

07-31-2003

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

REC



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

Tab settings

102513580

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

1. Name of conveying party(ies):

FIGI ACQUISITION COMPANY, LLC

7-10-03

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other DELAWARE LIMITED LIABILITY COMPANY

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

2. Name and address of receiving party(ies)

Name: PNC BANK, NATIONAL ASSOCIATION

Internal Address: 1600 MARKET STREET

Street Address:

City: PHILADELPHIA State: PA Zip: 19103

- Individual(s) citizenship Association BANKING 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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 7/1/03

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

A. Trademark Application No.(s)

SEE ATTACHED

B. Trademark Registration No.(s)

SEE ATTACHED

Additional number(s) attached Yes No

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

Name: TONYA CHAPPLE

Internal Address: C/O CSC

Street Address: 80 STATE STREET

City: ALBANY State: NY Zip: 12207

6. Total number of applications and registrations involved:

7. Total fee (37 CFR 3.41): \$ 1515.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

(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.

TONYA CHAPPLE

Name of Person Signing

Signature

7/8/03

Date

Total number of pages including cover sheet, attachments, and document: 20

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

07/30/2003 6TON11 00000246 73642839

01 FC:8521 40.00 OP 02 FC:8522 1475.00 OP

TRADEMARK REEL: 002784 FRAME: 0451

Schedule A
to Trademark Security Agreement

United States Trademarks:

Trademark	Country	Date Filed	Serial No.	Status	Registration Number	Registration Date
CHARPENTE	USA	2/3/1987	73/642,839	Registered	1,522,644	1/31/1989
ENERGY	USA	2/3/1992	74/242,563	Registered	1,723,642	10/13/1992
CHIMES						
TRANQUILITY	USA	1/13/1992	74/242,361	Registered	1,738,265	12/8/1992
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CHIMESCAPES	USA	6/15/1992	74/285,438	Registered	1,753,955	2/23/1993
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MINUET	USA	6/17/1994	74/538,855	Registered	1,911,446	8/15/1995
CARNIVALE	USA	10/11/1994	74/583,646	Registered	1,922,108	9/26/1995
ALLEGRO	USA	10/11/1994	74/583,861	Registered	1,922,109	9/26/1995
MINSTREL	USA	10/11/1994	74/583,862	Registered	1,922,110	9/26/1995
CELESTA	USA	10/11/1994	74/583,864	Registered	1,922,111	9/26/1995
LOTUS	USA	10/11/1994	74/583,865	Registered	1,922,112	9/26/1995
LARK	USA	10/11/1994	74/583,861	Registered	1,922,114	9/26/1995
DOVE	USA	10/11/1994	74/583,875	Registered	1,922,115	9/26/1995
PIXIE	USA	10/11/1994	74/584,282	Registered	1,922,116	9/26/1995
TIKI	USA	10/11/1994	74/584,283	Registered	1,922,117	9/26/1995
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DORIAN	USA	2/6/1995	74/630,354	Registered	1,940,118	12/5/1995
MANTRA	USA	2/6/1995	74/630,471	Registered	1,948,857	1/16/1996
AURA	USA	2/6/1995	74/630,638	Registered	1,948,862	1/16/1996
PRESTO	USA	10/11/1994	74/584,276	Registered	1,959,869	3/5/1996
OASIS	USA	2/6/1995	74/630,470	Registered	1,977,935	6/4/1996
LYDIAAN	USA	9/12/1995	74/734,420	Registered	1,998,302	9/3/1996
CHORD OF NATURE	USA	9/12/1995	74/727,893	Registered	2,002,867	9/24/1996
PAPILLON	USA	10/27/1995	75/022,254	Registered	2,023,619	12/17/1996
STARRY NIGHT	USA	12/14/1995	75/032,701	Registered	2,072,777	6/17/1997
CHIMECICLE	USA	8/27/1993	75/429,287	Registered	2,074,119	6/24/1997
OPUS	USA	3/5/1996	75/067,683	Registered	2,082,441	7/22/1997
LOVE NOTES	USA	12/14/1995	75/032,710	Registered	2,089,901	8/19/1997
LOVE SONGS	USA	12/14/1995	75/032,702	Registered	2,093,592	9/2/1997

Trademark	Country	Date Filed	Serial No.	Status	Registration Number	Registration Date
FANTASIA	USA	12/14/1995	75/032,704	Registered	2,109,679	10/28/1997
SERENADE	USA	11/22/1996	75/202,963	Registered	2,114,181	11/18/1997
NOCTURNE	USA	11/22/1996	75/202,966	Registered	2,114,182	11/18/1997
SUNBIRD	USA	12/14/1995	75/032,705	Registered	2,126,098	12/30/1997
APPLETUNE	USA	3/21/1997	75/262,572	Registered	2,149,265	4/7/1998
ADAGIO	USA	12/14/1995	75/032,703	Registered	2,157,244	5/12/1998
GENIE	USA	5/12/1997	75/290,320	Registered	2,163,924	6/9/1998
XS8	USA	8/9/1996	75/148,012	Registered	2,164,570	6/9/1998
PRELUDE	USA	3/5/1996	75/067,684	Registered	2,171,642	7/7/1998
ANGEL	USA	12/14/1995	75/032,700	Registered	2,186,245	9/1/1998
CONCERTO	USA	7/22/1997	75/328,674	Registered	2,195,411	10/13/1998
OVERTURE	USA	3/14/1997	75/257/327	Registered	2,215,275	12/29/1998
ARX	USA	12/19/1997	75/408,334	Registered	2,218,854	1/19/1999
INFINITY	USA	2/9/1996	75/055,882	Registered	2,229,282	3/2/1999
MILLENNIUM	USA	2/9/1996	75/055,881	Registered	2,243,015	5/4/1999
WORLD ART	USA	10/8/1998	75/569,709	Registered	2,302,011	12/21/1999
FIGI GRAPHICS & Design	USA	1/7/1998	75/418,654	Registered	2,508,330	11/20/2001
FIGI & Design	USA	1/7/1998	75/418,704	Registered	2,508,331	11/20/2001
FIGI GRAPHICS	USA	1/7/1998	75/418,651	Registered	2,566,371	5/7/2002
FIGI	USA	1/7/1998	75/418,706	Registered	2,675,766	1/21/2003
FIGI	USA	1/7/98	75/418,706	Registered	2,675,766	1/21/2003
PRESENTABLES	USA	4/24/2003	78/241,621	Electronic application filed		
PATHWAYS & PROMISES	USA	6/21/2002	78/137,702	Application Pending: Filed 6/21/02; Amend. response filed 2/11/03		

Trademark	Country	Date Filed	Serial No.	Status	Registration Number	Registration Date
HOME PRESENTS ACCENTS, OPPORTUNITIES & FUN and Design	USA	1/22/2003	78/206,159	Electronic application filed		
HOME PRESENTS	USA	1/22/2003	78/206,157	Electronic application filed		
DESIGN WEST	USA	6/21/2002	78/137,726	Application pending: Filed 6/21/02; Amend. response filed 2/11/03		

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement ("Agreement") is made as of the 1st day of July, 2003 by FIGI ACQUISITION COMPANY, LLC ("Grantor"), a Delaware limited liability company, having a mailing address at 3636 Gateway Center, San Diego, California ("Grantor") and delivered to PNC BANK, NATIONAL ASSOCIATION, as Agent, having a mailing address at 1600 Market Street, Philadelphia, PA 19103, Attn: Frank Phillips ("Agent")

BACKGROUND

A. This Agreement is being executed in connection with that certain Revolving Credit and Security Agreement among Agent, the financial institutions which are now or which may hereafter become a party thereto as a Lender, and Grantor, as Borrower, of even date herewith (as it may hereafter be amended, modified, restated or replaced from time to time, the "Credit Agreement"). Capitalized terms not defined herein shall have the meanings given to such terms in the Credit Agreement.

B. As security for all Obligations, Grantor is granting Agent, for the benefit of Lenders, a lien on and security interest in certain assets of Grantor associated with or relating to products leased or sold under Grantor's trademarks and goodwill associated therewith, and under which Agent is entitled to foreclose or otherwise deal with such assets, trademarks, servicemarks and tradenames under the terms and conditions set forth in the Credit Agreement.

C. Grantor owns, has adopted, used and is using (or has filed applications for the registration of) the trademarks, servicemarks and tradenames listed on Schedule "A" (with respect to trademarks, etc. adopted and used in the United States) and on Schedule "B" (with respect to trademarks, etc. adopted and used outside of the United State) attached hereto and made part hereof (all such marks or names hereinafter referred to as the "Trademarks")

D. Grantor and Agent desire to have the security interest of Agent, for the benefit of Lenders, in such Trademarks confirmed by a document identifying same and in such form that it may be recorded in the United States Patent and Trademark Office, the Registrar of Trademarks in Canada or other appropriate trademark office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Credit Agreement and the Other Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the payment and performance of all of the Obligations of Grantor under the Credit Agreement, Grantor grants a lien and security interest to Agent for the benefit of Lenders in all of its present and future right, title and interest in and to the Trademarks, together with all the goodwill of Grantor associated with and represented by the Trademarks, and the registration thereof and the right (but not the obligation) to sue, to the extent such right is granted to Agent pursuant to the Credit Agreement, for past, present and future infringements, and

the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits (collectively the "Collateral").

2. Grantor hereby covenants and agrees to maintain the Trademarks in full force and effect, except to the extent otherwise provided by the Credit Agreement, and otherwise perform all of its obligations and undertakings under this Agreement until all of the Obligations of Grantor are indefeasibly paid and satisfied in full and the Credit Agreement and the commitments of the Lenders to make Advances under the Credit Agreement ("Revolving Credit Commitments") have been terminated.

3. Grantor represents, warrants and covenants to Agent that:

(a) To Grantor's knowledge, the Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) To Grantor's knowledge, each of the Trademarks is registered (or in the process of application for registration) and is valid and enforceable;

(c) To Grantor's knowledge, Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, and each of the Trademarks is free and clear of any liens, claims, charges, encumbrances and licenses, including, without limitation, pledges, assignments, options, and covenants by Grantor not to sue third persons, other than Permitted Encumbrances;

(d) Grantor has the full right, power and authority to enter into this Agreement and perform its terms;

(e) Grantor has complied with, and will continue for the duration of this Agreement to comply with, the requirements set forth in 15 U.S.C. §1051-1127 and any other applicable statutes, rules and regulations in connection with its use of the Trademarks;

(f) Grantor has used and will continue to use for the duration of this Agreement consistent standards of quality in services or products leased or sold under the Trademarks, and hereby grants, subject to Section 4.10 of the Credit Agreement, to Agent and its employees and agents the right (with no obligation of any kind upon Agent to do so) to visit the business locations of Grantor and to inspect the use of the Trademarks and quality control records relating thereto during regular business hours to ensure the compliance of Grantor with this paragraph 3(f); and

(g) Grantor has no notice of any suits or actions commenced or threatened against it, or notice of claims asserted or threatened against it, with reference to the Trademarks.

4. Grantor further covenants that:

(a) Until all of the Obligations of Grantor have been indefeasibly paid and satisfied in full and the Credit Agreement and Revolving Credit Commitments have been terminated, Grantor will not enter into any agreement which is inconsistent with the obligations of Grantor under this Agreement, the Obligations of Grantor under the Credit Agreement, or which may restrict or impair the rights or priorities of Agent hereunder.

(b) If Grantor acquires rights of ownership to any new trademarks not listed on **Schedule A or Schedule B** attached hereto ("Additional Trademarks"), then (i) the provisions of this Agreement shall be deemed to automatically apply thereto and such Additional Trademarks shall be deemed part of the Trademarks, (ii) Grantor shall give Agent written notice promptly upon its first use thereof, and (iii) Grantor shall promptly deliver to Agent with respect to such Additional Trademarks a Supplement to Trademark Security Agreement in the form attached hereto as **Exhibit II**, duly completed and executed by Grantor and accompanied by a fully completed **Schedule A-1 or Schedule B-1**, as applicable, with respect to such Additional Trademarks. Each such **Schedule A-1 and Schedule B-1** attached to each such Supplement to Trademark Security Agreement shall be incorporated and become a part of **Schedule A or Schedule B** attached hereto, as applicable, and all references to **Schedule A or Schedule B**, as applicable, contained in this Agreement shall be deemed, for all purposes, to also include each such **Schedule A-1 and Schedule B-1**.

5. So long as this Agreement is in effect and so long as Grantor has not received notice from Agent that an Event of Default has occurred and is continuing under the Credit Agreement and that Agent has elected to exercise its rights hereunder, (i) Grantor shall continue to have the right to use the Trademarks and (ii) Agent shall have no right to use the Trademarks or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Trademarks to anyone else.

6. Grantor agrees not to sell, grant any license, grant any option, assign or further encumber its rights and interest in the Trademarks without prior written consent of Agent or as may be expressly permitted under the Credit Agreement; provided, that Grantor may grant licenses of the Trademarks in the ordinary course of business.

7. Following the occurrence and during the continuance of an Event of Default under the Credit Agreement (including without limitation an Event of Default arising from any failure of Grantor to comply with any covenant or undertaking under this Agreement), Agent, as the holder of a security interest, under the Uniform Commercial Code, as now or hereafter in effect in the jurisdiction whose law governs the interpretation of the Credit Agreement, may take such action permitted under the Credit Agreement and Other Documents, hereunder or under any law, in its exclusive discretion, to record, foreclose upon or otherwise exercise its rights against the Trademarks covered hereby. For such purposes, and only upon the occurrence and during the continuance of an Event of Default, Grantor hereby authorizes, appoints and empowers Agent, its successors and assigns, and any officer or agent of Agent as Agent may select, in its reasonable discretion, as the true and lawful attorney-in-fact of Grantor, with the power to endorse the name of Grantor on all applications, assignments, documents, papers and instruments necessary for Agent to record its interest in any Trademarks or Additional Trademarks in the United States Patent and Trademark Office, The Registrar of Trade-marks in Canada or other appropriate trademark office including, without limitation, the power to execute on behalf of Grantor a Supplement to Trademark Security Agreement, to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute on behalf of Grantor a trademark assignment in the form attached hereto as **Exhibit I**. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof following the occurrence and during the continuance of an Event of Default and otherwise in accordance with the terms hereof, except for the gross negligence or willful

misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Credit Agreement, Other Documents, and until all of the Obligations of Grantor are indefeasibly paid and satisfied in full and the Credit Agreement and the Revolving Credit Commitments are terminated.

8. This Agreement shall be subject to the terms, conditions and provisions set forth in the Credit Agreement and may not be modified without the written consent of the parties hereto.

9. All rights and remedies herein granted to Agent shall be in addition to any rights and remedies granted to Agent under the Credit Agreement and Other Documents and shall be cumulative. In the event of an inconsistency between this Agreement and the Credit Agreement, the Credit Agreement shall control.

10. Upon full and unconditional satisfaction and performance of all of the Obligations of Grantor and termination of the Credit Agreement and the Revolving Credit Commitments, Agent shall execute and deliver to Grantor all documents reasonably necessary to terminate the security interest of Agent in the Trademarks.

11. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and reasonable legal expenses incurred by Agent in connection with the preparation and execution of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, or defending, protecting, enforcing or terminating the rights of Agent hereunder, in each case in accordance with the terms of this Agreement and the Credit Agreement and Other Documents, shall be borne and paid by Grantor on demand by Agent and until so paid shall be added to the principal amount of the Obligations of Grantor and shall bear interest at the rate then applicable to Revolving Advances from time to time under the Credit Agreement.

12. Subject to any applicable terms of the Credit Agreement, Grantor shall have the duty to prosecute diligently any trademark application with respect to the Trademarks pending as of the date of this Agreement or thereafter to preserve and maintain all rights in the Trademarks, except to the extent otherwise provided by the Credit Agreement, and upon the reasonable request of Agent, Grantor shall make federal or other appropriate application on registrable but unregistered trademarks belonging to Grantor. Any expenses incurred in connection with such applications with such applications shall be borne exclusively by Grantor. Grantor shall not abandon any Trademark without the prior written consent of the Agent or except to the extent otherwise permitted by the Credit Agreement.

13. Grantor shall have the right to bring suit in its own name to enforce the Trademarks, in which event Agent may, if Grantor reasonably deems it necessary, be joined as a nominal party to such suit if Agent shall have been satisfied, in its sole discretion, that it is not thereby incurring any risk of liability because of such joinder. Grantor shall promptly, upon demand, reimburse and indemnify Agent for all damages, costs and expenses, including reasonable attorneys' fees, and costs, incurred by Agent in the fulfillment of the provisions of this paragraph.

14. If an Event of Default has occurred and is continuing under the Credit Agreement, Agent may, without any obligation to do so, complete any obligation of Grantor hereunder, in the name of Grantor or in the name, of Agent, but at the expense of Grantor, and Grantor hereby agrees to reimburse Agent in full for all costs and expenses, including without limitation all reasonable attorneys' fees, incurred by Agent in protecting, defending and maintaining the Trademarks.

15. No course of dealing between Grantor and Agent nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of the rights and remedies of Agent with respect to the Trademarks whether established hereby or by the Credit Agreement and Other Documents, or by any other future agreements between Grantor and Agent or by law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

17. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

18. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT REFERENCE TO ITS CONFLICTS OF LAWS RULES. Any judicial proceeding brought by or against any Grantor with respect to this Agreement or any related agreement may be brought in any court of competent jurisdiction located in the Commonwealth of Pennsylvania, and, by execution and delivery of this Agreement, Grantor accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Grantor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by internationally recognized overnight courier directed to Grantor at its address set forth in Section 15.6 of the Credit Agreement and service so made shall be deemed completed when actually received by Grantor. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against Grantor in the courts of any other jurisdiction. Grantor waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Any judicial proceeding by Grantor against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the County of Philadelphia, Commonwealth of Pennsylvania.

19. GRANTOR AND AGENT AND LENDERS, BY ACCEPTANCE HEREOF, HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF GRANTOR, LENDERS

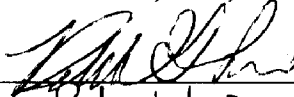
AND/OR AGENT OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND GRANTOR AND AGENT AND LENDERS, BY ACCEPTANCE HEREOF, HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT GRANTOR, AGENT AND/OR LENDERS MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GRANTOR, AGENT AND LENDERS TO THE WAIVER OF THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have executed this Trademark Security Agreement the day and year first above written.


FIGI ACQUISITION COMPANY, LLC

By: Milestone Capital Partners, L.P., its Manager
By: Milestone Partners, Ltd., its General Partner

By: 
Name: Robert Leone
Title: Chief Executive Officer

Acknowledged and accepted:


PNC BANK, NATIONAL ASSOCIATION,
as Agent

By: 
Name:
Title:

CORPORATE ACKNOWLEDGMENT

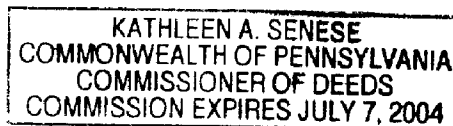
UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this ~~30~~ of July, 2003 before me personally appeared Robert Leone, to me known and being duly sworn, deposes and says that s/he is authorized to sign on behalf of FIGI ACQUISITION COMPANY, LLC; that s/he signed the Agreement attached hereto pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of such limited liability company; and s/he desires the same to be recorded as such.



Notary Public

My Commission Expires:



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to Trademark Security Agreement

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MANTRA	USA	2/6/1995	74/630,471	Registered	1,948,857	1/16/1996
AURA	USA	2/6/1995	74/630,638	Registered	1,948,862	1/16/1996
PRESTO	USA	10/11/1994	74/584,276	Registered	1,959,869	3/5/1996
OASIS	USA	2/6/1995	74/630,470	Registered	1,977,935	6/4/1996
LYDIAAN	USA	9/12/1995	74/734,420	Registered	1,998,302	9/3/1996
CHORD OF NATURE	USA	9/12/1995	74/727,893	Registered	2,002,867	9/24/1996
PAPILLON	USA	10/27/1995	75/022,254	Registered	2,023,619	12/17/1996
STARRY NIGHT	USA	12/14/1995	75/032,701	Registered	2,072,777	6/17/1997
CHIMECICLE	USA	8/27/1993	75/429,287	Registered	2,074,119	6/24/1997
OPUS	USA	3/5/1996	75/067,683	Registered	2,082,441	7/22/1997
LOVE NOTES	USA	12/14/1995	75/032,710	Registered	2,089,901	8/19/1997
LOVE SONGS	USA	12/14/1995	75/032,702	Registered	2,093,592	9/2/1997

Trademark	Country	Date Filed	Serial No.	Status	Registration Number	Registration Date
FANTASIA	USA	12/14/1995	75/032,704	Registered	2,109,679	10/28/1997
SERENADE	USA	11/22/1996	75/202,963	Registered	2,114,181	11/18/1997
NOCTURNE	USA	11/22/1996	75/202,966	Registered	2,114,182	11/18/1997
SUNBIRD	USA	12/14/1995	75/032,705	Registered	2,126,098	12/30/1997
APPLETUNE	USA	3/21/1997	75/262,572	Registered	2,149,265	4/7/1998
ADAGIO	USA	12/14/1995	75/032,703	Registered	2,157,244	5/12/1998
GENIE	USA	5/12/1997	75/290,320	Registered	2,163,924	6/9/1998
XS8	USA	8/9/1996	75/148,012	Registered	2,164,570	6/9/1998
PRELUDE	USA	3/5/1996	75/067,684	Registered	2,171,642	7/7/1998
ANGEL	USA	12/14/1995	75/032,700	Registered	2,186,245	9/1/1998
CONCERTO	USA	7/22/1997	75/328,674	Registered	2,195,411	10/13/1998
OVERTURE	USA	3/14/1997	75/257/327	Registered	2,215,275	12/29/1998
ARX	USA	12/19/1997	75/408,334	Registered	2,218,854	1/19/1999
INFINITY	USA	2/9/1996	75/055,882	Registered	2,229,282	3/2/1999
MILLENNIUM	USA	2/9/1996	75/055,881	Registered	2,243,015	5/4/1999
WORLD ART	USA	10/8/1998	75/569,709	Registered	2,302,011	12/21/1999
FIGI GRAPHICS & Design	USA	1/7/1998	75/418,654	Registered	2,508,330	11/20/2001
FIGI & Design	USA	1/7/1998	75/418,704	Registered	2,508,331	11/20/2001
FIGI GRAPHICS	USA	1/7/1998	75/418,651	Registered	2,566,371	5/7/2002
FIGI	USA	1/7/1998	75/418,706	Registered	2,675,766	1/21/2003
FIGI	USA	1/7/98	75/418,706	Registered	2,675,766	1/21/2003
PRESENTABLES	USA	4/24/2003	78/241,621	Electronic application filed		
PATHWAYS & PROMISES	USA	6/21/2002	78/137,702	Application Pending: Filed 6/21/02; Amend. response filed 2/11/03		

Trademark	Country	Date Filed	Serial No.	Status	Registration Number	Registration Date
HOME PRESENTS ACCENTS, OPPORTUNITIES & FUN and Design	USA	1/22/2003	78/206,159	Electronic application filed		
HOME PRESENTS	USA	1/22/2003	78/206,157	Electronic application filed		
DESIGN WEST	USA	6/21/2002	78/137,726	Application pending: Filed 6/21/02; Amend. response filed 2/11/03		

Schedule B
To Trademark Security Agreement

Foreign Trademarks:

Trademark	Country	Date Filed	Serial No.	Status	Registration Number	Registration Date
FIGI	CANADA	2/18/1999	869,604	Application Pending		

Exhibit I

TRADEMARK ASSIGNMENT

WHEREAS, FIGI ACQUISITION COMPANY, LLC ("Grantor") is the registered owner of the United States trademarks, tradenames and registrations listed on Schedule "A" or Schedule "B" attached hereto and made a part hereof (the "Trademarks"), which are registered in the United States Patent and Trademark Office (with respect to Schedule A) or the trademark office of another jurisdiction or trademark authority (with respect to Schedule B); and

WHEREAS, _____ ("Grantee"), having a place of business at _____, is desirous of acquiring said Trademarks;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, all of its present and future right, title and interest in and to the Trademarks and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Trademark Assignment to be executed as of the ___ day of _____, _____.

FIGI ACQUISITION COMPANY, LLC

By: _____
Attorney-in-fact

COMMONWEALTH OF PENNSYLVANIA :
 : SS
COUNTY OF PHILADELPHIA :

On this ____ day of _____, ____ before me, a Notary Public for the said County and State, personally appeared known to me or satisfactorily proven to me to be attorney-in-fact on behalf of P FIGI ACQUISITION COMPANY, LLC (“Grantor”) and s/he acknowledged to me that s/he executed the foregoing Trademark Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

POWER OF ATTORNEY

FIGI ACQUISITION COMPANY, LLC ("Grantor"), hereby authorizes PNC BANK, NATIONAL ASSOCIATION, its successors and assigns, and any officer or agent thereof (collectively, "Agent"), as agent for the Lenders under the Revolving Credit and Security Agreement among Agent, the financial institutions which are now or which hereafter become a party thereto as Lenders and Grantor as Borrower, of even date herewith (as it may hereafter be amended, modified, restated or replaced from time to time, the "Credit Agreement"), following the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement) as the true and lawful attorney-in-fact of Grantor, with the power to endorse the name of Grantor on all applications, assignments, documents, papers and instruments necessary for Agent to enforce and effectuate its rights under a certain Trademark Security Agreement between Grantor and Agent dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Trademark Agreement"), including, without limitation, the power to record its interest in any Trademarks (as defined in the Trademark Agreement) or Additional Trademarks (as defined in the Trademark Agreement) in the United States Patent and Trademark Office or other appropriate trademark office including, without limitation, the power to execute on behalf of Grantor a supplement to Trademark Security Agreement, to use the Trademarks or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else including, without limitation, the power to execute on behalf of Grantor a trademark assignment, in each case subject to the terms of the Trademark Agreement. Nothing herein contained shall obligate Agent to use or exercise any rights granted herein.

This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of the Credit Agreement.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done following the occurrence and during the continuance of an Event of Default by virtue hereof and in accordance with the terms of the Trademark Agreement, the Credit Agreement and the Other Documents.

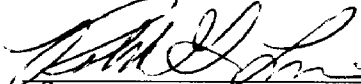
This Power of Attorney shall be irrevocable for the life of the Trademark Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, this 15th day of July, 2003

FIGI ACQUISITION COMPANY, LLC

By: Milestone Capital Partners, L.P.,
its Manager

By: Milestone Partners, Ltd.,
its General Partner

By: 

Name: Robert Lunn

Title: Chief Executive Officer

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this 1st of July, 2003 personally appeared Robert Lerno, to me known and being duly sworn, deposes and says that authorized to sign on behalf of FIGI ACQUISITION COMPANY, LLC, the limited liability company described in the foregoing Power of Attorney; that s/he signed the Power of Attorney pursuant to the authority vested in her/him by law; that the within Power of Attorney is the voluntary act of such limited liability company; and s/he desires the same to be recorded as such.



Notary Public

My Commission Expires:

KATHLEEN A. SENESE
COMMONWEALTH OF PENNSYLVANIA
COMMISSIONER OF DEEDS
COMMISSION EXPIRES JULY 7, 2004

EXHIBIT II
Supplement to Trademark Security Agreement

This Supplement to Trademark Security Agreement ("Supplement"), dated [_____, _____], is entered into by FIGI ACQUISITION COMPANY, LLC, a Delaware limited liability company having a mailing address at 3636 Gateway Center, San Diego, California 92102 ("Grantor") and delivered to PNC BANK, NATIONAL ASSOCIATION having a mailing address at 1600 Market Street, Philadelphia, PA 19103, Attn: Frank Phillips ("Agent") as agent for the Lenders under the Credit Agreement (as defined below).

Background

A. This Supplement is being delivered in connection with that certain Revolving Credit and Security Agreement dated July 1, 2003 among Agent, the financial institutions which are now or which may hereafter become a party thereto as Lender and Grantor as Borrower, (as it may hereafter be amended, modified, restated or replaced from time to time, the "Credit Agreement"), and that certain Trademark Security Agreement, dated as of the date of the Credit Agreement, by and between Grantor and Agent (as it may have been and hereafter be amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Trademark Security Agreement"). Capitalized terms used but not defined herein shall have the respective meanings given to such terms in, or by reference in, the Trademark Security Agreement.

B. Pursuant to the Credit Agreement and the Trademark Security Agreement, Grantor granted to Agent for the benefit of Lenders as collateral security for the Obligations a lien on and security interest in all of the Trademarks of Grantor (as defined therein).

C. Grantor has acquired certain additional trademarks, servicemarks and tradenames as set forth on Schedule A-1/Schedule B-1 attached hereto and made part hereof (collectively, "Additional Trademarks"). Grantor and Agent desire to execute this Supplement for the purpose of, inter alia, granting, ratifying and confirming the lien and security interest of Agent on and in the Additional Trademarks, as more fully set forth in the Trademark Security Agreement, and for recording in the United States Patent and Trademark Office or other appropriate trademark office.

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor, intending to be legally bound hereby, covenants and agrees as follows:

1. In consideration of and pursuant to the terms of the Credit Agreement and Other Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, Grantor grants a lien and security interest to Agent, for the benefit of Lenders, in all of its present and future right, title and interest in and to the Additional Trademarks, together with all the goodwill of Grantor associated with and represented by the Additional Trademarks, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation,

license royalties and proceeds of infringement suits, subject to the terms of the Credit Agreement and the Trademark Security Agreement.

2. Grantor acknowledges and confirms that the rights and remedies of Agent with respect to the security interest in the Additional Trademarks granted hereby are more fully set forth in the Credit Agreement and the Trademark Security Agreement, the terms and provisions of which are incorporated herein by reference. All references to the Trademark Security Agreement contained in the Credit Agreement or Other Documents shall be deemed, for all purposes, to also refer to and include this Supplement.

3. Schedule A/Schedule B to the Trademark Agreement is hereby supplemented by the information contained on Schedule A-1/Schedule B-1 attached hereto. All references to Schedule A/Schedule B contained in the Credit Agreement, Trademark Security Agreement or Other Documents shall be deemed, for all purposes, to also refer to and include Schedule A-1/Schedule B-1.

4. Except as expressly amended by this Supplement, all of the terms, conditions and provisions of the Credit Agreement and the Trademark Security Agreement are hereby ratified and continue unchanged and remain in full force and effect.

5. This Supplement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature by facsimile shall also bind the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Supplement on the day and year first above written.

FIGI ACQUISITION COMPANY, LLC

By: Milestone Capital Partners, L.P., its Manager
By: Milestone Partners, Ltd.,
its General Partner

By: _____
Name:
Title:

Approved and accepted:
PNC BANK, NATIONAL ASSOCIATION,
as Agent
By: _____
Name: _____
Title: _____

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF PHILADELPHIA :

On this [__ day of _____, 200__], before me personally appeared _____, who being duly sworn, deposes and says that he/she is authorized to sign on behalf of FIGI ACQUISITION COMPANY, LLC, the limited liability company described in the foregoing document, that he/she in such capacity is authorized to execute on behalf of the said limited liability company the foregoing document for the purposes contained therein, and that he/she is the person whose name and signature is subscribed to the foregoing document.

Notary Public

My commission expires: _____