

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

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

Tab settings $\Rightarrow \Rightarrow \Rightarrow$

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

<p>1. Name of conveying party(ies): FLEET RETAIL GROUP, INC. (f/k/a Fleet Retail Finance Inc.)</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <u>DELAWARE</u> <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies)</p> <p>Name: <u>FAO, Inc.</u> Internal Address: _____ Address: _____</p> <p>Street Address: <u>2520 Renaissance Blvd.</u> City: <u>King of Prussia</u> State: <u>PA</u> Zip: <u>19406</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State <u>Delaware</u> <input type="checkbox"/> Other _____</p> <p><small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</small></p>
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<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Release of Security Interest</u></p> <p>Execution Date: <u>01/30/04</u></p>	
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<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) <u>78/217,728</u> <u>78/225,346</u></p>	<p>B. Trademark Registration No.(s) <u>2,747,625;</u> <u>1,922,215; 2,330,455; 2,299,292</u></p>
Additional number(s) attached <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>Kurt Koenig, Esq.</u> Internal Address: <u>Koenig & Associates</u> _____ _____ Street Address: <u>220 E. Figueroa Street</u> _____ City: <u>Santa Barbara</u> State: <u>CA</u> Zip: <u>93101</u></p>	<p>6. Total number of applications and registrations involved: 27</p> <p>7. Total fee (37 CFR 3.41).....\$ <u>690.00</u></p> <p><input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____</p>
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DO NOT USE THIS SPACE

9. Signature.

ELIZABETH A. LINFORD *Elizabeth Linford* April 30, 2004
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 6

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

OP \$690.00 78217728

Continuation Page – Recordation Form Cover Sheet

2. Name and Address of Receiving Parties:

FAO Schwarz, Inc. (f/k/a Toy Soldier, Inc.)
2520 Renaissance Blvd.
King of Prussia, PA 19406 USA

A Delaware Corporation

4A. Trademark Application Numbers:

75/817,740
76/210,102
76/302,930
76/211,038

4B. Trademark Registration Numbers:

2,303,364
2,278,187
2,483,794
2,483,802
2,446,326
2,607,083
2,581,598
2,604,107
2,604,204
2,787,938
2,787,939
2,538,169
2,510,448
2,662,322
2,597,839
2,561,810
2,056,369

RELEASE OF GRANT OF SECURITY INTEREST IN TRADEMARKS

THIS RELEASE OF GRANT OF SECURITY INTEREST IN TRADEMARKS (the "Release") is entered into as of this 30 th day of January, 2004 by Fleet Retail Group, Inc., formerly known as Fleet Retail Finance Inc., in its capacity as administrative and collateral agent (in such capacity, together with its successor and assigns, the "Agent") for the benefit of the various financial institutions who are from time to time Lenders under the Credit Agreement described below (the Agent and the Lenders collectively the "Secured Parties"), a Delaware corporation with a place of business at 40 Broad Street, Boston, MA 02109, and FAO, Inc., a Delaware corporation with a place of business at 2520 Renaissance Boulevard, King of Prussia, PA, 19406, USA and FAO Schwarz, Inc., a Delaware corporation (formerly known as Toy Soldier, Inc. and successor to the interests of FAO Schwarz, a New York corporation) with a place of business at 2520 Renaissance Boulevard, King of Prussia, PA, 19406, USA (collectively, "Borrowers").

WITNESSETH:

WHEREAS, pursuant to a Loan and Security Agreement (as the same may have been amended, restated, renewed, replaced, supplemented or otherwise modified, the "Credit Agreement"), a Trademark Security Agreement, and a Short-Form Trademark Security Agreement, all dated as of April 23, 2003, by and among Borrowers, certain affiliates of Borrowers and Secured Parties, Borrowers granted to Secured Parties a security interest in certain trademarks, including those trademarks set forth in Schedule A hereto (the "Trademarks"), together with the goodwill of the business associated with and symbolized by the Trademarks;

WHEREAS, the Short-Form Trademark Security Agreement was recorded on behalf of the Secured Parties in the United States Patent and Trademark Office ("PTO") on May 5, 2003, at Reel 2722, Frame 0715;

WHEREAS, in furtherance of Borrowers' sale and assignment of the Trademarks and the goodwill of the business connected therewith free and clear of claims and liens Borrowers have requested that Secured Parties: (a) terminate and release the liens and interests of Secured Parties in the Trademarks and the goodwill of the business connected therewith; and (b) execute and deliver evidence of such termination and release for filing in the PTO; and


NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent hereby acknowledges and agrees as follows:

Acknowledgment of Termination of Grant of Security Interest in Trademarks. All rights and security interests of Secured Parties in and to the Trademarks and the goodwill of the business associated with and symbolized by the Trademarks have been terminated and released and are no longer in force.

All such rights and security interests of Secured Parties attach to the proceeds of the sale of the Trademarks and the goodwill of the business associated with and symbolized by the Trademarks.

IN WITNESS WHEREOF, Agent has caused this Release to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

FLEET RETAIL GROUP, INC., as Agent
(f/k/a Fleet Retail Finance Inc.)


By: 

Name: Christine M. Scott

Title: Vice President

COMMONWEALTH OF Massachusetts)
COUNTY OF Suffolk) ss:

On this 30th day of January, 2004, personally appeared before me Christine M. Scott, known to me to be Vice President of Fleet Retail Group, Inc., who acknowledged that he/she signed this instrument as a free act on behalf of Fleet Retail Group, Inc.


Notary Public

SCHEDULE A**Trademarks and Service Marks and Registrations and Applications Therefor**

Trademark	Owner	App. No.	Reg. No.	Country
F.A.O. SCHWARZ	F.A.O., Inc.	2195774		CTM
F.A.O. SCHWARZ	F.A.O. Schwarz	2345877		Argentina
F.A.O. SCHWARZ	F.A.O. Schwarz	2345876		Argentina
F.A.O. SCHWARZ	F.A.O. Schwarz	822089610		Brazil
F.A.O. SCHWARZ	F.A.O. Schwarz	822089629		Brazil
F.A.O. SCHWARZ	F.A.O. Schwarz	822089637		Brazil
F.A.O. SCHWARZ	F.A.O. Schwarz	2220389	557951	Italy
F.A.O. SCHWARZ	F.A.O. Schwarz	H10-045234	2356040	Japan
F.A.O. SCHWARZ	F.A.O. Schwarz	483517	749271	Mexico
F.A.O. SCHWARZ	F.A.O. Schwarz	483518	749272	Mexico
FAO EXPRESS	FAO, Inc.	78217728		USA
FAO SCOOPS	FAO, Inc.	78225346		USA
KNUCKLES	FAO Schwarz, Inc.	75817753	2747625	USA
F.A.O. SCHWARZ	Toy Soldier, Inc.	F37652 28WZ	1159785	Germany
F.A.O. SCHWARZ	Toy Soldier, Inc.	1691624	1691624	France
F.A.O. SCHWARZ	Toy Soldier, Inc.	2168113	2168113	UK
ROCKING HORSE LOGO (Design Only)	Toy Soldier, Inc.	2168108	2168108	UK
PATRICK THE PUP	Toy Soldier, Inc.	74577108	1922215	USA
TRUFFLES	Toy Soldier, Inc.	74614900	2330455	USA
FAO SCHWARZ	Toy Soldier, Inc.	75392023	2299292	USA
DESIGN ONLY	Toy Soldier, Inc.	75392024	2303364	USA

(ROCKING HORSE)				
F.A.O. SCHWEETZ	Toy Soldier, Inc.	75567154	2278187	USA
SKIDADDLE	Toy Soldier, Inc.	75817740		USA
DESIGN ONLY (ROCKING HORSE)	Toy Soldier, Inc.	75980751	2483794	USA
FAO SCHWARZ	Toy Soldier, Inc.	75980833	2483802	USA
F.A.O BABY & DESIGN (FOOTPRINT)	Toy Soldier, Inc.	76011178	2446326	USA
F.A.O. SCHWARZ HOTEL	Toy Soldier, Inc.	76210102		USA
FAO GIRL	Toy Soldier, Inc.	76210926	2607083	USA
FAO UNIVERSITY	Toy Soldier, Inc.	76211050	2581598	USA
F.A.O. SCHWARZ THE ULTIMATE TOY CATALOGUE	Toy Soldier, Inc.	76211249	2604107	USA
F.A.O. SCHWARZ FUN AT ART	Toy Soldier, Inc.	76228084	2604204	USA
CHUCK THE TOY BOY	Toy Soldier, Inc.	76228095	2787938	USA
TOY BOY	Toy Soldier, Inc.	76230174	2787939	USA
F.A.O. SCHWARZ FIFTH AVENUE & Sitting Toy Soldier Design	Toy Soldier, Inc.	76238883	2538169	USA
DESIGN ONLY (SITTING TOY SOLDIER)	Toy Soldier, Inc.	7623885	2510448	USA
F.A.O. SCHWARZ FIFTH AVENUE	Toy Soldier, Inc.	76302929	2662322	USA
FAO BABY & Design	Toy Soldier, Inc.	76302930		USA
FAO BABY & DESIGN	Toy Soldier, Inc.	76302931	2597839	USA
FAO BABY	Toy Soldier, Inc.	76302932	2561810	USA
FAO SCHWARZ	F.A.O. Schwarz	3079 99 RM		Italy
FIX AT ONCE	Toy Soldier, Inc.	76211038		USA
BOOKMONSTER	Toy Soldier, Inc.	75975548	2056369	USA