

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Lillian Vernon Corporation		07/26/2006	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Wachovia Bank, National Association, as Agent
Street Address:	110 East Broward Boulevard
Internal Address:	Suite 2050
City:	Fort Lauderdale
State/Country:	FLORIDA
Postal Code:	33301
Entity Type:	Association:

PROPERTY NUMBERS Total: 37

Property Type	Number	Word Mark
Registration Number:	2394343	A FRAGRANT YEAR
Registration Number:	2564550	AN ILLUMINATED YEAR
Registration Number:	2880133	ANTIQUE COUNTRY SOAP SAMPLER
Registration Number:	2934498	CELEBRATIONS BY LILLIAN VERNON
Registration Number:	1836403	CHRISTMAS MEMORIES
Registration Number:	2991446	
Registration Number:	1428561	EMERGENCY BUTTONS
Registration Number:	2521128	KITCHEN COMFORTS
Registration Number:	1285663	LILLIAN VERNON
Registration Number:	1108270	LILLIAN VERNON
Registration Number:	2161672	LILLIAN VERNON FAVORITES
Registration Number:	2838036	LILLIAN VERNON'S HOME SCENTS
Registration Number:	2887354	LILLIAN VERNON'S WORLD OF CHRISTMAS

CH \$940.00 2394343

Registration Number:	2498665	LILLIANA CAPODIMONTE COLLECTION
Registration Number:	1057804	LILLIKINS
Registration Number:	1813209	LILLY'S CELEBRATIONS
Registration Number:	2599409	LILLY'S GARDEN
Registration Number:	1653281	LILLY'S KIDS
Registration Number:	1415927	MAGIC PICKUP
Registration Number:	1420784	MAKE-IT-BETTER STRIPS
Registration Number:	2633237	MIDNIGHT GARDEN
Registration Number:	2873800	MORE BOO FOR YOUR BUCK
Registration Number:	2076518	NEAT IDEAS
Registration Number:	2576831	SALES & BARGAINS
Registration Number:	2486337	SEASONAL DELIGHTS
Registration Number:	2018137	STORAGE PLUS
Registration Number:	2491373	THE BEST LITTLE SUITCASE IN THE WORLD
Registration Number:	1017042	TWINKLES
Registration Number:	1537908	WATCH CAT
Registration Number:	2876597	WE ARE YOUR HALLOWEEN HAUNTQUARTERS
Registration Number:	2398581	WHY STAND IN LINE WHEN YOU CAN SHOP ON LINE
Registration Number:	2530767	WINTER STAR
Serial Number:	78637302	PERSONALIZATION. THEIR NAME IS OUR GAME
Serial Number:	78637244	PERSONALIZATION. WE STAKE OUR NAME ON IT
Serial Number:	78637279	PERSONALIZATION. YOUR NAME IS OUR GAME
Serial Number:	76564506	PERSONALIZATION-PLUS
Serial Number:	76617037	PERSONAL STYLE BY LILLIAN VERNON

CORRESPONDENCE DATA

Fax Number: (866)459-2899
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 202-783-2700
Email: Oleh.Hereliuk@federalresearch.com
Correspondent Name: CBC Companies dba Federal Research
Address Line 1: 1023 Fifteenth Street, NW, Ste 401
Address Line 2: attn: Oleh Hereliuk
Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

ATTORNEY DOCKET NUMBER:

364662

NAME OF SUBMITTER:

Oleh Hereliuk

Signature:

/oh/

Date:

08/01/2006

Total Attachments: 34

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RECORDATION FORM COVER SHEET
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):

Lillian Vernon Corporation

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

Citizenship (see guidelines) Delaware

Execution Date(s) 07/26/2006

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Wachovia Bank, National Association, as Agent

Internal Address: _____

Street Address: 110 East Broward Boulevard - Suite 2050

City: Fort Lauderdale

State: Florida

Country: USA

Zip: 33301

Association Citizenship USA

General Partnership Citizenship _____

Limited Partnership Citizenship _____

Corporation Citizenship

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)

3. Nature of conveyance:

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

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

A. Trademark Application No.(s) SEE EXHIBIT A ANNEXED HERETO

B. Trademark Registration No.(s) SEE EXHIBIT A ANNEXED HERETO

Additional sheet(s) attached? Yes No

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

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

Name: Helen M. Linehan

Internal Address: Otterbourg, Steindler, Houston & Rosen, P.C.

Street Address: 230 Park Avenue

City: New York

State: NY

Zip: 10169

Phone Number: 212-661-9100 X 890

Fax Number: 917-368-7111

Email Address: hlinehan@oshr.com

6. Total number of applications and registrations involved:

37

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$940.00

- 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:

Helen M. Linehan
Signature

8/1/06
Date

Helen M. Linehan

Name of Person Signing

Total number of pages including cover sheet, attachments, and document. 34

Documents to be recorded (including cover sheet) should be faxed to (703) 306-6995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

EXHIBIT A
TO
RECORDATION FORM COVER SHEET
(TRADEMARKS ONLY)

<u>TRADEMARK APPLICATION NOS.</u>	<u>TRADEMARK REGISTRATION NOS.</u>	<u>TRADEMARK REGISTRATION NOS.</u>
78/637302	2394343	2576831
78/637244	2564550	2486337
78/637279	2880133	2018137
76/564506	2934498	2491373
76/617037	1836403	1017042
	2991446	1537908
	1428561	2876597
	2521128	2398581
	1285663	2530767
	1108270	
	2161672	
	2838036	
	2887354	
	2498665	
	1057804	
	1813209	
	2599409	
	1653281	
	1415927	
	1420784	
	2633237	
	2873800	
	2076518	

[Execution]

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement"), dated July 26, 2006, is by and between Lillian Vernon Corporation, a Delaware corporation, ("Debtor"), with its chief executive office at 445 Hamilton Avenue, White Plains, New York 10601, and Wachovia Bank, National Association, a national banking association, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders and other parties as provided therein (in such capacity, "Agent"), having an office at 110 East Broward Boulevard, Fort Lauderdale, Florida 33301.

W I T N E S S E T H :

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Agent and the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered or are about to enter into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) may make loans and advances and provide other financial accommodations to Debtor as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Agent, Lenders, Debtor and certain affiliates of Debtor (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the other Financing Agreements (as defined in the Loan Agreement); and

WHEREAS, in order to induce Agent and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Debtor pursuant thereto, Debtor has agreed to grant to Agent certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. Grant Of Security Interest. As collateral security for the prompt performance, observance and payment in full of all of the Obligations (as defined in the Loan Agreement), Debtor hereby grants to Agent (for itself and on behalf of the Secured Parties) a continuing security interest in and a general lien upon, and a conditional assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtor's trademarks, tradenames, trade styles and service marks and all applications for registration, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms,

designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any trademarks, tradenames, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, tradenames, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all present and future license and distribution agreements (subject to the rights of the licensors therein) pertaining to the Trademarks, (d) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (e) the right to sue for past, present and future infringements thereof; (f) all rights corresponding thereto throughout the world; and (g) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks. Notwithstanding anything to the contrary contained in this Section 1, the Collateral shall not include any rights or interest in any contract, license or license agreement covering personal property of Debtor, so long as under the terms of such contract, license or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein to Agent, for itself and the benefit of the other Secured Parties, is prohibited and such prohibition has not been or is not waived or the consent of the other party to such contract, license or license agreement has not been or is not otherwise obtained; provided, that, the foregoing exclusion shall in no way be construed (i) to apply if any such prohibition is unenforceable under the Uniform Commercial Code or other applicable law or (ii) so as to limit, impair or otherwise affect Agent's unconditional continuing security interests in and liens upon any rights or interests of such Debtor in or to monies due or to become due under any such contract, license or license agreement.

2. Obligations Secured. The security interest, lien and other interests granted to Agent, for itself and the benefit of the other Secured Parties, pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all of the Obligations.

3. Representations, Warranties And Covenants. Debtor hereby represents, warrants and covenants with and to Agent the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) To Debtor's knowledge, except for Trademarks that have been abandoned pursuant to the requirements in the proviso to Section 3(i), all of the existing Trademarks are valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Except permitted pursuant to Section 3(i), Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of registered Trademarks including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the

Loan Agreement, (ii) the security interests permitted under the Loan Agreement, and (iii) the licenses permitted under Section 3(e) below.

(c) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Agent, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Agent or any other Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents reasonably requested at any time by Agent to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Agent to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed (if applicable) only by Agent or as otherwise determined by Agent. Debtor further authorizes Agent to have this Agreement or any other similar security agreement filed with the United States Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(e) As of the date hereof, to its knowledge Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, or any political subdivision thereof, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Agent five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Agent's exercise of the rights and remedies granted to Agent hereunder.

(g) Agent may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Agent to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, reasonable attorneys' fees and legal expenses. Debtor shall be liable to Agent for any such payment, which payment shall be deemed an advance by Agent to Debtor, shall be payable on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) Debtor shall notify Agent within thirty (30) days of filing any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country. If, after the date hereof, Debtor shall (i) obtain any registered trademark or tradename, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States of

America or any State thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Agent, Debtor shall promptly execute and deliver to Agent any and all assignments, agreements, instruments, documents and such other papers as may be requested by Agent to evidence the security interest in and conditional assignment of such Trademark in favor of Agent.

(i) Debtor has not abandoned any of the Trademarks set forth on Exhibit A hereto and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided, or avoidable; provided, that, Debtor may, after written notice to Agent, abandon, cancel, not renew or otherwise not maintain a Trademark so long as (i) such Trademark is no longer used or useful in the business of Debtor or any of its affiliates or subsidiaries, (ii) such Trademark has not been used in the business of Debtor or any of its affiliates or subsidiaries for a period of six (6) consecutive months, (iii) such Trademark is not otherwise material to the business of Debtor or any of its affiliates or subsidiaries in any respect, (iv) such Trademark has little or no value, and (v) no Default or Event of Default shall exist or have occurred as of such time. Debtor shall notify Agent promptly if it knows of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor shall render any assistance, as Agent shall determine is necessary, to Agent in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Agent's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) To Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Agent, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Agent hereunder and (ii) there has been no judgment holding any of the Trademarks invalid or unenforceable, in whole or in part, nor is the validity or enforceability of any of the Trademarks presently being questioned in any litigation or proceeding to which Debtor is a party. Debtor shall promptly notify Agent if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design which infringes on any Trademark or is likely to cause confusion with any Trademark. If requested by Agent, Debtor, at Debtor's expense, shall join with Agent in such action as Agent, in Agent's discretion, may deem advisable for the protection of Agent's interest in and to the Trademarks.

(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Agent and the other Secured Parties harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive the payment of the

Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(m) Debtor shall promptly pay Agent for any and all expenditures made by Agent pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and reasonable attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the Obligations set forth in the Financing Agreements and shall be part of the Obligations secured hereby.

4. Events of Default. The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default", and collectively as "Events of Default".

5. Rights And Remedies. At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Agent or any of the other Secured Parties, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Agent shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Agent may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Agent may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Agent by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Agent may determine.

(b) Agent may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Agent shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Agent may assign, sell or otherwise dispose of the Collateral or any part thereof, together with the goodwill of the business to which the Trademarks relate, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Agent shall have the power to buy the Collateral or any part thereof, and Agent shall also have the power to execute assurances and perform all other acts which Agent may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, upon the occurrence and during the continuance of an Event of Default, Agent may at any time execute and deliver on behalf of

Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application for registration, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Agent on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees and legal expenses. Debtor agrees that Agent and the other Secured Parties have no obligation to preserve rights to the Trademarks against any other parties.

(e) Agent may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by Agent. Thereafter, Agent shall apply any remaining proceeds to the Obligations in such order and manner as set forth in the Loan Agreement. Debtor shall remain liable to Agent and any of the other Secured Parties for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Agent on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Debtor shall supply to Agent or to Agent's designee, Debtor's knowledge and expertise relating to the manufacture, sale and distribution of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Agent or any other Secured Party to take any such action at any time. All of Agent's and the other Secured Parties' rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and not exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently. No failure or delay on the part of Agent or any other Secured Party in exercising any of its options, powers or rights or partial or single exercise thereof, shall constitute a waiver of such option, power or right.

6. Jury Trial Waiver; Other Waivers and Consents; Governing Law.

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising hereunder, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York, but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Each of Debtor and Agent irrevocably consents and submits to the non-exclusive jurisdiction of the Supreme Court of New York County, New York and the United States District Court for the Southern District of New York, whichever Agent may elect, and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts

described above (except that Agent shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Agent deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Agent's option, by service upon Debtor in any other manner provided under the rules of any such courts.

(d) DEBTOR AND AGENT EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND AGENT OR ANY OF THE OTHER SECURED PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND AGENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR AGENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND AGENT TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Notwithstanding any other provision contained herein, Agent and the other Secured Parties shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Agent and such Secured Party, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct by Agent or such of the other Secured Parties. In any such litigation, Agent and each of the other Secured Parties shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7. Miscellaneous.

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. Notices delivered through electronic communications shall be effective to the extent set forth in Section 7(b) below. All notices, requests and demands upon the parties are to be given

to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor: Lillian Vernon Corporation
445 Hamilton Avenue
White Plains, NY 10601-1830
Attention: President
Telephone No.: (914) 872-3505
Telecopy No.: (914) 872-2079

with a copy to: Sun Capital Partners, Inc.
5200 Tower Center Circle
Suite 470
Boca Raton, Florida 33486
Attention: Gary Talarico and
Michael Fieldstone
Telephone No.: (561) 394-0550
Telecopy No.: (561) 394-0540

with a copy to: Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, New York 10004
Attention: Michael Weinsier
Telephone No.: (212) 837-6690
Telecopy No.: (212) 299-6690

If to Agent: Wachovia Bank, National Association
110 East Broward Boulevard
Fort Lauderdale, Florida 33301
Attention: Portfolio Manager
Telephone No.: (954) 467-2262
Telecopy No.: (954) 467-5520

(b) Notices and other communications to Agent hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Agent or as otherwise determined by Agent. Unless Agent otherwise requires, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided, that, if such notice or other communication is not given during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communications is available and identifying the website address therefor.

(c) Capitalized terms used herein and not defined herein shall have the meanings specified in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Agent, any Lender or any Secured Party pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 11.3 of the Loan Agreement or is cured in a manner satisfactory to Agent. All references to the term "Person" or "Persons" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency, instrumentality or political subdivision thereof.

(d) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Agent and its successors and assigns.

(e) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(f) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of each of Debtor and Agent. Neither Agent nor any of the other Secured Parties shall, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of their respective rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Agent. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Agent of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Agent would otherwise have on any future occasion, whether similar in kind or otherwise.

(g) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic means shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic means shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the day and year first above written.

LILLIAN VERNON CORPORATION

By: 

Title: Chief Executive Officer

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent

By: _____

Title: _____

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the day and year first above written.

LILLIAN VERNON CORPORATION

By: _____

Title: _____

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent

By: Christopher S. Hsieh

Title: Director

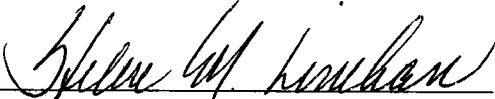
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this ___ day of _____, 2006, before me personally came _____, to me known, who being duly sworn, did depose and say, that he is the _____ of Lillian Vernon Corporation, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the board of directors of said corporation.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 26th day of July, 2006, before me personally came Christopher S. Rudik, to me known, who, being duly sworn, did depose and say, that he is the Director of Wachovia Bank, National Association, the entity described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said entity.



Notary Public

HELEN M. LINEHAN
Notary Public, State of New York
No. 01LI6047897
Qualified in New York County
Commission Expires Sept. 18, 2008

**EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF TRADEMARKS AND TRADEMARK APPLICATIONS

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
ANTIQUUE COUNTRY SOAP SAMPLER						
United States	LILVE	eas	T003463	Registered 06/30/03	2880133 08/31/04	08/31/14
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/501937				Affidavit of Use: 08/31/09		
Filing Date: 03/27/03				Filed? no		
Last Update: 10/14/04				Date Last Renewed:		
Classes: 3						
Goods: bath soap						
Remarks:						

CELEBRATIONS BY LILLIAN VERNON						
United States	LILVE	RSS	T003703	Registered 03/30/04	2934498 03/22/05	03/22/15
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/575285				Affidavit of Use: 03/22/10		
Filing Date: 02/12/04				Filed? no		
Last Update: 03/29/05				Date Last Renewed:		
Classes: 35						
Goods: shop-at-home parties featuring merchandise for the home, celebration, organization and the holidays						
Remarks:						

CHRISTMAS MEMORIES						
United States	LILVE	eas	T000694	Registered 09/07/92	1836403 05/10/94	05/10/14
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 74/315503				Affidavit of Use: 05/10/99		
Filing Date: 09/21/92				Filed? yes		
Last Update: 05/12/04				Date Last Renewed: 05/10/04		
Classes: 42						
Goods: mail-order services specializing in Christmas items						
Remarks:						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
LILLIAN VERNON China	LILVE	eas	T000697	Registered	3711814 08/28/05	08/28/15
Owner: Lillian Vernon Corporation Agent: DEACO Deacons Application No: 3711814 Filing Date: 09/10/03 Last Update: 12/08/05 Classes: 35 Goods: sales promotion for others, distribution of catalogues for mail ordering services in the field of clothing, toys, household furnishings, bathroom accessories; marketing studies Affidavit of Use: Filed? Date Last Renewed:						
LILLIAN VERNON China	LILVE	eas	T000697- 1	Pending		
Owner: Lillian Vernon Corporation Agent: DEACO Deacons Application No: 3711813 Filing Date: 09/10/03 Last Update: 11/12/03 Classes: 16 Goods:: catalogues for mail ordering services; printed matter; publication magazines Affidavit of Use: Filed? Date Last Renewed:						
LILLIAN VERNON China	LILVE	eas	T000697- OP	Pending		
Owner: Lillian Vernon Corporation Agent: DEACO Deacons Application No: Filing Date: 09/23/03 Last Update: 09/01/04 Remarks: Cancellation by Lillian Vernon against Reg. 1076734 (Cl 25) Chan Wing LAU Affidavit of Use: Filed? Date Last Renewed:						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
Owner: Lillian Vernon Corporation Agent: Application No: 76/501940 Affidavit of Use: 05/04/09 Filing Date: 03/27/03 Filed? no Last Update: 05/21/04 Date Last Renewed: Classes: 4 Goods: candles Remarks:						

LILLIAN VERNON'S WORLD OF CHRISTMAS						
United States	LILVE	eas	T003499	Registered 09/29/03	2887354 09/21/04	09/21/14
Owner: Lillian Vernon Corporation Agent: Application No: 76/512367 Affidavit of Use: 09/21/09 Filing Date: 04/16/03 Filed? no Last Update: 10/14/04 Date Last Renewed: Classes: 4 Goods: candles Remarks: TM: LILLIAN VERNON'S WORLD OF CHRISTMAS						

LILLIANA CAPODIMONTE COLLECTION						
United States	LILVE	eas	T002263	Registered 01/26/00	2498665 10/16/01	10/16/11
Owner: Lillian Vernon Corporation Agent: Application No: 75/530854 Affidavit of Use: 10/16/06 Filing Date: 08/03/98 Filed? no Last Update: 11/06/01 Date Last Renewed: Classes: 28 Goods: porcelain dolls Remarks: LILLIANA CAPODIMONTE COLLECTION						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
LILLIKINS Canada	LILVE	eas	T000699	Registered	237277 11/16/79	11/16/09
Owner: Lillian Vernon Corporation Agent: MACRA MacRae & Co. Application No: 415342 Affidavit of Use: Filing Date: 02/13/77 Filed? Last Update: 04/06/95 Date Last Renewed: 11/16/94 Goods: metallic Christmas ornaments						

LILLIKINS United States	LILVE	eas	T000699	Registered 05/07/75	1057804 02/01/77	02/01/07
Owner: Lillian Vernon Corporation Agent: Application No: 73/090427 Affidavit of Use: 02/01/82 Filing Date: 06/14/76 Filed? yes Last Update: 02/09/06 Date Last Renewed: 02/01/97 Classes: 28 Goods: Christmas ornaments						

LILLY'S CELEBRATIONS United States	LILVE	eas	T000700	Registered 01/04/93	1813209 12/21/93	12/21/13
Owner: Lillian Vernon Corporation Agent: Application No: 74/326886 Affidavit of Use: 12/21/98 Filing Date: 10/30/92 Filed? yes Last Update: 01/01/04 Date Last Renewed: 12/21/03 Classes: 42 Goods: mail-order services specializing in party goods Remarks:						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
Owner: Lillian Vernon Corporation Agent: Application No: 73/599730 Affidavit of Use: 12/16/91 Filing Date: 05/19/86 Filed? yes Last Update: 02/09/06 Date Last Renewed: Classes: 5 Goods: adhesive strip having gauze patch for covering minor wounds						

MIDNIGHT GARDEN						
United States	LILVE	eas	T003124	Registered 11/20/01	2633237 10/08/02	10/08/12
Owner: Lillian Vernon Corporation Agent: Application No: 76/284676 Affidavit of Use: 10/08/07 Filing Date: 07/13/01 Filed? no Last Update: 12/18/02 Date Last Renewed: Classes: 4 Goods: candles Remarks:						

MORE BOO FOR YOUR BUCK						
United States	LILVE	eas	T003551	Registered 07/07/03	2873800 08/17/04	08/17/14
Owner: Lillian Vernon Corporation Agent: Application No: 76/524258 Affidavit of Use: 08/17/09 Filing Date: 06/11/03 Filed? no Last Update: 10/13/04 Date Last Renewed: Classes: 35 Goods: mail order catalog services in the Halloween merchandise field						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
NEAT IDEAS United States	LILVE	eas	T001258	Registered	2076518 07/01/97	07/01/07
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 75/097491				Affidavit of Use: 07/01/02		
Filing Date: 05/02/96				Filed? yes		
Last Update: 04/03/03				Date Last Renewed:		
Classes: 42						
Goods: mail-order catalog services featuring racks and organizers for the home						
Remarks:						

**PERSONAL STYLE BY LILLIAN
VERNON**

United States	LILVE	eas	T003831	Pending		
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/617037				Affidavit of Use:		
Filing Date: 10/18/04				Filed?		
Last Update: 01/17/06				Date Last Renewed:		
Classes: 35						
Goods: mail order catalog services featuring handbags, small leather goods, scarves, jewelry and fashion accessories						
Remarks:						

PERSONALIZATION, THEIR NAME . .

United States	LILVE	eas	T003952	Pending		
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 78/637302				Affidavit of Use:		
Filing Date: 05/25/05				Filed?		
Last Update: 02/06/06				Date Last Renewed:		
Classes: 35						
Goods: mail-order catalog and online retail store services, all in the fields of home, kitchen, bath and beauty, travel, storage, stationery, clothing, jewelry, fashions and accessories, infants and children, outdoor and garden, pets and general line of gift products						
Remarks: PERSONALIZATION, THEIR NAME IS OUR GAME						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
PERSONALIZATION, WE STAKE OUR NAME ON IT						
United States	LILVE	eas	T003950	Pending		
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 78/637244		Affidavit of Use:				
Filing Date: 05/25/05		Filed?				
Last Update: 02/06/06		Date Last Renewed:				
Classes: 35						
Goods: mail-order catalog and online retail store services, all in the fields of home, kitchen, bath and beauty, travel, storage, stationery, clothing, jewelry, fashions and accessories, infants and children, outdoor and garden, pets and general line of gift products						
Remarks: PERSONALIZATION, WE STAKE OUR NAME ON IT						

PERSONALIZATION, YOUR NAME IS OUR GAME						
United States	LILVE	eas	T003951	Pending		
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 78/637279		Affidavit of Use:				
Filing Date: 05/25/05		Filed?				
Last Update: 02/06/06		Date Last Renewed:				
Classes: 35						
Goods: mail-order catalog and online retail store services, all in the fields of home, kitchen, bath and beauty, travel, storage, stationery, clothing, jewelry, fashions and accessories, infants and children, outdoor and garden, pets and general line of gift products						
Remarks: PERSONALIZATION, YOUR NAME IS OUR GAME						

PERSONALIZATION-PLUS						
United States	LILVE	eas	T003663	Registered 02/02/04	2932501 03/15/05	03/15/15
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/564506		Affidavit of Use: 03/15/10				
Filing Date: 12/10/03		Filed? no				
Last Update: 03/28/05		Date Last Renewed:				
Classes: 35						
Goods: mail-order catalog services in the field of personalized gift products						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
Remarks:						
<hr/>						
SALES & BARGAINS						
United States	LILVE	cas	T002873	Registered 12/01/00	2576831 06/04/02	06/04/12
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/090612				Affidavit of Use: 06/04/07		
Filing Date: 07/17/00				Filed? no		
Last Update: 07/01/02				Date Last Renewed:		
Classes: 35						
Goods: general merchandise mail order catalog services						
Remarks: Supplemental Registration						
<hr/>						
SEASONAL DELIGHTS						
United States	LILVE	RSS	T002825	Registered 10/01/00	2486337 09/04/01	09/04/11
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/036807				Affidavit of Use: 09/04/06		
Filing Date: 04/28/00				Filed? no		
Last Update: 10/23/01				Date Last Renewed:		
Classes: 3						
Goods: soaps for hands, face and body						
Remarks:						
<hr/>						
STORAGE PLUS						
United States	LILVE	cas	T000209	Registered 07/31/95	2018137 11/19/96	11/19/06
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 74/542812				Affidavit of Use: 11/19/01		
Filing Date: 06/27/94				Filed? yes		
Last Update: 06/27/02				Date Last Renewed:		
Classes: 42						
Goods: mail-order catalog services featuring closet organizers						
Remarks:						
<hr/>						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
THE BEST LITTLE SUITCASE IN THE WORLD						
United States	LILVE	eas	T002666	Registered 07/10/00	2491373 09/18/01	09/18/11
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 75/827607			Affidavit of Use:		09/18/06	
Filing Date: 10/20/99			Filed?		no	
Last Update: 10/23/01			Date Last Renewed:			
Classes: 18						
Goods: travel bags						
Remarks: THE BEST LITTLE SUITCASE IN THE WORLD						

TWINKLES						
United States	LILVE	eas	T000635	Registered 12/31/69	1017042 07/29/75	07/29/15
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 73/033358			Affidavit of Use:		07/29/80	
Filing Date: 09/30/74			Filed?		yes	
Last Update: 02/09/06			Date Last Renewed:		07/29/05	
Classes: 28						
Goods: Christmas ornaments						

WATCH CAT						
United States	LILVE	eas	T000606	Registered 12/14/87	1537908 05/09/89	05/09/09
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 73/740717			Affidavit of Use:		05/09/94	
Filing Date: 07/18/88			Filed?		yes	
Last Update: 02/09/06			Date Last Renewed:			
Classes: 6						
Goods: metallic simulated cat for use at flower and vegetable gardens to discourage birds, rabbits and the like from invading same						
Remarks:						

<u>Mark/Country</u>	<u>Client</u>	<u>Atty</u>	<u>Case No.</u>	<u>Status/ First Use</u>	<u>Registration Number/Date</u>	<u>Next Renewal Date</u>
WE ARE YOUR HALLOWEEN HAUNTQUARTERS						
United States	LILVE	cas	T003550	Registered 07/07/03	2876597 08/24/04	08/24/14
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/524257				Affidavit of Use: 08/24/09		
Filing Date: 06/11/03				Filed? no		
Last Update: 10/13/04				Date Last Renewed:		
Classes: 35						
Goods: mail order catalog services in the Halloween merchandise field						
Remarks: WE ARE YOUR HALLOWEEN HAUNTQUARTERS						

WHY STAND IN LINE WHEN YOU CAN SHOP ON L						
United States	LILVE	cas	T002361	Registered 01/02/99	2398581 10/24/00	10/24/10
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 75/606913				Affidavit of Use: 10/24/05		
Filing Date: 12/17/98				Filed? no		
Last Update: 11/12/00				Date Last Renewed:		
Classes: 42						
Goods: providing mail order catalog information on a global computer information network						
Remarks: SM: WHY STAND IN LINE WHEN YOU CAN SHOP ON LINE						

WINTER STAR						
United States	LILVE	cas	T002872	Registered 10/23/00	2530767 01/15/02	01/15/12
Owner: Lillian Vernon Corporation						
Agent:						
Application No: 76/079703				Affidavit of Use: 01/15/07		
Filing Date: 06/28/00				Filed? no		
Last Update: 02/08/02				Date Last Renewed:		
Classes: 3						
Goods: bath and beauty soaps						
Remarks:						

**EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

LIST OF LICENSES

None

**EXHIBIT C
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

SPECIAL POWER OF ATTORNEY

STATE OF _____)
 ss.:
COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS, that Lillian Vernon Corporation (“Debtor”), having an office at 445 Hamilton Avenue, White Plains, New York 10601, hereby appoints and constitutes, severally, Wachovia Bank, National Association, as Agent (“Agent”), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Agent, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Agent, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Agent (the “Security Agreement”) and is subject to the terms and provisions thereof. This Power of Attorney, being coupled with an interest, is irrevocable until all “Obligations”, as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in writing by Agent.

Dated: _____, 2006

LILLIAN VERNON CORPORATION

By: _____

Title: _____

STATE OF _____)
) ss.:
COUNTY OF _____)

On this ____ day of _____ 2006, before me personally came _____, to me known, who being duly sworn, did depose and say, that he is the _____ of Lillian Vernon Corporation, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the board of directors of said corporation.

Notary Public