

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Paragon Gifts Holdings Inc., The		03/28/2005	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Sovereign Bank		
Street Address:	One Financial Plaza		
City:	Providence		
State/Country:	RHODE ISLAND		
Postal Code:	02903		
Entity Type:	National Bank:		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	2832208	PRACTICA	
Registration Number:	2513330	PRACTICA	
Registration Number:	2226187	PRACTICA	
CORRESPONDENCE DATA			
Fax Number:	(888)325-9188		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	4012766629		
Email:	trademark@edwardsangell.com		
Correspondent Name:	Efrosyni Iosiphidis		
Address Line 1:	PO Box 55874		
Address Line 4:	Boston, MASSACHUSETTS 02205		
NAME OF SUBMITTER:	Efrosyni Iosiphidis		
Signature:	/Efrosyni Iosiphidis/		
Date:	05/16/2005		

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Total Attachments: 6

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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of March 28, 2005, by THE PARAGON GIFTS HOLDINGS INC., a Delaware corporation (the "Debtor"), to and with SOVEREIGN BANK, a federal savings bank (the "Secured Party").

RECITALS

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

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

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

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

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

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

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

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

2.4. The Debtor is the sole and exclusive owner of the entire right, title and interest in and to the Collateral, free and clear of any lien, security interest or other encumbrances, including without limitation, pledges, assignments, licenses, registered user agreements and covenants by the Debtor not to sue third persons (other than the security interest granted hereby and any of the foregoing entered into in the ordinary course of business).

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

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

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

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

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

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

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

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

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

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

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

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

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

6. **General.**

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

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

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

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

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


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

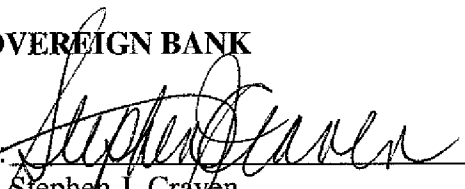
7. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

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

**THE PARAGON GIFTS HOLDINGS
INC.**

By: 
Richard T. Hebert
President and CEO

SOVEREIGN BANK
By: 
Stephen J. Craven
Senior Vice President

SCHEDULE A

TRADEMARKS

TRADEMARK	REGISTRATION NO.	FILING DATE
PRACTICA	2832208	4/13/04
PRACTICA	2513330	11/27/01
PRACTICA	2226187	2/23/99