

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Dymas Funding Company LLC, as Administrative Agent		05/01/2006	LIMITED LIABILITY COMPANY: DELAWARE

**RECEIVING PARTY DATA**

Name:	Home Decorators Collection, Inc.
Street Address:	8920 Pershall Road
City:	Hazelwood
State/Country:	MISSOURI
Postal Code:	63042
Entity Type:	CORPORATION: DELAWARE

**PROPERTY NUMBERS Total: 6**

Property Type	Number	Word Mark
Registration Number:	2098565	HOME DECORATORS COLLECTION
Registration Number:	2136523	HOME DECORATORS COLLECTION
Registration Number:	2065028	HOME DECORATORS COLLECTION
Registration Number:	2321232	HOME DECORATORS CATALOG OUTLET
Registration Number:	2893525	WHERE VALUE AND SELECTION COME HOME
Registration Number:	3065495	HOME DECORATORS

**CORRESPONDENCE DATA**

Fax Number: (404)572-5134  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 404 572 4600  
 Email: trademarks@kslaw.com  
 Correspondent Name: W. Scott Petty, Esq./King & Spalding LLP  
 Address Line 1: 1180 Peachtree Street  
 Address Line 4: Atlanta, GEORGIA 30309

CH \$165.00 2098565

ATTORNEY DOCKET NUMBER:	03031.019037
NAME OF SUBMITTER:	Vicky R. Bantug, Paralegal
Signature:	/Vicky R. Bantug/
Date:	07/14/2006
Total Attachments: 7 source=Dymas_Payoff Letter#page1.tif source=Dymas_Payoff Letter#page2.tif source=Dymas_Payoff Letter#page3.tif source=Dymas_Payoff Letter#page4.tif source=Dymas_Payoff Letter#page5.tif source=Dymas_Payoff Letter#page6.tif source=Dymas_Payoff Letter#page7.tif	

**Dymas Funding Company, LLC  
One North Franklin Street  
Suite 3500  
Chicago, Illinois 60606**

Dated as of May 1, 2006

Home Decorators Collection, Inc.  
Triad Catalog Co., L.L.C.  
8920 Pershall Road  
St. Louis, Missouri 63042

Ladies and Gentlemen:

Reference is made to that certain Financing Agreement, dated as of October 3, 2005, as amended and currently in effect (the "Financing Agreement"; capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Financing Agreement) by and among, on the one hand, the lenders from time to time a party thereto (each a "Lender", and collectively the "Lenders"), Dymas Funding Company, LLC, as the administrative agent for such Lenders (in such capacity, "Administrative Agent"; and together with the Lenders, individually and collectively, the "Lender Group"), each of Home Decorators Collection, Inc. and Triad Catalog Co., L.L.C. (together, "Borrowers"), and each of HDC Asia, Ltd., HDC China, L.L.C., HDC Retail, L.L.C. and Triad Retail, LLC ("Guarantors"; together with Borrowers, each an "Obligor", and individually and collectively, and jointly and severally, the "Obligors"). Borrowers and Guarantors have advised the Lender Group that the Obligors desire to repay all of the Obligations, including but not limited to, principal, interest, expenses, fees and other charges, owing by the Obligors to the Lender Group.

1. This payoff letter (this "Payoff Letter") will confirm that, upon receipt by Administrative Agent of:

(a) no later than 2:00 p.m., Chicago time, on the date hereof, a wire transfer of immediately available funds to Administrative Agent in the aggregate amount of \$13,090,500, subject to adjustment as set forth in this paragraph 1 (as so adjusted the "Payoff Amount"), consisting of:

(i) \$13,000,000.00 in respect of unpaid principal outstanding under the Financing Agreement (assuming no further loans or repayments are made);

(ii) \$84,500.00 in respect of accrued and unpaid interest on such unpaid principal amount (the per diem accrual of such interest being \$4,694.44 per day for each day or portion thereof that elapses after 2:00 p.m., Chicago time, on the date hereof before Administrative Agent receives payment in full in immediately available funds of the Payoff Amount); and

(iii) \$6,000 representing fees, expenses and other amounts payable to the Lender Group by the Obligors pursuant to the Loan Documents; and

(b) a fully-executed counterpart of this Payoff Letter signed by the Obligors,

(the date on which all of the foregoing conditions shall first be satisfied herein called the "Payoff Date"), all of the Obligations shall be terminated and satisfied in full; provided, however, that (A) all Indebtedness of any Obligor in respect of Borrowers' Obligations to indemnify each Indemnified Person under the Financing Agreement and to reimburse the Lender Group for fees and expenses owing to the Lender Group and incurred after the date hereof pursuant to the Financing Agreement shall remain in full force and effect, and (B) to the extent that any payments or proceeds (or any portion thereof) received by any member of the Lender Group shall be subsequently invalidated, declared to be fraudulent or a fraudulent conveyance or preferential, set aside or required to be repaid to a trustee, receiver, debtor-in-possession or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent that the payment or proceeds is rescinded or must otherwise be restored by such member of the Lender Group, whether as a result of any Insolvency Proceeding or otherwise, the Obligations, other Indebtedness of any Obligor to the Lender Group, or part thereof which were intended to be satisfied by any such payment or proceeds shall be revived and continue to be in full force and effect, as if the payment or proceeds had never been received by the Lender Group, and this Payoff Letter shall in no way impair the claims of the Lender Group with respect to the revived Obligations or other Indebtedness of any Obligor to the Lender Group.

Upon receipt of a fully-executed copy of this Payoff Letter and receipt of the Payoff Amount in accordance with the foregoing, (a) all of the Lender Group's security interests and liens created as security for the Obligations (including without limitation (i) all security interests in instruments, negotiable documents, cash, chattel paper, and other similar collateral in the possession or control of the Administrative Agent (the "Possessory Collateral") and (ii) all security interests in, security titles to and other liens on all real and personal property assets of the Obligors created as security for the Obligations) shall be deemed to have been automatically terminated and released, on and with effect from the Payoff Date, (b) the Administrative Agent will return, or cause to be returned, promptly all notes made by any Borrower payable to any Lender marked "canceled" and (c) any and all guarantee agreements entered into in connection with the Financing Agreement will be terminated (except as expressly set forth herein).

2. Please transfer the Payoff Amount to:

Name of Bank:	Citibank
ABA No.:	021-000-089
Account Number:	14126333
Account:	Dymas Checking Agency
Reference:	Home Decorators Collection, Inc.

by wire transfer of immediately available funds, for receipt no later than 2:00 p.m., Chicago time, on the date hereof.

3. Each Obligor hereby confirms that the commitments, if any, of each member of the Lender Group to make loans or extend other financial accommodations under the Loan Documents are terminated as of the Payoff Date.

4. The Administrative Agent, concurrently with the satisfaction of the conditions referred to in Paragraph 1 above, hereby authorizes the Obligors to file all Uniform Commercial Code termination statements as are necessary to terminate the financing statements of record filed against any of the Obligors in favor of the Administrative Agent or any other member of the Lending Group in respect of the Obligations, and agrees, upon the written request by the Obligors, to execute and deliver any lien releases, mortgage releases, re-assignments of trademarks, discharges of security interests, and other similar discharge or release documents (and if applicable, in recordable form) as are reasonably necessary to terminate the security interests, and all other notices of security interests and liens of record in respect of the Obligations, and which are prepared at the Obligors' expense.

5. The Administrative Agent will, as promptly as practicable upon the satisfaction of the conditions referred to in Paragraph 1 above, deliver originals of all Possessory Collateral, or affidavits regarding lost documents, to the Borrowers at the address set forth on the first page of this Payoff Letter.

6. The Administrative Agent hereby agrees that it shall, execute and deliver such additional documents and shall provide additional information as the Obligors may reasonably require to carry out the terms of this Payoff Letter at the Obligors' expense.

7. Each Obligor each hereby waives, releases, remises and forever discharges each member of the Lender Group, their respective Affiliates and each of their respective officers, directors, agents, employees, consultants, advisors and attorneys (each a "Released Party" and collectively the "Released Parties") from any and all claims of any kind or character, known or unknown, of every type, kind, nature, description or character, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, matured or unmatured, fixed or contingent, which in any way arise out of, are connected with or relate to this Payoff Letter, the Financing Agreement, the other Loan Documents or to any acts or omissions of any such Released Party, which any Obligor ever had from the beginning of the world, now has or might hereafter have against any Released Party. As to each and every claim released hereunder, each Obligor each hereby represents that it has received the advice of legal counsel with regard to the releases contained herein, and having been so advised, each of them specifically waives the benefit of the provisions of Section 1542 of the Civil Code of California which provides as follows:

**"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH A CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY**

**HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT  
WITH THE DEBTOR."**

As to each and every claim released hereunder, each Obligor also waives the benefit of each other similar provision of applicable federal or state law (including, without limitation, the laws of the States of New York and Illinois), if any, pertaining to general releases after having been advised by their legal counsel with respect thereto.

8. Each Obligor hereto agrees, represents, and warrants that such party has not voluntarily, by operation of law or otherwise, assigned, conveyed, transferred or encumbered, either directly or indirectly, in whole or in part, any right to or interest in any of the claims released pursuant to paragraph 7 hereof.

9. The Obligors acknowledge that the amounts referred to in Paragraph 1 above are enforceable obligations of them owed to the Lender Group pursuant to the provisions of the Financing Agreement without any deduction, offset, defense or counterclaim, and confirm their agreement to the terms and provisions of this Payoff Letter by returning to the Administrative Agent a signed counterpart of this Payoff Letter. This Payoff Letter may be executed by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one agreement. Additionally, facsimile signature will be deemed an original.

10. This Payoff Letter shall be governed by and construed in accordance with the internal laws of the State of New York as applied to agreements among parties resident therein. Whenever possible, each provision of this Payoff Letter shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Payoff Letter shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Payoff Letter.


11. This is the entire agreement between the parties with respect to the subject matter of this Payoff Letter. There are no other agreements or understandings, written or oral, express or implied. This Payoff Letter may be amended, modified or waived only in a writing signed by each of the signatories set forth below. This Payoff Letter shall be binding on and shall inure solely to the benefit of the Lender Group, their participants, if any, and their respective successors and assigns, and no other person shall have any rights herein as a third party beneficiary or otherwise.

**[Signatures Continued On Next Page]**

Very truly yours,

DYMAS FUNDING COMPANY, LLC,  
as Collateral Agent and as Administrative Agent

By: Dymas Capital Management Company, LLC,  
its Manager

By:   
Name: ALBERT M. RICCHIO  
Its: MANAGING DIRECTOR

ACCEPTED AND AGREED to as of the  
date first set forth above.

HOME DECORATORS COLLECTION, INC.

By: \_\_\_\_\_  
W. Grant Williams, III  
Chairman

TRIAD CATALOG CO., L.L.C.

By: \_\_\_\_\_  
W. Grant Williams, III  
Manager

HDC ASIA, LTD.

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

HDC CHINA, L.L.C.

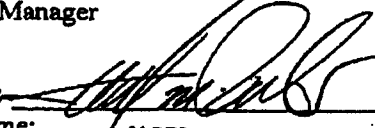
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Payoff Letter

Very truly yours,


DYMAS FUNDING COMPANY, LLC,  
as Collateral Agent and as Administrative Agent

By: Dymas Capital Management Company, LLC,  
its Manager

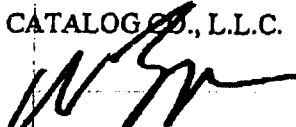
By:   
Name: ALBERT M. RICCHIO  
Its: MANAGING DIRECTOR

ACCEPTED AND AGREED to as of the  
date first set forth above.


HOME DECORATORS COLLECTION, INC.

By:   
W. Grant Williams, III  
Chairman


TRIAD CATALOG CO., L.L.C.

By:   
W. Grant Williams, III  
Manager

HDC ASIA, LTD.

By:   
Name: W. GRANT WILLIAMS, III  
Title: CHAIRMAN

HDC CHINA, L.L.C.

By:   
Name: W. GRANT WILLIAMS, III  
Title: MANAGER


Payoff Letter



HDC RETAIL, L.L.C.

By:   
Name: W. GRANT WILLIAMS, III  
Title: MANAGER

TRIAD RETAIL, LLC

By:   
Name: W. GRANT WILLIAMS, III  
Title: MANAGER

Payoff Letter: