

## TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
CTI Industries Corporation		07/17/2012	CORPORATION: ILLINOIS
RECEIVING PARTY DATA			
Name:	BMO Private Equity (U.S.), Inc.		
Street Address:	c/o BMO Mezzanine Fund, 115 South LaSalle Street		
Internal Address:	18th Floor - West		
City:	Chicago		
State/Country:	ILLINOIS		
Postal Code:	60603		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 10			
Property Type	Number	Word Mark	
Registration Number:	2822844	HUGGERS	
Registration Number:	2848536	FLORALOONS	
Registration Number:	2832620	CANDYLOON	
Registration Number:	1841922	ULTRALOON	
Registration Number:	1863271	DAZZELOONS	
Registration Number:	1616702	CTI	
Registration Number:	1748636	LOONY	
Registration Number:	1291308	MINILOON	
Registration Number:	1211711	SUPERLOON	
Serial Number:	77912227	ZIPVAC	
CORRESPONDENCE DATA			
Fax Number:	3126095005		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent</i>			

CH \$265.00 2822844

*via US Mail.*

Phone: (312) 609-7838  
Email: podonoghue@vedderprice.com  
Correspondent Name: Patricia O'Donoghue, Vedder Price P.C.  
Address Line 1: 222 North LaSalle Street  
Address Line 2: Suite 2500  
Address Line 4: Chicago, ILLINOIS 60601

ATTORNEY DOCKET NUMBER:	36359.00.0023-D.TURNER
NAME OF SUBMITTER:	Patricia O'Donoghue
Signature:	/Patricia O'Donoghue/
Date:	07/18/2012

**Total Attachments: 10**

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The liens granted to BMO Private Equity (U.S.), Inc. hereunder and subordinated to the liens of BMO Harris Bank N.A. (the "Senior Lender") pursuant to the terms of a Subordination and Intercreditor Agreement dated as of July 17, 2012 (as amended, restated or supplemented from time to time, the "Senior Subordination Agreement") between BMO Private Equity (U.S.), Inc. and the Senior Lender.

## **PATENT AND TRADEMARK SECURITY AGREEMENT**

This PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of this 17th day of July, 2012, by CTI INDUSTRIES CORPORATION, an Illinois corporation (the "Debtor"), in favor of BMO PRIVATE EQUITY (U.S.), INC., a Delaware corporation (the "Secured Party").

### **R E C I T A L S:**

A. The Debtor and the Secured Party have entered into a Note and Warrant Purchase Agreement of even date herewith, as the same may from time to time be amended, modified or restated (the "Purchase Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Purchase Agreement), pursuant to which the Secured Party agreed, subject to certain terms and conditions, to purchase (a) a senior secured subordinated promissory note in the aggregate principal amount of \$5,000,000.00 (the "Note"), and (b) a warrant to purchase, in the aggregate, four percent (4%) of the Debtor's Common Stock on a fully-diluted basis (the "Warrant" and together with the Note, the "Securities").

B. Pursuant to the terms of that certain Security Agreement of even date herewith, between the Debtor and the Secured Party, as the same may from time to time be amended, modified or restated (the "Security Agreement"), the Debtor has granted to the Secured Party and any other holder of the Securities a security interest in substantially all of its assets, including all right, title, and interest of the Debtor in, to, and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications, and trademark licenses, and all products and proceeds thereof, to secure the payment of all amounts owing by the Debtor under the Purchase Agreement.

In consideration of the mutual agreements set forth herein, in the Purchase Agreement and in the Security Agreement, the Debtor hereby grants to the Secured Party and any other holder of the Securities a continuing security interest in all of the Debtor's right, title, and interest in, to and under the following, whether presently existing or hereafter created or acquired:

- (1) each trademark and trademark application of the Debtor, including, without limitation, each trademark and trademark application of the Debtor referred to in **Schedule I** attached hereto, together with any reissues, continuations, or extensions thereof and all goodwill associated therewith;
- (2) each trademark license of the Debtor, including, without limitation, each trademark license of the Debtor listed on **Schedule I** attached hereto, together with all goodwill associated therewith;

- (3) all products and proceeds of the foregoing, including, without limitation, any claim by the Debtor against third parties for past, present or future infringement of any trademark, including, without limitation, any trademark referred to in **Schedule I** attached hereto, any trademark issued pursuant to a trademark application referred to in **Schedule I** attached hereto and any trademark licensed under any trademark license listed on **Schedule I** attached hereto (items (1) through (3) being herein collectively referred to as the "Trademark Collateral");
- (4) each patent and patent application of the Debtor, including, without limitation, each patent and patent application of the Debtor referred to in **Schedule II** attached hereto, together with any reissues, continuations, or extensions thereof and all goodwill associated therewith;
- (5) each patent license of the Debtor, including, without limitation, each patent license of the Debtor listed on **Schedule II** attached hereto, together with all goodwill associated therewith;
- (6) all products and proceeds of the foregoing, including, without limitation, any claim by the Debtor against third parties for past, present or future infringement of any patent, including, without limitation, any patent referred to in **Schedule II** attached hereto, any patent issued pursuant to a patent application referred to in **Schedule II** attached hereto and any patent licensed under any patent license listed on **Schedule II** attached hereto (items (4) through (6) being herein collectively referred to as the "Patent Collateral").

This security interest is granted in conjunction with the security interests granted to the Secured Party and any other holder of the Securities pursuant to the Security Agreement and subject to limitations set forth therein. The Debtor hereby acknowledges and affirms that the rights and remedies of the Secured Party and any other holder of the Securities with respect to the security interest in the Trademark Collateral and the Patent Collateral made and granted hereby are more fully set forth in the Purchase Agreement and the Security Agreement, the terms and provisions of each of which are incorporated by reference herein as if fully set forth herein.

[SIGNATURE PAGE FOLLOWS]

*Signature Page to Patent and Trademark Security Agreement – CTI Industries Corporation*

The Debtor has caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the date first set forth above.

**CTI INDUSTRIES CORPORATION**

By: *Steve M. Pugh*  
Name: *Steve M. Pugh*  
Its: *Executive Vice President*

Accepted and agreed to in Chicago, Illinois, as of the date and year first above written.

**BMO PRIVATE EQUITY (U.S.), INC.**

By: \_\_\_\_\_  
Name: Douglas Sutton  
Its: Managing Director

CHICAGO#232A273

**Signature Page to Patent and Trademark Security Agreement – CTI Industries Corporation**

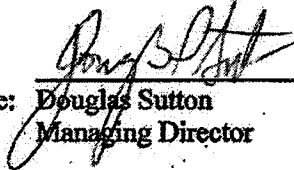
The Debtor has caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the date first set forth above.

**CTI INDUSTRIES CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Accepted and agreed to in Chicago, Illinois, as of the date and year first above written.

**BMO PRIVATE EQUITY (U.S.), INC.**

By:  \_\_\_\_\_  
Name: Douglas Sutton  
Its: Managing Director

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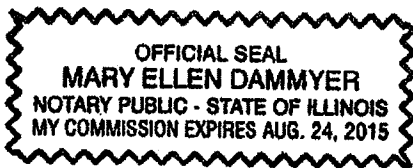
**TRADEMARK**  
**REEL: 004824 FRAME: 0552**

*Notary Page to Patent and Trademark Security Agreement - CTI Industries Corporation*

STATE OF Illinois )  
COUNTY OF Boone ) SS

On this 13th day of July, 2012, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of CTI Industries Corporation, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.

Mary Ellen Dammyer  
Notary Public



**SCHEDULE I**

**TRADEMARKS, TRADEMARK APPLICATIONS, AND TRADEMARK LICENSES**

**TRADEMARKS**

<b>TRADEMARK</b>	<b>COUNTRY OF REGISTRATION</b>	<b>TRADEMARK REGISTRATION NUMBER</b>
HUGGERS	United States	2822844
FLORALOONS	United States	2848536
CANDYLOON	United States	2832620
ULTRALOON	United States	1841922
DAZZELOONS	United States	1863271
CTI	United States	1616702
LOONY	United States	1748636
MINILOON	United States	1291308
SUPERLOON	United States	1211711

**TRADEMARK APPLICATIONS**

<b>TRADEMARK</b>	<b>COUNTRY OF APPLICATION</b>	<b>TRADEMARK APPLICATION NUMBER</b>
ZIP VAC	United States	77912227



**INTENT-TO-USE TRADEMARK APPLICATIONS<sup>1</sup>**

None.

**TRADEMARK LICENSES**

See attached.

**UNREGISTERED TRADEMARKS**

None.

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<sup>1</sup> No intent-to-use United States trademark application is included in the Trademark Collateral until an amendment to allege use or statement of use has been filed under 15 U.S.C § 1051(c) or 15 U.S.C § 1051(d), respectively, and, if filed, has been deemed in conformance with 15 U.S.C § 1051(a) or examined and accepted, respectively, by the United States Patent and Trademark Office.

## LICENSE AGREEMENTS

<u>LICENSOR</u>	<u>DATE</u>
NES-TM, Inc.	April 1, 2003
Bolder Media, Inc.	January 4, 2007
Hallmark Licensing, Inc.	February 26, 2008
Intercontinental Licensing	October 1, 2008
Paws, Incorporated	January 1, 2009
LazyTown Entertainment	February 4, 2009
Train Web DBA Train Party	April 1, 2009
Borlitas	September 1, 2009
Ignition Licensing, Ltd.	January 1, 2010
Toon Studio of Beverly Hills	July 21, 2010
Classic Media, LLC	August 1, 2010
Paper Island, Ltd.	November 1, 2010
Big Idea Entertainment	January 1, 2011
S.C. Johnson (Ziploc)	December 9, 2011

**SCHEDULE II**

**PATENTS, PATENT APPLICATIONS, AND PATENT LICENSES**

See attached.

Patent No.	Title
6,984,278	Method for texturing a film
7,178,754	Balloon anchor
6,846,107	Glue drop end stops for zippered bag
6,854,887	Slider with arm
7,305,742	Seal for zippered bag
7,611,283	Airtight zipper
7,398,953	One way valve for fluid evacuation from a container
7,674,152 (App no: 11/072921)	Enhanced balloon weight system
App. No.: 11/092384 (search for this app no returns 2 publication numbers: 20080230429 and 20060131328)	One way valve and container Patent No. 7,972,064 Granted: 7/5/11 and
App No.: 11/207563 Pub No.: 20080199110	Fluids container
App. No. 60/899513 App. No. 11/974766 Pub No.: 20080044112	Hand operated pump for vacuum containers Seal for zippered bag
6,033,113	Seal for zipper-type plastic bags and the like
App No. 12/012948 Pub No.: 20080230144	Pumps for vacuum containers
7,552,907	One way valve for fluid evacuation from a container
6,729,473	Air-evacuatable bag with double-layered valve film and method for manufacturing same
6,745,904	Display rack for inflated buoyant novelty balloons
D487,119	Embossed novelty latex balloon with face
6,631,811	Display device for inflated buoyant novelty balloons
D458,974	Short bow novelty balloon
D458,650	Long bow novelty balloon
D458,649	Heart and short bow novelty balloon
D457,921	Heart and long bow novelty balloon
D448,813	Tombstone Novelty balloon
D387,095	Human lips-shaped novelty balloon
5,573,437	Packaged balloon and greeting card
5,538,573	Automatic valve insertion method and apparatus therefor
5,405,479	Automatic valve insertion method
4,837,059	Support structure for an ornament
4,802,877	Method and apparatus of tying the neck of a balloon
D298,809	Artificial flower with inflated blossom
4,729,749	Balloon stem connector

EP App No. 03193139.1  
Slider w/  
Arm

EP 1,868,908