

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT																																													
NATURE OF CONVEYANCE:	SECURITY INTEREST																																													
CONVEYING PARTY DATA																																														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 30%;">Name</th> <th style="width: 30%;">Formerly</th> <th style="width: 20%;">Execution Date</th> <th style="width: 20%;">Entity Type</th> </tr> <tr> <td>ROSE ART INDUSTRIES, INC.</td> <td></td> <td>07/26/2005</td> <td>CORPORATION: NEW JERSEY</td> </tr> </table>	Name	Formerly	Execution Date	Entity Type	ROSE ART INDUSTRIES, INC.		07/26/2005	CORPORATION: NEW JERSEY																																						
Name	Formerly	Execution Date	Entity Type																																											
ROSE ART INDUSTRIES, INC.		07/26/2005	CORPORATION: NEW JERSEY																																											
RECEIVING PARTY DATA																																														
Name:	BANK OF NOVA SCOTIA, AS ADMINISTRATIVE AGENT																																													
Street Address:	1002 Sherbrooke Street West																																													
Internal Address:	9th Floor																																													
City:	Montreal, Quebec H3A 3L6																																													
State/Country:	CANADA																																													
Entity Type:	A CANADIAN CHARTERED BANK:																																													
PROPERTY NUMBERS Total: 20																																														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 20%;">Property Type</th> <th style="width: 20%;">Number</th> <th style="width: 60%;">Word Mark</th> </tr> <tr><td>Registration Number:</td><td>2900883</td><td>THINK SMART ROSE ART</td></tr> <tr><td>Registration Number:</td><td>2016492</td><td>FUZZY</td></tr> <tr><td>Registration Number:</td><td>2498335</td><td>FUZZY</td></tr> <tr><td>Registration Number:</td><td>1914886</td><td>FUZZY POSTERS</td></tr> <tr><td>Registration Number:</td><td>2852063</td><td>MAGNETIX</td></tr> <tr><td>Registration Number:</td><td>2856972</td><td>MAGNETIX</td></tr> <tr><td>Registration Number:</td><td>1411451</td><td>MAGNETIX</td></tr> <tr><td>Registration Number:</td><td>2284955</td><td>GLAMOUR GEAR</td></tr> <tr><td>Registration Number:</td><td>1957625</td><td>ROSE ART</td></tr> <tr><td>Registration Number:</td><td>1957628</td><td>ROSE ART</td></tr> <tr><td>Registration Number:</td><td>1957626</td><td>ROSE ART</td></tr> <tr><td>Registration Number:</td><td>1968561</td><td>ROSEART FUN DOUGH</td></tr> <tr><td>Registration Number:</td><td>1822018</td><td>ROSEART</td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>	Property Type	Number	Word Mark	Registration Number:	2900883	THINK SMART ROSE ART	Registration Number:	2016492	FUZZY	Registration Number:	2498335	FUZZY	Registration Number:	1914886	FUZZY POSTERS	Registration Number:	2852063	MAGNETIX	Registration Number:	2856972	MAGNETIX	Registration Number:	1411451	MAGNETIX	Registration Number:	2284955	GLAMOUR GEAR	Registration Number:	1957625	ROSE ART	Registration Number:	1957628	ROSE ART	Registration Number:	1957626	ROSE ART	Registration Number:	1968561	ROSEART FUN DOUGH	Registration Number:	1822018	ROSEART				
Property Type	Number	Word Mark																																												
Registration Number:	2900883	THINK SMART ROSE ART																																												
Registration Number:	2016492	FUZZY																																												
Registration Number:	2498335	FUZZY																																												
Registration Number:	1914886	FUZZY POSTERS																																												
Registration Number:	2852063	MAGNETIX																																												
Registration Number:	2856972	MAGNETIX																																												
Registration Number:	1411451	MAGNETIX																																												
Registration Number:	2284955	GLAMOUR GEAR																																												
Registration Number:	1957625	ROSE ART																																												
Registration Number:	1957628	ROSE ART																																												
Registration Number:	1957626	ROSE ART																																												
Registration Number:	1968561	ROSEART FUN DOUGH																																												
Registration Number:	1822018	ROSEART																																												

OP \$515.00 2900883

900030849

TRADEMARK
REEL: 003147 FRAME: 0121

Serial Number:	78148771	THINK SMART ROSE ART
Serial Number:	78148772	THINK SMART ROSE ART
Serial Number:	78516018	ESPHERA 360°
Serial Number:	78529063	ESPHERA 360°
Serial Number:	78596453	MAGNABEADS
Serial Number:	78519841	ROSE ART BRAND SINCE 1923
Serial Number:	78519842	ROSE ART BRAND SINCE 1923

CORRESPONDENCE DATA

Fax Number: (312)701-7711
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 312-701-7237
 Email: cdore@mayerbrownrowe.com
 Correspondent Name: Christopher Dore
 Address Line 1: 71 South Wacker Drive
 Address Line 2: Mayer Brown Rowe & Maw LLP
 Address Line 4: Chicago, ILLINOIS 60606-4637

DOMESTIC REPRESENTATIVE

Name:
 Address Line 1:
 Address Line 2:
 Address Line 3:
 Address Line 4:

NAME OF SUBMITTER:	Christopher Dore
Signature:	/Christopher Dore/
Date:	08/25/2005

Total Attachments: 7
 source=Rose Art Trademark#page1.tif
 source=Rose Art Trademark#page2.tif
 source=Rose Art Trademark#page3.tif
 source=Rose Art Trademark#page4.tif
 source=Rose Art Trademark#page5.tif
 source=Rose Art Trademark#page6.tif
 source=Rose Art Trademark#page7.tif

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of July 26, 2005 (this "Agreement"), is made by ROSE ART INDUSTRIES, INC., a New Jersey corporation (the "Grantor"), in favor of THE BANK OF NOVA SCOTIA, as administrative agent (together with its successor(s) thereto in such capacity, the "Administrative Agent") for each of the Secured Parties.

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of July 26, 2005 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among the Grantor, the other Borrowers, the various financial institutions and other Persons from time to time parties thereto (the "Lenders"), and the Administrative Agent, the Lenders have agreed to make Loans to the Borrowers;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Pledge and Security Agreement, dated as of July 26, 2005 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (e) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Administrative Agent a continuing security interest in all of the Trademark Collateral (as defined below) to secure all Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of each Secured Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement and the Credit Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby collaterally assigns, pledges and transfers to the Administrative Agent, for its benefit and the ratable benefit of each other Secured Party, and hereby grants to the Administrative Agent, for its benefit and the ratable benefit of each other Secured Party, a continuing security interest in all of the following property, whether now or hereafter existing or acquired by the Grantor (the "Trademark Collateral"):

- (a) (i) all of its trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks,

certification marks, collective marks, logos and other source or business identifiers, and all goodwill of the business associated therewith, now existing or hereafter adopted or acquired including those referred to in Item A of Schedule I hereto, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any other country or political subdivision thereof or otherwise, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing (collectively referred to as the "Trademark");

(b) all Trademark licenses for the grant by or to the Grantor of any right to use any Trademark, including each Trademark license referred to in Item B of Schedule I hereto;

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b);

(d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Administrative Agent in the Trademark Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Administrative Agent for its benefit and the ratable benefit of each other Secured Party under the Security Agreement. The Security Agreement (and all rights and remedies of the Administrative Agent and each Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Trademark Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Trademark Collateral (in the case of clause (i)) or (B) all Trademark Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Administrative Agent will, at the Grantor's sole expense, deliver to the Grantor, without any representations,

warranties or recourse of any kind whatsoever, the Trademark Collateral so released from the security interest held by the Administrative Agent hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

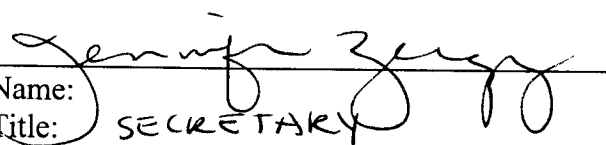
SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article 18 thereof.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

* * * * *

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by Authorized Officer as of the date first above written.

ROSE ART INDUSTRIES, INC.

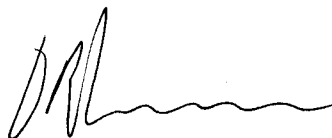
By: 
Name: _____
Title: SECRETARY

THE BANK OF NOVA SCOTIA,
as Administrative Agent

By: 

Name:

Title:



SCHEDULE I
to Trademark Security Agreement

Item A. Trademarks

<u>Registered Trademarks</u>			
Country	Trademark	Registration No.	Registration Date
U.S.A	Think Smart Rose Art	2,900,883	02-Nov-2004
U.S.A	Fuzzy	2,016,492	12-Nov-1996
U.S.A	Fuzzy	2,498,335	16-Oct-2001
U.S.A	Fuzzy Posters	1,914,886	29-Aug-1995
U.S.A	Magnetix	2,852,063	08-Jun-2004
U.S.A.	Magnetix & Design	2,856,972	22-Jun-2004
U.S.A	Magnetix (stylized)	1,411,451	30-Sep-1986
U.S.A	Glamour Gear	2,284,955	12-Oct-1999
U.S.A	Rose Art	1,957,625	20-Feb-1996
U.S.A	Rose Art	1,957,628	20-Feb-1996
U.S.A	Rose Art	1,957,626	20-Feb-1996
U.S.A	Rose Art Fun Dough	1,968,561	16-Apr-1996
U.S.A	Rose Art in oval design	1,822,018	15-Feb-1994
<u>Published Trademarks</u>			
<u>Country</u>	<u>Trademark</u>	<u>Application No.</u>	<u>Filing Date</u>
U.S.A	Think Smart Rose Art	78/148,771	30-Jul-2002
U.S.A	Think Smart Rose Art	78/148,772	30-Jul-2002
<u>Pending Trademark Applications</u>			
<u>Country</u>	<u>Trademark</u>	<u>Application No.</u>	<u>Filing Date</u>
U.S.A	Esphera 360	78/516,018	12 Nov 2004
U.S.A	Esphera 360 & design	78/529,063	08 -Dec-2004
U.S.A	Magnabeads	78/596,453	28-Mar-2005
U.S.A	Rose Art brand since	78/519,841	19-Nov-2004

U.S.A	1923 Rose Art brand since 1923	78/519,842	19-Nov-2004	
<u>Trademark Applications in Preparation</u>				
Expected <u>Country</u> None.	<u>Trademark</u>	<u>Docket No.</u>	<u>Filing Date</u>	<u>Products/ Services</u>

Item B. Trademark Licenses

<u>Country or Territory</u> None.	<u>Trademark</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>
--	------------------	-----------------	-----------------	---------------------------	----------------------------