

08-18-2004

Form PTO-1594 (Rev. 06/04)  
OMB Collection 0651-0027 (exp. 6/30/2005)



U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

8-13-04

REC 102816306  
TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Magic Cards International, Inc.

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

Citizenship (see guidelines) Florida

Execution Date(s) July 1, 2004

Additional names of conveying parties attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached?  Yes  No

Name: Celebrity Cards International, Inc

Internal Address: #208

Street Address: 1901 Harrison Street

City: Hollywood

State: Florida

Country: U.S.A. Zip: 33020

- Association Citizenship
- General Partnership Citizenship
- Limited Partnership Citizenship
- Corporation Citizenship Florida
- Other Citizenship

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

(1) 7431834

B. Trademark Registration No.(s)

(1) 1796493

Additional sheet(s) attached?  Yes  No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

(1) THE MAGIC CARD; Typed Drawing

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

Name: Judith A. Jarvis

Internal Address: Suite 200

Street Address: 1260 East Oakland Park Blvd.

City: Fort Lauderdale.

State: Florida Zip: 33334

Phone Number: (954) 677-7730

Fax Number: (954) 677-7745

Email Address: JJARVIS@JAJPA.COM

6. Total number of applications and registrations involved:

Four (4)

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$115.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_  
Authorized User Name \_\_\_\_\_

9. Signature:

Judith A. Jarvis  
Signature

8-12-04  
Date

Judith A. Jarvis  
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 15

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

08/17/2004 0000132 7431834  
49.00 OP  
49.00 OP  
02 FEB 2005

TRADEMARK  
REEL: 003028 FRAME: 0493

SCHEDULE 1

TRADEMARKS

| <u>Mark</u>     | <u>Application No.</u> | <u>Application Date</u> | <u>Registration No.</u> | <u>Registration Date</u> |
|-----------------|------------------------|-------------------------|-------------------------|--------------------------|
| THE MAGIC CARD  | 75/569323              | October 12, 1998        | 2,830,255               | April 6, 2004            |
| THE MAGIC CARD  | 74/313834              | September 4, 1992       | 1,796,493               | October 5, 1993          |
| MAGIC CASH CARD | 78/322,944             | November 4, 2003        |                         |                          |
| MAGIC CASH      | 76/593,125             | May 18, 2004            |                         |                          |

DOMAIN NAMES

Name: www.themagiccard.net

## SECURITY AGREEMENT

SECURITY AGREEMENT dated as of July 1, 2004 between Magic Cards International, Inc., a Florida corporation with its principal place of business at 2424 N. Federal Highway, Suite 411, Boca Raton, FL 33431 ("Pledgor") and Celebrity Cards International, Inc., a Florida corporation with its principal place of business at 1901 Harrison Street, Suite 208, Hollywood, FL 33020 ("Pledgee").

WHEREAS, the Pledgor and Pledgee are parties to that certain Settlement, Confidentiality and General Release, dated as of July 1, 2004 (as amended and in effect from time to time, the "Settlement Agreement"), between, among others, the Pledgor and Pledgee; and

WHEREAS, pursuant to Paragraph 3.C of the Settlement Agreement, MCII is to secure the Settlement Sum under the Settlement Agreement and related documents with certain trademarks and domain names listed on Schedule 1 attached hereto and made a part hereof ("Conditionally Assigned Marks") including any and all rights to any applications for the Conditionally Assigned Marks together with that part of the goodwill of Pledgor's business conducted under or otherwise symbolized by the Conditionally Assigned Marks and including all common law rights, all recordations, registrations and applications to the Conditionally Assigned Marks worldwide including all claims and rights associated with the Conditionally Assigned Marks including the right to bring and maintain actions for past, present and future infringement;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

### 1. DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Settlement Agreement. In addition, the following terms shall have the meanings set forth in this §1 or elsewhere in this Security Agreement referred to below:

Associated Goodwill. All goodwill of the Pledgor and its business, products and services appurtenant to, associated with or symbolized by the Conditionally Assigned Marks and the use thereof.

Events of Default. Any one or more of the following events shall constitute an Event of Default under this Security Agreement.

1. Payment Default. If MCII fails to pay Settlement Sum when due under the Settlement Agreement and such failure is not cured within three (3) calendar days;

2. Attachment. If any of the Pledged Collateral is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within twenty (20) days, or if a judgment or other claim becomes a lien or encumbrance upon the Pledged Collateral and the same is not removed within twenty (20) days, provided that none of the foregoing shall constitute an Event of Default where such action or event is stayed or an adequate bond has been posted pending a good faith contest by MCII; or
3. Insolvency. If an Insolvency Proceeding is commenced by MCII, or if an Insolvency Proceeding is commenced against MCII and is not dismissed or stayed within sixty (60) days.

Insolvency Proceeding. Any proceeding commenced by or against any person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

Pending. With respect to any claim, action, suit, proceeding or investigation of a party or a party's interest in the Pledged Collateral, that such party has been sued or initially notified with respect to such claim, action, suit, proceeding or investigation and such action, suit, proceeding or investigation has not been dismissed, completed or terminated.

Pledged Collateral. All of the Pledgor's right, title and interest in and to all of the Conditionally Assigned Marks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Security Agreement. This Security Agreement, as amended and in effect from time to time.

Trademark License Rights. Any and all present or future rights and interests of the Pledgor pursuant to any and all present and future franchising or licensing agreements in favor of the Pledgor, or to which the Pledgor is a party, pertaining to any Conditionally Assigned Marks, Trademark Registrations, or Trademark Rights owned or used by third parties in the present or future, including the right (but not the obligation) in the name of the Pledgor or Pledgee to enforce, and sue and recover for, any breach or violation of any such agreement to which the Pledgor is a party.

Trademark Registrations. All present or future federal, state, local and foreign registrations of the Conditionally Assigned Marks, all present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Pledgor or Pledgee, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all present or future rights in, to and associated with the Conditionally Assigned Marks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition proceedings, cancellation proceedings, or similar proceedings in the name of the Pledgor or Pledgee for any and all past, present and future infringements or dilution of or any other damages or injury to the Conditionally Assigned Marks, the Trademark Registrations, or the Associated Goodwill, and the right to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and all such rights arising out of the Trademark License Rights.

Use. With respect to any Conditionally Assigned Marks, all uses of such Conditionally Assigned Marks by, for or in connection with the Pledgor or its business or for the direct or indirect benefit of the Pledgor or its business, including all such uses by the Pledgor itself, by any of the affiliates of the Pledgor, or by any franchisee, licensee or contractor of the Pledgor.

Notwithstanding anything to the contrary in the foregoing, the terms "Trademark Registrations", "Trademark Rights", "Trademark License Rights" and "Conditionally Assigned Marks", as used herein, shall include rights and interests under licensing agreements pursuant to which Pledgor is the licensee, and the trademarks licensed thereunder, only to the extent that the grant of security interest in such rights and interests (as contemplated by this Security Agreement) would not result in a breach of the terms of or constitute a default under any such licensing agreement.

## **2. GRANT OF SECURITY INTEREST.**

**2.1. Security Interest.** As collateral security for the payment and performance in full of the Settlement Sum pursuant to the Settlement Agreement ("Obligations"), the Pledgor hereby unconditionally grants to Pledgee a continuing security interest in and first priority lien on the Pledged Collateral and pledges and mortgages (but does not presently assign or transfer title to) the Pledged Collateral to Pledgee.

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

The Pledgor represents, warrants and covenants that: (i) the Conditionally Assigned Marks and Trademark Registrations owned by Pledgor are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding Pending concerning infringement, validity or enforceability concerning such Conditionally Assigned Marks or Trademark Registrations; (ii) to the best of the Pledgor's knowledge, each of the Conditionally Assigned Marks and Trademark Registrations is valid and enforceable; (iii) the Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Conditionally Assigned Marks (other than ownership and other rights reserved by third parties with respect to Conditionally Assigned Marks that the Pledgor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by the Pledgor not to sue third persons, other than the security interest created by this Security Agreement; (iv) the Pledgor has the unqualified right to enter into this Security Agreement and to perform its terms; (v) this Security Agreement will create in favor of Pledgee a valid and perfected first priority security interest in the Pledged Collateral under the Uniform Commercial Code as in effect in the State of

Florida upon making the filings referred to in clause (vi) of this §3; and (vi) except for the filing of financing statements with the Secretary of State of the State of Florida under the Uniform Commercial Code and the recording of this Security Agreement with the PTO and except for any filings which may be required in jurisdictions outside the United States, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (a) for the grant by the Pledgor or the effectiveness of the security interest granted hereby or for the execution, delivery and performance of this Security Agreement by the Pledgor, or (b) for the perfection of or the exercise by Pledgee of any of its rights and remedies hereunder.

#### **4. NO SENIOR INTEREST OR INCONSISTENT AGREEMENTS.**

Without Pledgee's prior written consent, except to the extent expressly permitted hereunder, the Pledgor will not (i) grant any security interest in the Pledged Collateral that is senior to or *pari passu* with the security interest of the Pledgee, or (ii) enter into any agreement that is inconsistent with the Pledgor's obligations under this Security Agreement.

#### **5. TRADEMARK PROTECTION.**

**5.1. Pledgor Responsible.** The Pledgor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Pledged Collateral.

**5.2. Pledgor's Maintenance Rights, etc.** The Pledgor shall have the right (but not the obligation) to preserve and maintain all rights in the Conditionally Assigned Marks and Trademark Registrations, including the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of the Conditionally Assigned Marks or Trademark Registrations; provided however that if the Pledgor does not intend to exercise its right under this Section 5.2 with respect to any of the Conditionally Assigned Marks and/or Trademark Registrations, the Pledgor will notify, and assign the applicable Conditionally Assigned Mark(s) and/or Trademark Registration(s) to, the Pledgee at least ten (10) Business Days prior to any deadline or due date associated with preserving or maintaining all rights in the affected Conditionally Assigned Mark(s) and/or Trademark Registration(s). Any expenses incurred in connection with Pledgor's exercise of its right shall be borne by the Pledgor. Any expenses incurred in connection with Conditionally Assigned Mark(s) and/or Trademark Registration(s) assigned to the Pledgee shall be borne by the Pledgee.

**5.3. Pledgor's Enforcement Rights.** The Pledgor shall have the right (but not the obligation) to bring suit or other action in the Pledgor's own name to maintain and enforce the Conditionally Assigned Marks, the Trademark Registrations and the Trademark Rights.

**5.4. Protection of Conditionally Assigned Marks, etc.** In general and except as permitted under Section 5.2, the Pledgor shall, using its reasonable business judgment, take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be reasonably necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Pledged Collateral. The Pledgor shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Pledged Collateral, except as provided under Section 5.2.

**5.5. Notification by Pledgor.** Promptly upon an officer of Pledgor obtaining knowledge thereof, the Pledgor will notify Pledgee in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Conditionally Assigned Marks or Trademark Registrations or the Pledgor's rights, title or interests in and to the Pledged Collateral, and of any event that does or reasonably could materially adversely affect the ability of the Pledgor or Pledgee to dispose of any of the Pledged Collateral or the rights and remedies of Pledgee in relation thereto (including but not limited to the levy of any legal process against any of the Pledged Collateral).

## **6. REMEDIES.**

Upon the occurrence and during the continuance of an Event of Default, then upon notice to the Pledgor, Pledgee shall have, in addition to all other rights and remedies given it by this Security Agreement, the Settlement Agreement, and the other related documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Florida, and, without limiting the generality of the foregoing, Pledgee may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Pledgor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Collateral, or any interest that the Pledgor may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Collateral all expenses incurred by Pledgee in attempting to enforce this Security Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Settlement Sum. Notice of any sale, license or other disposition of the Pledged Collateral shall be given to the Pledgor at least five (5) Business Days before the time that any intended public sale or other public disposition of the Pledged Collateral is to be made or after which any private sale or other private disposition of the Pledged Collateral may be made, which the Pledgor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, Pledgee may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Collateral or interests therein sold, licensed or otherwise disposed of.

## **7. COLLATERAL PROTECTION.**

If the Pledgor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Pledgor shall be breached, and in either case an Event of Default has occurred and is continuing, Pledgee, in its own name or that of the Pledgor (in the sole discretion of Pledgee), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Pledgor agrees promptly to reimburse Pledgee for any cost or expense incurred by Pledgee in so doing.

## **8. POWER OF ATTORNEY.**

If any Event of Default shall have occurred and be continuing, the Pledgor does hereby make, constitute and appoint Pledgee (and any officer or agent of Pledgee as Pledgee may select in its exclusive discretion) as the Pledgor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the Pledgor's name on all applications, documents, papers and instruments necessary for Pledgee to use the Pledged Collateral, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Collateral to any third person, or to

take any and all actions necessary for Pledgee to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Collateral or any interest of the Pledgor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that the Pledgor is obligated to execute and do hereunder. This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Security Agreement.

#### **9. FURTHER ASSURANCES.**

The Pledgor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as Pledgee may reasonably request or as may be necessary in order to implement the provisions of this Security Agreement or to assure and confirm to Pledgee the grant, perfection and priority of Pledgee's security interest in the Pledged Collateral.

#### **10. TERMINATION.**

At such time as the Settlement Sum has been finally paid and satisfied in full, this Security Agreement shall terminate and Pledgee shall, promptly and in any event within five (5) Business Days of request from the Pledgor, execute and deliver to the Pledgor all deeds, assignments and other instruments as may be necessary or proper to re-vest in the Pledgor the entire right and interest to the Pledged Collateral previously granted to Pledgee by the Pledgor pursuant to this Security Agreement, as fully as if this Security Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by Pledgee in accordance herewith.

#### **11. COURSE OF DEALING.**

No course of dealing between the Pledgor and Pledgee, nor any failure to exercise, nor any delay in exercising, on the part of Pledgee, any right, power or privilege hereunder or under the Security Agreement or any other agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

#### **12. EXPENSES.**

Any and all fees, costs and expenses, of whatever kind or nature incurred by Pledgee in relation to the Pledged Collateral or the Security Agreement shall be borne and paid by the Pledgor.

#### **13. OVERDUE AMOUNTS.**

Until paid, all amounts due and payable by the Pledgor hereunder shall be a debt secured by the Pledged Collateral and shall bear, whether before or after judgment, interest at the rate of 18% per annum, but in no event greater than the highest rate allowed by applicable law.



#### **14. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.**

THE PLEDGOR SHALL INDEMNIFY PLEDGEE FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES ("LOSSES"), INCURRED BY PLEDGEE IN ITS CAPACITY AS SECURED PARTY, WITH RESPECT TO ANY CLAIM OR CLAIMS BROUGHT BY THIRD PARTIES REGARDING THE PLEDGOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PLEDGED COLLATERAL OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE.

#### **15. NOTICES.**

All notices and other communications made or required to be given pursuant to this Security Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, or sent by telecopy and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Pledgor, at 2424 N. Federal Highway, Suite 411, Boca Raton, FL 33431, fax no. 561-391-8856, or at such other address or fax number for notice as the Pledgor shall last have furnished in writing to the person giving the notice; and

(b) if to Pledgee, at 1901 Harrison Street, Suite 250, Hollywood, FL 33020, fax no. \_\_\_\_\_, or at such other address or fax number for notice as Pledgee shall last have furnished in writing to the person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (ii) if sent by registered or certified first-class mail, postage prepaid, three (3) Business Days after the posting thereof, and (iii) if sent by telecopy, at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

#### **16. AMENDMENT AND WAIVER.**

This Security Agreement is subject to modification only by a writing signed by Pledgee and the Pledgor. Neither party shall be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by it. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

#### **17. GOVERNING LAW; CONSENT TO JURISDICTION.**

**THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA.** Each of the Pledgor and Pledgee agrees that any suit for the enforcement of this Security Agreement may be brought in the courts of the State of Florida sitting in Palm Beach County, or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon it by mail at the address specified in §15.

Each of the Pledgor and Pledgee hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

**18. MISCELLANEOUS.**

The headings of each section of this Security Agreement are for convenience only and shall not define or limit the provisions thereof. This Security Agreement and all rights and obligations hereunder shall be binding upon the Pledgor and its respective successors and assigns, and shall inure to the benefit of Pledgee and its successors and assigns. In the event of any irreconcilable conflict between the provisions of this Security Agreement and the Settlement Agreement, the provisions of the Settlement Agreement shall control. If any term of this Security Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Security Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, this Security Agreement has been executed as of the day  
d year first above written.

Pledgor:

MAGIC CARDS INTERNATIONAL, INC.

By: Kenneth S. Pollock  
Name: KENNETH S. POLLOCK  
Title: Director

Pledgee:

CELEBRITY CARDS INTERNATIONAL,  
INC.

By: \_\_\_\_\_  
Name:  
Title:

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF FLORIDA )  
 ) SS.  
COUNTY OF PAUM BEACH )

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this [ 2 ] day of [ JULY ], 2004, personally appeared [ Greg S. Patis ] to me known personally, and who, being by me duly sworn, deposes and says that he is the [ Director ] of Magic Cards International, Inc., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said [ he ] acknowledged said instrument to be the free act and deed of said corporation.

*[Handwritten Signature]*

Notary Public

My commission expires:




Susan J. Brotman  
Commission # DE 006231  
Expires April 16, 2005  
Bonded Thru  
Atlantic Bonding Co., Inc.

**IN WITNESS WHEREOF**, this Security Agreement has been executed as of the day and year first above written.

Pledgor:

MAGIC CARDS INTERNATIONAL, INC.

By:  \_\_\_\_\_  
Name:

Title:

Pledgee:

CELEBRITY CARDS INTERNATIONAL,  
INC.

By: Reed Wallace  
Name:

Title: Vice - Chairman

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Florida )  
COUNTY OF Broward ) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 2<sup>nd</sup> day of July, 2004, personally appeared [ ] to me known personally, and who, being by me duly sworn, deposes and says that he is the Owner of Magic Cards International, Inc., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said [ ] acknowledged said instrument to be the free act and deed of said corporation.

*[Handwritten Signature]*

Notary Public

My commission expires:

