

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
EJ Toys And Gifts, LLC		06/30/2008	LIMITED LIABILITY COMPANY: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	LV Administrative Services, Inc.		
<b>Street Address:</b>	335 Madison Avenue, 10th Floor		
<b>City:</b>	New York		
<b>State/Country:</b>	NEW YORK		
<b>Postal Code:</b>	10017		
<b>Entity Type:</b>	CORPORATION: DELAWARE		
<b>PROPERTY NUMBERS Total: 3</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	2894207	C. MARIE	
Registration Number:	3195522	FUNKY FEET	
Serial Number:	77024927	E J ENTERPRISES TOYS GIFTS ACCESSORIES	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(312)803-2209		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	212-407-4000		
<b>Email:</b>	aocasio@loeb.com		
<b>Correspondent Name:</b>	Scott J. Giordano - LOEB & LOEB LLP		
<b>Address Line 1:</b>	345 Park Avenue		
<b>Address Line 4:</b>	New York, NEW YORK 10154		
<b>ATTORNEY DOCKET NUMBER:</b>	203891-10135		
<b>NAME OF SUBMITTER:</b>	Scott J. Giordano		

CH \$90.00 2894207

Signature:	/Scott J. Giordano/
Date:	07/02/2008
<b>Total Attachments: 9</b> source=IP Security Agmt EJ Toys to LV Administrative#page1.tif source=IP Security Agmt EJ Toys to LV Administrative#page2.tif source=IP Security Agmt EJ Toys to LV Administrative#page3.tif source=IP Security Agmt EJ Toys to LV Administrative#page4.tif source=IP Security Agmt EJ Toys to LV Administrative#page5.tif source=IP Security Agmt EJ Toys to LV Administrative#page6.tif source=IP Security Agmt EJ Toys to LV Administrative#page7.tif source=IP Security Agmt EJ Toys to LV Administrative#page8.tif source=IP Security Agmt EJ Toys to LV Administrative#page9.tif	

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Agreement"), dated as of June 30, 2008, is made by EJ TOYS AND GIFTS, LLC, a California limited liability company ("Grantor"), in favor of LV ADMINISTRATIVE SERVICES, INC., as agent for the Lenders (as defined below), a Delaware corporation ("Grantee").

WHEREAS, pursuant to that certain Security Agreement dated as of October 11, 2007 by and among the lenders party thereto from time to time (the "Lenders"), SWT Acquisition, LLC (the "Company"), and the Eligible Subsidiaries thereunder (the Eligible Subsidiaries together with the Company shall be collectively referred to herein as the "Borrowers") (as from time to time amended, restated, supplemented and/or otherwise modified, the "Original Security Agreement"), the Lenders have agreed to provide certain financial accommodations to the Borrowers;

WHEREAS, Grantor is being joined as an Eligible Subsidiary to the Original Security Agreement pursuant to the Joinder and Consent Agreement of even date herewith entered into by and among the Grantor, the Grantee, the Lenders and the Company (together with the Original Security Agreement, collectively referred to herein as the "Security Agreement");

WHEREAS, the Lenders are willing to provide financial accommodations to the Borrowers pursuant to the Security Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Grantee this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS.

(a) When used herein the following terms shall have the following meanings:

"Copyrights" means all works capable of copyright under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office, and the right to obtain all renewals of any of the foregoing.

"Copyright Licenses" means all written agreements relating to any Copyright, including agreements providing the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright, and whether Grantor is named as licensor, licensee or otherwise.

"General Intangibles" shall have the meaning provided thereto in Section 9-102 of the UCC, as amended, restated or otherwise modified from time to time.

"IP Licenses" shall mean Copyright Licenses, Patent Licenses and Trademark Licenses.

“Patents” means (a) all letters patent of the United States, any other country or any political subdivision thereof, and all reissues and extensions of such letters patent, (b) all applications for letters patent of the United States or any other county and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing.

“Patent Licenses” means all agreements, whether written or oral, relating to any Patent, including agreements providing for the grant by or to Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, and whether Grantor is named as licensor, licensee or otherwise.

“Trademarks” means (a) all trademarks, trade names, corporate names, business names, fictitious business names, trade styles, services marks, logos, domain names and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or political subdivision thereof, or otherwise, and all common-law rights thereto, and (b) the right to obtain all renewals thereof.

“Trademark Licenses” means, collectively, each agreement, whether written or oral, relating to any Trademark, including agreements providing for the grant by or to Grantor of any right to use any Trademark, and whether Grantor is named as licensor, licensee or otherwise.

(b) All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement.

2. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. To secure the complete and timely payment of all the Obligations of the Grantor now or hereafter existing from time to time, Grantor hereby grants to Grantee, for the ratable benefit of the Lenders, a continuing first priority security interest in all of Grantor’s right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the “Collateral”):

(i) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;

(ii) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;

(iii) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;

(iv) all renewals, reissues, continuations or extensions of the foregoing;

(v) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and

(vi) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

3. REPRESENTATIONS AND WARRANTIES. Grantor represents and warrants that:

(a) Grantor does not have any interest in, or title to, any Patent, Trademark, Copyright or any IP License, except as set forth in Schedule I, Schedule II and Schedule III, respectively, hereto.

(b) Except as set forth in Schedule I, Schedule II and Schedule III, Grantor either is the sole owner of the Patents, Trademarks and Copyrights, or has the sole right to use the Patents, Trademarks and Copyrights, free and clear of all liens or other encumbrances.

(c) Each of the Patents, Trademarks and Copyrights is valid and enforceable, and there is no claim that the use of any of them violates the rights of any third party.

(d) The IP Licenses are in full force and effect, and Grantor is not in breach or default under any of the IP Licenses.

(e) This Agreement is effective to create a valid and continuing first priority lien on and perfected security interests in favor of Grantee, for the ratable benefit of the Lenders, in all of Grantor's Patents, Trademarks, Copyrights and IP Licenses and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantor.

(f) Upon the filing of (i) appropriate financing statements, all action necessary or desirable to protect and perfect Grantee's first priority lien, for the ratable benefit of the Lenders, on Grantor's Patents, Trademarks and IP Licenses shall have been duly taken and (ii) the security interest in the Copyrights with the Copyright Office, all action necessary or desirable to protect and perfect Grantee's first priority lien, for the ratable benefit of the Lenders, on Grantor's Copyrights shall have been duly taken.

4. COVENANTS. Grantor covenants and agrees with Grantee that from and after the date of this Agreement:

(a) Grantor shall notify Grantee immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated, or of any adverse

determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding Grantor's ownership of or right to use any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) In no event shall Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving Grantee prior written notice thereof, and, upon request of Grantee, Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Grantee) to evidence Grantee's lien on such Patent, Trademark or Copyright, and the General Intangibles of Grantor relating thereto or represented thereby.

(c) Grantor shall take all actions necessary or requested by Grantee to continue to use all Trademarks (and all trademarks owned by a third party and subject to a Trademark License) and maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents or Trademarks (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(d) In the event that any of the Collateral is infringed upon, misappropriated or diluted by a third party, Grantor shall notify Grantee promptly after Grantor learns thereof. Grantor shall, unless it shall reasonably determine that such Collateral is in no way material to the conduct of its business or operations, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Grantee shall deem appropriate under the circumstances to protect such Collateral.

5. SECURITY AGREEMENT. The security interests granted pursuant to this Agreement are granted in conjunction with the security interests granted to Lenders by Grantor pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Lenders with respect to the security interest in the Collateral made and granted hereby to the Grantee, for the ratable benefit of the Lenders, are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

6. REINSTATEMENT. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all

as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7. EXECUTION OF POWER OF ATTORNEY. Concurrently with the execution and delivery hereof, Grantor (a) shall execute and deliver to Grantee, in the form of Exhibit A hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Trademarks pursuant to Section 5 hereof, (b) shall execute and deliver to Grantee, in the form of Exhibit B hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Copyrights pursuant to Section 5 hereof and (c) shall execute and deliver to Grantee, in the form of Exhibit C hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Patents pursuant to Section 5 hereof.

8. INDEMNIFICATION. (a) Grantor assumes all responsibility and liability arising from the use of the Patents, Trademarks and/or Copyrights and Grantor hereby indemnifies and holds Grantee and the Lenders harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of Grantor's operations of its business from the use of the Patents, Trademarks and/or Copyrights. (b) In any suit, proceeding or action brought by Grantee and/or any Lender under any IP License for any sum owing thereunder, or to enforce any provisions of such IP License, Grantor will indemnify and keep Grantee and the Lenders harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Grantor, and all such obligations of Grantor shall be and remain enforceable against and only against Grantor and shall not be enforceable against Grantee and/or any Lender.

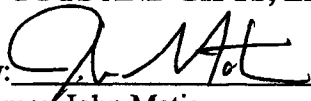
9. NOTICES. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Security Agreement. Any notice to Grantee shall be delivered to Grantee in the manner set forth in the Security Agreement at the following address: Attn: Portfolio Services, 335 Madison Avenue, 10<sup>th</sup> Floor, New York, New York 10017, facsimile: (212) 541-4434.

10. TERMINATION OF THIS AGREEMENT. Subject to Section 6 hereof, this Agreement shall terminate upon indefeasible payment in full in cash of all Obligations and irrevocable termination of the Security Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

**EJ TOYS AND GIFTS, LLC**

By:   
Name: John Matise  
Title: Chief Operating Officer

ACCEPTED AND ACKNOWLEDGED BY:

**LV ADMINISTRATIVE SERVICES, INC.,  
as Agent**

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



IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

**EJ TOYS AND GIFTS, LLC**

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

ACCEPTED AND ACKNOWLEDGED BY:  
  
**LV ADMINISTRATIVE SERVICES, INC.,  
as Agent**

By: \_\_\_\_\_  
Name:  
Title:  
  
**Scott Bluestein  
Authorized Signatory**

STATE OF CALIFORNIA  
COUNTY OF Los Angeles

On June 27, 2008 before me, Scott P. Lupton, personally appeared John Matisse who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



SCHEDULE II  
TO  
INTELLECTUAL PROPERTY SECURITY AGREEMENT

1. TRADEMARK REGISTRATIONS

<u>GRANTOR</u>	<u>REG. NO.</u>	<u>MARK</u>	<u>COUNTRY</u>	<u>REG. DATE</u>
	2,894,207	C. MARIE	USA	10/19/2004
	3,195,522	FUNKY FEET (& Design)	USA	01/09/2007
	99678 (Renewal No. 17966)	EJ ENTERPRISES (& Design)	California	12/20/1994

2. TRADEMARK APPLICATIONS

<u>GRANTOR</u>	<u>SER. NO.</u>	<u>MARK</u>	<u>COUNTRY</u>	<u>FILING DATE</u>
	77024927	"E J ENTERPRISES TOYS GIFTS ACCESSORIES (& Design)"		10/19/2006

3. TRADEMARK LICENSES

<u>GRANTOR</u>	<u>REG. NO.</u>	<u>MARK</u>	<u>COUNTRY</u>	<u>REG. DATE</u>	<u>EXCLUSIV- ITY</u>	<u>TYPE OF LICENSE</u>
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None.