

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Rose Moon, Inc.		11/14/2003	CORPORATION: TENNESSEE

RECEIVING PARTY DATA	
Name:	PNC Bank, National Association
Street Address:	Two Tower Center Boulevard
City:	East Brunswick
State/Country:	NEW JERSEY
Postal Code:	08816
Entity Type:	Association:

PROPERTY NUMBERS Total: 9		
Property Type	Number	Word Mark
Registration Number:	2621450	CRAYZONS
Registration Number:	1911393	MOONBEAMS
Registration Number:	2165665	TRY-REX
Registration Number:	659361	SWIRL
Registration Number:	1408470	STETRO
Registration Number:	2080592	MOOD PENZ
Registration Number:	2041345	COSMIC CRYSTALS
Serial Number:	76384230	CROWN CEDAR
Serial Number:	76364471	WIZARDZ & RINGS

CORRESPONDENCE DATA	
Fax Number:	(973)966-1550
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Email:	cpcolka@pitneyhardin.com
Correspondent Name:	Carrie A. Pcolka, Esq.
Address Line 1:	200 Campus Drive
Address Line 4:	Florham Park, NEW JERSEY 07932

OP \$240.00 2621450

TRADEMARK

REEL: 002803 FRAME: 0540

NAME OF SUBMITTER:

Julie Ann Hyde

Total Attachments: 24

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Execution Copy

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, is dated as of November 14, 2003, and made by ROSE MOON, INC., a Tennessee corporation (the "Grantor"), in favor of PNC BANK, NATIONAL ASSOCIATION, as agent for certain lenders, (the "Agent").

WITNESSETH:

WHEREAS, pursuant to the Fifth Amended and Restated Revolving Credit Loan, Term Loan, Equipment Loan and Security Agreement by and between Grantor and Agent dated September 28, 2001, as amended by the First Amendment to Loan Documents dated as of July 1, 2002, by the Second Amendment to Loan Documents dated as of January 1, 2003, and by the Third Amendment to Loan Documents of even date herewith (as amended, the "Agreement") Agent has agreed to extend credit to Grantor together with Rose Art Industries, Inc., Warren Industries, Inc., and Western Graphics Corporation (collectively, jointly and severally, "Borrower") upon the terms and subject to the conditions set forth therein, certain of such extensions of credit to be evidenced by certain promissory notes issued by Borrower thereunder; and

WHEREAS, Grantor owns the Patents described on Schedule 1 hereto; and

WHEREAS, Grantor owns the Trademarks described on Schedule 2 hereto; and

WHEREAS, Grantor owns the Copyrights described on Schedule 3 hereto; and

WHEREAS, pursuant to the terms of the Agreement, Grantor has mortgaged, pledged and granted to Agent, a security interest in all right, title and interest of Grantor in, to and under the Collateral (as hereinafter defined), together with any reissue, division, continuation, continuation-in-part or extension or renewal thereof, and all applications therefor, all whether presently existing or hereafter arising or acquired, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents, Trademarks and Copyrights, to secure the payment of the obligations of Borrower to Agent (the "Obligations"); and

WHEREAS, for convenience of reference and recordation, but with no intention to supersede the terms of the Agreement, the parties hereto have entered into this Intellectual Property Security Agreement; and

WHEREAS, it is a condition precedent to the obligation of Lenders to make extensions of credit to Borrower under the Agreement that Grantor shall have executed and delivered this Intellectual Property Security Agreement to Agent.

NOW, THEREFORE, in consideration of the premises and to induce Agent to enter into the Agreement and to induce Agent to make extensions of credit to Borrower under the Agreement, Grantor hereby agrees with Agent, as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Agreement; the following terms which are defined in the Uniform Commercial Code in effect in the State of New Jersey on the date hereof are used herein as so defined: General Intangibles and Proceeds; and the following terms shall have the following meanings:

"Code": the Uniform Commercial Code as from time to time in effect in the State of New Jersey.

"Collateral": each of the items of personal property (tangible or intangible) in which Grantor has granted or has purported to grant a security interest to Agent.

"Copyrights": (a) copyrights, rights and interests in copyrights, works protectable by copyrights and copyright registrations and all extensions and renewals thereof, including, without limitation, those listed on Schedule 3 hereto and (b) all applications for copyrights and all extensions and renewals thereof, including, without limitation, those listed in Schedule 3 hereto.

"Copyright Licenses": all agreements, whether written or oral, providing for the grant by Grantor of any right to use a Copyright, including, without imitation, those listed in Schedule 3 hereto.

"Intellectual Property": all Patents, Patent Licenses, Trademarks, Trademark Licenses, Copyrights and Copyright Licenses owned by Grantor, whether now existing or hereafter arising.

"Intellectual Property Security Agreement": this Intellectual Property Security Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Patents": (a) all letters patent of the United States and all reissues, divisions, continuations, continuations-in-part, extensions and renewals thereof, including, without limitation, those listed in Schedule 1 hereto and (b) all applications for letters patent of the United States or of any other country and all reissues, divisions, continuations and continuations-in-part, extensions and renewals thereof, including, without limitation, those listed in Schedule 1 hereto.

"Patent Licenses": all agreements, whether written or oral, providing for the grant by Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without imitation, those listed in Schedule 1 hereto.

"Trademarks": (a) all registered trademarks and all extensions and renewals thereof, including, without limitation, those listed in Schedule 2 hereto and (b) all trademark applications and all extensions and renewals thereof, including, without limitation, those listed in Schedule 2 hereto.

"Trademark Licenses": all agreements, whether written or oral, providing for the grant by Grantor of any right to use a Trademark, including, without imitation, those listed in Schedule 2 hereto.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, Grantor hereby grants to Agent for the benefit of the Lenders party to the Loan Agreement a security interest in all of the following property now owned or at any time hereafter acquired by Grantor or in which Grantor now has or at any time in the future may acquire any right, title or interest:

- (a) all Patents;
- (b) all Patent Licenses;
- (c) all Trademarks;
- (d) all Trademark Licenses;
- (e) all Copyrights;
- (f) all Copyright Licenses;
- (g) all General Intangibles relating to the foregoing; and
- (h) to the extent not otherwise included, all proceeds of infringement suits or actions, all royalties, and all of the rights and benefits of all causes of action which may exist by reason of any infringement, and all Proceeds and products of any and all of the foregoing.

3. Representations and Warranties. Grantor hereby represents and warrants that:

(a) Patents. Schedule 1 hereto includes all registered U.S. Patents and applications therefor, owned by Grantor on the date hereof and all other Patents and Patent Licenses owned by Grantor in its own name as of the date hereof. To the best of Grantor's knowledge, each Patent is valid, subsisting, unexpired, enforceable and has not been abandoned, except to the extent that the failure to be valid, subsisting, unexpired or enforceable or the abandonment thereof would not be reasonably likely to have a material adverse effect on the business of Borrower. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any Patent except for such holdings, decisions or judgments that would not be reasonably likely to have a material adverse effect on the business of Borrower. No action or proceeding is pending seeking to limit, cancel or question the validity of any Patent, which, if adversely determined, would be reasonably likely to have a material adverse effect on the business of Borrower.

(b) Trademarks. Schedule 2 hereto includes all registered U.S. Trademarks and applications therefor, owned by Grantor on the date hereof and all other Trademarks

and Trademark Licenses owned by Grantor in its own name as of the date hereof. To the best of Grantor's knowledge, each Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned, except to the extent that the failure to be valid, subsisting, unexpired or enforceable or the abandonment thereof would not be reasonably likely to have a material adverse effect on the business of Borrower. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any Trademark except for such holdings, decisions or judgments that would not be reasonably likely to have a material adverse effect on the business of Borrower. No action or proceeding is pending seeking to limit, cancel or question the validity of any Trademark, which, if adversely determined, would be reasonably likely to have a material adverse effect on the business of Borrower.

(c) Copyrights. Schedule 3 hereto includes all registered U.S. Copyrights and applications therefor, owned by Grantor on the date hereof and all other Copyrights and Copyright Licenses owned by Grantor in its own name as of the date hereof. To the best of Grantor's knowledge, each Copyright is valid, subsisting, unexpired, enforceable and has not been abandoned, except to the extent that the failure to be valid, subsisting, unexpired or enforceable or the abandonment thereof would not be reasonably likely to have a material adverse effect on the business of Borrower. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any Copyright except for such holdings, decisions or judgments that would not be reasonably likely to have a material adverse effect on the business of Borrower. No action or proceeding is pending seeking to limit, cancel or question the validity of any Copyright, which, if adversely determined, would be reasonably likely to have a material adverse effect on the business of Borrower.

(d) Chief Executive Office. Grantor's chief executive office is located 1150 Fifth Avenue North, Lewisburg, Tennessee.

Grantor agrees that the foregoing representations and warranties shall be deemed to have been made by Grantor on and as of the date hereof and on and as of each date on which an extension of credit is made by Agent to Borrower, in each case as though made hereunder on and as of each such date.

4. Covenants. Grantor covenants and agrees with Agent that, from and after the date of this Intellectual Property Security Agreement until the Obligations are paid and performed in full:

(a) Further Documentation. At any time and from time to time, upon the written request of Agent, and at the sole expense of Grantor, Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Intellectual Property Security Agreement and of the rights and powers herein granted.

(b) Indemnification. Grantor agrees to pay, and to save Agent harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expense), other than solely as a result of the gross negligence or willful misconduct of Agent (i) with respect to, or resulting from, any delay by Grantor in paying,

any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any requirement of law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Intellectual Property Security Agreement.

(c) Intellectual Property.

(i) Grantor will not (either itself or through licensees), except with respect to any Intellectual Property that Grantor shall reasonably determine is not material to the business of Borrower and its subsidiaries taken as a whole, do any act, or omit to do any act, whereby the registration of any Intellectual Property may become abandoned or dedicated.

(ii) Grantor will notify Agent of any (A) abandonment or dedication of Intellectual Property (other than foreign patents and applications with respect thereto) ("USIP"); or (B) determination by a court or tribunal in the country where (1) the Intellectual Property is registered, or (2) the Intellectual Property application is pending, that Grantor does not own all right, title and interest to the USIP, or of any other adverse determination of such court or tribunal relating to any Intellectual Property; provided that (x) Grantor has actual notice of such event and (y) such Intellectual Property or application is material to the business of Borrower and its subsidiaries, taken as a whole.

(iii) Whenever Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of Intellectual Property with the United States Patent and Trademark Office (the "PTO") or the United States Copyright Office of the Library of Congress (the "Copyright Office"), Grantor shall report such filing to Agent within five Banking Days after the last day of the calendar year in which such filing occurs. Upon request of Agent, Grantor shall execute and deliver any and all agreements, instruments, documents, and papers as Agent may reasonably request to evidence Agent's security interest in the Intellectual Property and the goodwill and General Intangibles, if any, of Grantor relating thereto or represented thereby, and Grantor hereby constitutes Agent its attorney-in-fact to execute and file all such writings for the purposes of so evidencing Agent's security interest (and Agent agrees to notify Grantor that any such filing has been made, provided that any failure to so notify shall not invalidate any such actions by Agent), all lawful acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(iv) Grantor will, except with respect to any Intellectual Property application or registration that is not material to the business of Borrower and its subsidiaries, taken as a whole, take all reasonable and necessary steps, as it shall deem appropriate under the circumstances, in accordance with its reasonable business judgment, including, without limitation, in any proceeding before the PTO, Copyright Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each Intellectual Property application (and to obtain the relevant registration and to maintain such registration), including, without limitation, where

appropriate, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(v) In the event that any Intellectual Property included in the Collateral is materially infringed or misappropriated, Grantor shall promptly notify Agent after it learns thereof and shall, unless Grantor shall reasonably determine that such Intellectual Property is not of material economic value to Borrower, take such actions as Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property.

5. Limitation on Duties Regarding Preservation of Collateral. Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as Agent deals with similar property for its own account. Neither Agent nor any of its respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Grantor or any other person.

6. Remedies.

(a) If an Event of Default shall occur and be continuing, Agent may exercise, in addition to all other rights and remedies granted to it in this Intellectual Property Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Grantor or any person or entity (all and each of which demands, defenses, advertisements and notices are hereby waived), may forthwith collect, receive, appropriate or realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, license, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, exchange, broker's board or office of Agent or elsewhere upon such terms and conditions as it may deem advisable and at such prices it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Agent shall have the right upon any such public sale or sales, and to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Grantor, which right or equity is hereby waived or released. Grantor further agrees, at Agent's request upon the occurrence and during the continuance of an Event of Default, to assemble and make the Collateral available to Agent at places which Agent shall reasonably select, whether at Grantor's premises or elsewhere. To the extent permitted by applicable law, Grantor waives all claims, damages and demands it may acquire against Agent arising out of the exercise by it of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations, including the reasonable fees and disbursements of any attorneys employed by Agent to collect such deficiency.

(b) In addition to and as part of the rights set forth above, Grantor hereby agrees that if an Event of Default shall occur and be continuing, Grantor shall take all actions necessary,

appropriate or proper to transfer ownership of the Collateral or any part thereof to Agent or its assigns, including without limitation, filing any and all assignments with the PTO and/or the Copyright Office whether in the forms attached hereto as Exhibit A, Exhibit B and/or Exhibit C or such other form as is deemed necessary, appropriate or proper under the circumstances. Grantor hereby constitutes and appoints Agent (and any officer, employee or agent of Agent, with a full power of substitution) its true and lawful attorney and agent in fact to take, upon or after the occurrence of an Event of Default, any and all actions described in this subsection (b), in Agent's, Grantor's or Borrower's names, and at Borrower's sole cost and expense, Grantor covenants and agrees that any action described in this subsection (b) may be taken at Agent's sole and absolute discretion, at any time and from time to time, and that Grantor hereby ratifies and confirms all actions taken. Grantor further covenants and agrees that the powers-of-attorney granted by this Section (b) are coupled with an interest and shall be irrevocable until full and final payment and performance of the Obligations; that said powers are granted solely for the protection of Agent's interest and Agent shall have no duty to exercise any thereof; that the decision whether to exercise any such power, and the manner of exercise, shall be solely within Agent's discretion; and that neither Agent nor any of its directors, officers, employees or agents shall be liable for any act of omission or commission (except for acts or omissions which constitute the gross negligence or willful misconduct of Agent), or for any mistake or error of judgment, in connection with any such powers.

(c) No remedy referred to in this Intellectual Property Security Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Intellectual Property Security Agreement or otherwise available to Agent by agreement or at law or in equity. No express or implied waiver by Agent of any default or Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of Agent in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or reoccurrence of any such contingency or similar contingencies, and any single or partial exercise of any particular right by Agent shall not exhaust the same or constitute a waiver of any such right.

(d) Notwithstanding anything to the contrary contained herein or in the Agreement, Agent agrees that upon the exercise of any of its rights or remedies in respect of the Collateral whether arising hereunder, in the Agreement or at law and the receipt by Agent of proceeds as a result of such exercise shall result in Agent retaining the proceeds otherwise due to Borrower, Agent shall apply such proceeds to the Obligations.

7. Severability. Any provision of this Intellectual Property Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8. Section Headings. The Section headings used in this Intellectual Property Security Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

9. Waivers and Amendments; Successors and Assigns; Governing Law. None of the terms or provisions of this Intellectual Property Security Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Grantor and Agent,

provided that any provision of this Intellectual Property Security Agreement for the benefit of Agent may be waived by Agent in a written letter or agreement executed by Agent or by telex or facsimile transmission from and bearing the facsimile signature of Agent. This Intellectual Property Security Agreement shall be binding upon the successors and assigns of Grantor and shall inure to the benefit of Agent and its respective successors and assigns, except that Grantor may not assign, transfer or delegate any of its rights or obligations under this Intellectual Property Security Agreement without the prior written consent of Agent. This Intellectual Property Security Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New Jersey.

10. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and shall be made and deemed to have been duly given in the manner and at the time as provided for notices under the Agreement.

11. Submission To Jurisdiction; Waivers. (a) Grantor hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Intellectual Property Security Agreement, and any other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New Jersey, the courts of the United States of America for the District of New Jersey, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Grantor at its address set forth under Section 11 or at such other address of which Agent shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) Each of Grantor and Agent hereby unconditionally and irrevocably waives, to the maximum extent not prohibited by law, any right they may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

12. Acknowledgements. Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Intellectual Property Security Agreement, and the other Loan Documents to which it is a party;

(b) Agent has no fiduciary relationship with or duty to it or any other party arising out of or in connection with this Intellectual Property Security Agreement, the Agreement or any of the other Loan Documents, and the relationship between Agent, on one hand, and Borrower and Grantor, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby between Agent and Borrower.

13. Authority of Agent. Grantor acknowledges that the rights and responsibilities of Agent under this Intellectual Property Security Agreement with respect to any action taken by Agent or the exercise or non-exercise by Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Intellectual Property Security Agreement shall be governed by the Agreement and by such other agreement with respect thereto as may exist from time to time among them.

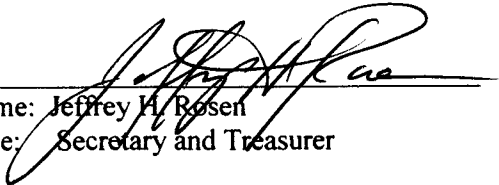
14. Incorporation of Security Agreement Provision. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Nothing in this Intellectual Property Security Agreement shall defer or impair any attachment or perfection of any security interest in the collateral covered by the Agreement which would attach or be perfected pursuant to the terms thereof without action by Grantor or any other person.

15. Release of Collateral and Termination. (a) At such time as the Obligations have been paid and performed in full, the Collateral shall be released from the liens created hereby, and this Intellectual Property Security Agreement and all obligations (other than those expressly stated to survive such termination) of Grantor to Agent under this Intellectual Property Security Agreement shall terminate, all without delivery of any instrument or performance or any act by any party, and all rights to the Collateral shall revert to Grantor. Upon request of Grantor following any such termination, Agent shall deliver (at the sole cost and expense of Grantor) to Grantor any Collateral held by Agent hereunder, and execute and deliver (at the sole cost and expense of Grantor) to Grantor such documents as Grantor shall reasonably request to evidence such termination.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

ROSE MOON, INC.

By: 
Name: Jeffrey H. Rosen
Title: Secretary and Treasurer

Grantor's Address for Notices:

Rose Moon, Inc.
6 Regent Street
Livingston, NJ 07039

Agreed to and Accepted:

PNC Bank, National Association, as Agent

By: _____
Name: Kenneth Kaestner
Title: Vice President

Agent's Address for Notices:

PNC Bank, National Association
Two Tower Center Boulevard
East Brunswick, New Jersey 08816

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

ROSE MOON, INC.

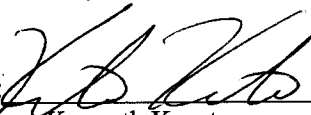
By: _____
Name: Jeffrey H. Rosen
Title: Secretary and Treasurer

Grantor's Address for Notices:

Rose Moon, Inc.
6 Regent Street
Livingston, NJ 07039

Agreed to and Accepted:

PNC Bank, National Association, as Agent

By:  _____
Name: Kenneth Kaestner
Title: Vice President

Agent's Address for Notices:

PNC Bank, National Association
Two Tower Center Boulevard
East Brunswick, New Jersey 08816

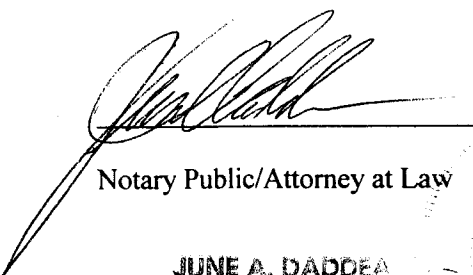
ACKNOWLEDGMENT

STATE OF NEW JERSEY)

) SS.:

COUNTY OF ESSEX)

BE IT REMEMBERED, that on this 22nd day of January, 2004, before me, the subscriber, personally appeared Jeffrey H. Rosen, who I am satisfied is Treasurer and Secretary of ROSE MOON, INC. and who executed the within Intellectual Property Security Agreement on behalf of such corporation and thereupon acknowledged that he signed, sealed and delivered the same as the voluntary act and deed of such corporation, for the purposes therein expressed.



Notary Public/Attorney at Law

JUNE A. DADDEA
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 9/24/2007

EXHIBIT A

ASSIGNMENT OF PATENTS

THIS ASSIGNMENT OF PATENTS is made as of the 14th day of November, 2003, by Rose Moon, Inc., a Tennessee corporation, having its principal place of business at 6 Regent Street, Livingston, New Jersey 07039 (hereinafter referred to as "Assignor").

WHEREAS, Assignor owns the entire right, title and interest in and to the following United States patents (the "Patents"), and the inventions described and claimed on Schedule 1.

WHEREAS, Assignor desires to transfer the Patents to PNC Bank, National Association, as agent for certain lenders, having a location at Two Tower Center Boulevard, East Brunswick, New Jersey 08816 (hereinafter referred to as "Assignee").

NOW, THEREFORE, for good and valuable consideration and the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which whereof is hereby acknowledged, Assignor does subject to the terms of the Intellectual Property Security Agreement by and between Assignor and Assignee of even date herewith hereby assign, transfer, sell, convey and settle unto Assignee, its successors, legal representatives and assigns, all of the right, title and interest in and to the Patents.

Assignor hereby warrants and covenants that it has the full power and authority to convey the rights, title and interests herein assigned, transferred and sold to Assignee, that it has not executed and will not execute any agreement in conflict herewith, and that it will not execute or procure the execution of any and all future assignments or other instruments which may be necessary to perfect and evidence Assignee's ownership of the property and rights herein conveyed.

1109175A05022604

IN WITNESS WHEREOF, Assignor has caused this Assignment of Patents to be executed
as of the day and year first above written.

ROSE MOON, INC.

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF _____)

) SS.:

COUNTY OF _____)

BE IT REMEMBERED, that on this ____ day of January, 2004, before me, the subscriber,
personally appeared _____, who I am satisfied is _____ of Rose Moon, Inc.
and who executed the within Assignment of Patents on behalf of such corporation and thereupon
acknowledged that he signed, sealed and delivered the same as the voluntary act and deed of such
corporation, for the purposes therein expressed.

Notary Public

SCHEDULE 1

PATENTS

<u>Patent Title</u>	<u>Federal Registration Number</u>	<u>Issue Date</u>
"Writing instruments with thermochromic liquid crystal coatings"	6,017,594	January 25, 2000
"Method for making thermochromic writing instruments using topically applied thermochromic pigments"	5,723,178	March 3, 1998
"Method for making thermochromic writing instruments"	5,698,263	December 16, 1997
"Method for making liquid crystal-coated thermochromic writing instruments"	5,695,834	December 9, 1997
"Method for making thermochromic writing instruments having a reptilian texture"	5,618,581	April 8, 1997
"Writing Aid"	4,832,604	May 23, 1989
"Writing Aid"	4,689,020	August 25, 1987
"Writing aid and method of teaching using the writing aid"	4,526,547	July 2, 1985

EXHIBIT B

ASSIGNMENT OF TRADEMARKS

THIS ASSIGNMENT OF TRADEMARKS is made as of the 14th day of November, 2003, by Rose Moon, Inc., a Tennessee corporation, having its principal place of business at 6 Regent Street, Livingston, New Jersey 07039 (hereinafter referred to as "Assignor").

WHEREAS, Assignor owns the entire right, title and interest in and to the following United States trademarks (the "Trademarks") set forth on Schedule 2.

WHEREAS, Assignor desires to transfer the Trademarks to PNC Bank, National Association, as agent for certain lenders, having a location at Two Tower Center Boulevard, East Brunswick, New Jersey 08816 (hereinafter referred to as "Assignee").

NOW, THEREFORE, for good and valuable consideration and the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which whereof is hereby acknowledged, Assignor does subject to the terms of the Intellectual Property Security Agreement by and between Assignor and Assignee of even date herewith hereby assign, transfer, sell, convey and settle unto Assignee, its successors, legal representatives and assigns, all of the right, title and interest in and to the Trademarks.

Assignor hereby warrants and covenants that it has the full power and authority to convey the rights, title and interests herein assigned, transferred and sold to Assignee, that it has not executed and will not execute any agreement in conflict herewith, and that it will not execute or procure the execution of any and all future assignments or other instruments which may be necessary to perfect and evidence Assignee's ownership of the property and rights herein conveyed.

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SCHEDULE 2

MARK	SERIAL NO.	REGISTRATION/FILING DATE	STATUS
FIREBURSTZ (& design)	78/074,628	July 18, 2001	Abandoned
FIREBURST	78/074,622	July 18, 2001	Abandoned
CRAYZONS & Design	78/065,041	May 22, 2001	Abandoned
INTERACTIVE	1,970,037	April 23, 1996	Cancelled
KOOL KLIX	78/074,625	July 18, 2001	Abandoned
REPTILE RITERS	2,015,006	November 12, 1996	Cancelled
S STYLUS & Design	1,736,481	December 1, 1992	Cancelled
SWIRL	1,106,088	November 14, 1978	Expired
COUNT-AWAY	1,673,550	January 28, 1992	Cancelled
KNOB NOTES (stylized)	73/777,686	January 30, 1989	Abandoned

<u>MARK</u>	<u>REGISTRATION NO.</u>	<u>REGISTRATION DATE</u>
CRAYZONS	2,621,450	September 17, 2002
MOONBEAMS	1,911,393	August 15, 1995
TRY-REX	2,165,665	June 16, 1998
SWIRL (Stylized)	659,361	March 11, 1958
STETRO	1,408,470	September 9, 1986
MOOD PENZ	2,080,592	July 22, 1997
COSMIC CRYSTALS	2,041,345	February 25, 1997

Pending:

<u>MARK</u>	<u>APPLICATION NO.</u>	<u>APPLICATION DATE</u>
CROWN CEDAR	76/384,230	March 19, 2002
WIZARDZ & RINGS	76/364,471	January 28, 2002

EXHIBIT C

ASSIGNMENT OF COPYRIGHTS

THIS ASSIGNMENT OF COPYRIGHTS is made as of the 14th day of November, 2003, by Rose Moon, Inc., a Tennessee corporation, having its principal place of business at 6 Regent Street, Livingston, New Jersey 07039 (hereinafter referred to as "Assignor").

WHEREAS, Assignor owns the entire right, title and interest in and to the following United States copyrights (the "Copyrights") set forth on Schedule 3.

WHEREAS, Assignor desires to transfer the Copyrights to PNC Bank, National Association, as agent for certain lenders, having a location at Two Tower Center Boulevard, East Brunswick, New Jersey 08816 (hereinafter referred to as "Assignee").

NOW, THEREFORE, for good and valuable consideration and the payment of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which whereof is hereby acknowledged, Assignor does subject to the terms of the Intellectual Property Security Agreement by and between Assignor and Assignee of even date herewith hereby assign, transfer, sell, convey and settle unto Assignee, its successors, legal representatives and assigns, all of the right, title and interest in and to the Copyrights.

Assignor hereby warrants and covenants that it has the full power and authority to convey the rights, title and interests herein assigned, transferred and sold to Assignee, that it has not executed and will not execute any agreement in conflict herewith, and that it will not execute or procure the execution of any and all future assignments or other instruments which may be necessary to perfect and evidence Assignee's ownership of the property and rights herein conveyed.

IN WITNESS WHEREOF, Assignor has caused this Assignment of Copyrights to be executed as of the day and year first above written.

ROSE MOON, INC.

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF _____)

) SS.:

COUNTY OF _____)

BE IT REMEMBERED, that on this ____ day of January, 2004, before me, the subscriber, personally appeared _____, who I am satisfied is _____ of Rose Moon, Inc. and who executed the within Assignment of Copyrights on behalf of such corporation and thereupon acknowledged that he signed, sealed and delivered the same as the voluntary act and deed of such corporation, for the purposes therein expressed.

SCHEDULE 3

TITLE	REGISTRATION NO.	REGISTRATION DATE	TYPE OF WORK
"Our God is an awesome God: no. 7942"	VA-1-088-467	April 6, 2001	Design on pencil
"Jesus [loves] the little children: no. 7957"	VA-1-088-468	April 6, 2001	Design on pencil
"Stars & stripes glitz: no. 7662"	VA-1-088-469	April 6, 2001	Design on pencil
"Congratulations honor roll: no. 7926"	VA-1-088-470	April 6, 2001	Design on pencil
"Teacher's pencil: no. 7800"	VA-1-110-012	June 13, 2001	Design on pencil
"Smiley faces: no. 7762"	VA-1-088-448	April 6, 2001	Design on pencil
"In the groove asst.: no. 7703"	VA-1-088-449	April 6, 2001	Design on pencil
"Conversation hearts asst.: no. 7718"	VA-1-088-450	April 6, 2001	Design on pencil
"Happy birthday glitz: no. 7940"	VA-1-088-451	April 6, 2001	Design on pencil
"Snowflakes glitz asst: no. 7659".	VA-1-088-452	April 6, 2001	Design on pencil
"Candy corn glitz: no. 7693"	VA-1-088-453	April 6, 2001	Design on pencil
"Antics asst.: no. 2064"	VA-1-088-454	April 6, 2001	Design on pencil
Dogs asst.: no. 2069"	VA-1-088-455	April 6, 2001	Design on pencil
"Butterflies asst.: no.	VA-1-088-456	April 6, 2001	Design on pencil

TITLE	REGISTRATION NO.	REGISTRATION DATE	TYPE OF WORK
2063"			
"Bug off] Asst.: no. 2062"	VA-1-088-457	April 6, 2001	Design on pencil
"Arachnophobia asst.: no. 2061"	VA-1-088-458	April 6, 2001	Design on pencil
"Odd balls asst.: no. 2058"	VA-1-088-459	April 6, 2001	Design on pencil
"Frogs] Asst.: no. 2067"	VA-1-088-460	April 6, 2001	Design on pencil
"Tie dye asst.: no. 2050"	VA-1-088-461	April 6, 2001	Design on pencil
"Accelerated reader: no. 7880"	VA-1-088-462	April 6, 2001	Design on pencil
"Great minds think for themselves: no. 7948"	VA-1-088-463	April 6, 2001	Design on pencil
"Party stars asst.: no. 2088"	VA-1-088-464	April 6, 2001	Design on pencil
"[Peace sign]: no. 1500"	VA-1-088-465	April 6, 2001	Design on pencil
"[Yin yang]: No. 1500"	VA-1-088-466	April 6, 2001	Design on pencil
"Moon Products, Inc. creatively geared for the 21 st Century"	VA-1-088-466	April 6, 2001	Sales catalog
"Sixth graders are No. 1: no. 7866"	VA-1-109-994	June 13, 2001	Design on pencil
"Fifth graders are No. 1: no. 7865"	VA-1-109-995	June 13, 2001	Design on pencil
"Second graders are No. 1: no. 7862"	VA-1-109-996	June 13, 2001	Design on pencil
"Third graders are No. 1: no. 7861"	VA-1-109-997	June 13, 2001	Design on pencil

<u>TITLE</u>	<u>REGISTRATION NO.</u>	<u>REGISTRATION DATE</u>	<u>TYPE OF WORK</u>
"First graders are No. 1: no. 7861"	VA-1-109-998	June 13, 2001	Design on pencil
"Fourth graders are No. 1: no. no.7864"	VA-1-109-999	June 13, 2001	Design on pencil
"Kindergartners are No. 1: no. 7860"	VA-1-110-000	June 13, 2001	Design on pencil
"Smiley bunch asst.: no. 2054"	VA-1-110-001	June 13, 2001	Design on pencil
"Hearts: no. 10086"	VA-1-110-002	June 13, 2001	Design on pencil
"Ghosts: no 7851"	VA-1-110-003	June 13, 2001	Design on pencil
"Hands on asst. 1: no 7736"	VA-1-110-004	June 13, 2001	Design on pencil
"Flower: no. 7602"	VA-1-110-005	June 13, 2001	Design on pencil
"Caught doing good: no. 7898."	VA-1-110-006	June 13, 2001	Design on pencil
"Excellent work: no. 7906"	VA-1-110-007	June 13, 2001	Design on pencil
"Honor roll: no. 7924"	VA-1-110-008	June 13, 2001	Design on pencil
"Super reader: no. 7896"	VA-1-110-009	June 13, 2001	Design on pencil
"Academic all-star: no. 7949"	VA-1-110-010	June 13, 2001	Design on pencil
"Apples: no. 7854"	VA-1-110-011	June 13, 2001	Design on pencil
"Teacher's pencil: no. 7800"	VA-1-110-012	June 13, 2001	Design on pencil
"Attendance award: no. 7910"	VA-1-110-013	June 13, 2001	Design on pencil
"Welcome to school: no 7912"	VA-1-110-014	June 13, 2001	Design on pencil