 11/8/2002

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Owner: Bits & Pieces, Inc.

575 Boylston Street
Boston, MA 02116

ID	Country	Mark	Classes	App. #	App. Dt	Reg. #	Reg. Dt	Status
101636	United States	PUZZLE MAKERS INTERNATIONAL	35	75/501,864	6/15/1998	2,273,176	8/24/1999	Registered

Owner: IBJ Schroder Bank & Trust Company *(over)*

One State Street
New York, NY 10004

ID	Country	Mark	Classes	App. #	App. Dt	Reg. #	Reg. Dt	Status
101243	United States	THE PARAGON (and Design)	35	75/324,188	7/14/1997	2,215,985	1/5/1999	Registered

Owner: The Paragon Gifts, Inc.

89 Tom Harvey Road
Westerly, Rhode Island 02891

ID	Country	Mark	Classes	App. #	App. Dt	Reg. #	Reg. Dt	Status
101281	United States	PARAGONGIFTS.COM	35	75/701,997	5/10/1999	2483217	8/28/2001	Registered
101242	Canada	THE PARAGON (and Design)		866,028	1/13/1998	TMA548514	7/23/2001	Registered

Owner: The Paragon Gifts Holdings Inc.

89 Tom Harvey Road
Westerly, Rhode Island 02891

ID	Country	Mark	Classes	App. #	App. Dt	Reg. #	Reg. Dt	Status
101637	United States	BITS AND PIECES	42	74/205,715	9/20/1991	1,707,502	8/11/1992	Registered
100445	Canada	PRACTICA	35	887,687	8/18/1998	535524	10/24/2000	Registered
101133	Canada	PRACTICA	3, 8, 16, 21	1,006,879	3/18/1999	549087	8/1/2001	Registered
100486	United States	PRACTICA	35	75/454,283	3/20/1998	2,226,187	2/23/1999	Registered
101208	United States	PRACTICA	3, 16	75/861344	12/2/1999	2513330	11/27/2001	Registered

TM Rights (Grouped by mark) + Status + Goods

Report Date: 1/18/2002

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101636 United States Biss & Pieces, Inc. 75/501,864 2,273,176 Registered 35 Retail and wholesale store and mail order services featuring games, puzzles and novelty items.

Mark: THE PARAGON (and Design)

ID 101242 Country Canada Reg. Owner The Paragon Gifts, Inc. App. # 866,028 Reg. # TMA548514 Status Registered

Classes

Goods & Services

Mail order catalog services in the field of gifts, household and garden products, housewares, kitchenware, bed and bath products, clothing, fashion accessories, headwear, neckwear, belts, jewelry, watches, clocks, small leather goods, personalized items, reading accessories, religious items, collectibles, storage, organization and display products, photo albums, decorative lamps, flashlights, pet related products, small furniture items, silver-plated items, food gift items, table liners, decorative pillows, afghans and throws, decorative accessories, wall coverings, curtains, furniture accessories, decorative mats and rugs, notions, novelty items, stationery items, calendars, gift wrap, paper goods, books, stickers, stamps, craft kits, holiday and occasion related items, audio recordings, video recordings, computer software, computer accessories, electronic games and toys, games, puzzles, toys, toy banks and educational toys.

101243 United States IBJ Schroder Bank & Trust Company 75/324,188 2,215,985 Registered 35

TRADEMARK

REEL: 002731 FRAME: 0654

TM Rights (Grouped by owner) + Status

Report Date: 11/8/2002

Page: 1

Owner: The Paragon Gifts, Inc.		89 Tom Harvey Road Westerly, Rhode Island 02891 U.S.A.						
ID	Country	Mark	Classes	App. #	App. Dt	Reg. #	Reg. Dt	Status
303479	United States	TASSELTOQUES	20	76/431012	7/15/2002			Pending Application

Owner: The Paragon Gifts Holdings Inc.		89 Tom Harvey Road Westerly, Rhode Island 02891 U.S.A.						
ID	Country	Mark	Classes	App. #	App. Dt	Reg. #	Reg. Dt	Status
101131	United States	PRACTICA	8, 21	75/625,980	1/22/1999			Pending Application

TM Rights (Grouped by mark) + Status + Goods

Report Date: 11/8/2002

Page: 1

Mark: PRACTICA

ID	Country	Reg. Owner	App. #	Reg. #	Status	Classes	Goods & Services
101131	United States	The Paragon Gifts Holdings Inc.	75/625,980		Pending Application 8, 21		House mark for a full line of kitchen hand tools, and flatware and cutlery, in Class 8; and House mark for a full line of household utensils and containers, housewares, glassware, and articles for cleaning, in Class 21.

Mark: TASSELTIQUES

ID	Country	Reg. Owner	App. #	Reg. #	Status	Classes	Goods & Services
303479	United States	The Paragon Gifts, Inc.	76/431012		Pending Application 20		Ornaments of porcelain, earthenware, and/or poly resin, figurines of porcelain, earthenware and/or poly resin, and ornamental boxes

TRADEMARK