

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM321870

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	record asset purchase agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Smarterville Productions, LLC		10/15/2010	LIMITED LIABILITY COMPANY: DELAWARE
Smarterville, Inc.		10/15/2010	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Sandviks HOP, Inc.		
Street Address:	83 Wooster Heights Road		
City:	Danbury		
State/Country:	CONNECTICUT		
Postal Code:	06810		
Entity Type:	CORPORATION: CONNECTICUT		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2050379	HOOKED ON PHONICS	
Registration Number:	2355758	HOOKED ON PHONICS	
Registration Number:	2419481	HOP BOOKS HOOKED ON PHONICS LIBRARY COLL	
Registration Number:	3769322	HOOKED ON LEARNING	
CORRESPONDENCE DATA			
Fax Number:	9142880023		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	914-288-0022		
Email:	tmdocket@leasonellis.com, clarke@leasonellis.com		
Correspondent Name:	Deirdre A. Clarke c/o Leason Ellis LLP		
Address Line 1:	One Barker Avenue, Fifth Floor		
Address Line 4:	White Plains, NEW YORK 10601		
ATTORNEY DOCKET NUMBER:	08135/808000-000		
NAME OF SUBMITTER:	Deirdre A. Clarke		
SIGNATURE:	/deirdreclarke/		
DATE SIGNED:	10/31/2014		
Total Attachments: 6			

OP \$115.00 2050379

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ASSET PURCHASE AGREEMENT

This asset purchase agreement (the "Agreement") is dated October 15, 2010 between Sandviks HOP, Inc., (the "Buyer") a Connecticut corporation that is the wholly owned subsidiary of Sandviks, Inc., Smarterville Productions, LLC, a Delaware limited liability company ("Seller") and Smarterville, Inc., a Delaware corporation and sole interest holder of Seller ("Parent"). Buyer, Seller and Parent may be referred to herein as a "Party" and collectively as the "Parties." Capitalized terms used in this Agreement shall have the meanings set forth in Article 6 unless a particular section specifically provides an alternate meaning, in which case, such meaning shall be limited to that specific section.

RECITALS:

A. In addition to its other lines of business, the Seller is engaged in the business of developing, manufacturing, selling, and distributing children's educational products and books utilizing the "Hooked on Phonics" family of products listed on Annex I hereto, "Learn to Read," "Master Reader," "Hooked On's," and "Discover Reading Toddler" brands (all 5 brands collectively referred to as the "Brands") which products (the "Branded Products") are marketed and sold directly to consumers and through retail store markets (the "Business").

B. The Seller desires that Buyer purchase the Acquired Assets from the Seller pursuant to this Agreement and Buyer desires to purchase the Acquired Assets from the Seller provided that each Party complies with the provisions of this Agreement (and, together with the transactions contemplated by this Agreement, the "Contemplated Transaction").

Therefore, for good and valuable consideration, including, without limitation, the mutual benefits and burdens of the Parties under this Agreement, the receipt and sufficiency of which is hereby mutually acknowledged by the Parties, the Parties, intending to be legally bound, agree as follows:

1. PURCHASE, SALE, AND TRANSFER OF ASSETS

1.1. Purchase and Sale:

Upon the terms and subject to the conditions set forth in this Agreement, effective as of the Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest in and to the Acquired Assets, free and clear of all Encumbrances other than the Assumed Liabilities, and Buyer shall pay the Purchase Price and assume the Assumed Liabilities. Anything herein to the contrary notwithstanding, Buyer shall not acquire any interest in the Excluded Assets or be liable for any Retained Liabilities.

1.2. Consideration:

(a) *Purchase Price:* Subject to the Working Capital Adjustment set forth in Section 1.7 below, the aggregate consideration payable by the Buyer to the Seller for the purchase of the Acquired Assets, and the other obligations of the Seller shall be Four Million Five Hundred Thousand Dollars and No Cents (\$4,500,000) (the "Purchase Price") payable in cash or cash equivalent, as follows.

(b) *General Escrow Amount:* On the Closing Date, a total of One Hundred Seventy Thousand Dollars and no cents (\$170,000.00) (the “Escrow Amount”), which includes One Hundred Fifty Thousand Dollars and no cents (\$150,000.00) for indemnity claims (the “Indemnity Escrow”) and Twenty Thousand Dollars and no cents (\$20,000.00) for sales tax claims (the “Tax Escrow”), shall be placed in escrow by wire transfer delivery to Wells Fargo Bank, National Association (the “Escrow Agent”) to be held and distributed in accordance with the Escrow Agreement in a form mutually agreeable to Buyer and Seller (the “Escrow Agreement”);

(c) *Reading Rainbow/GPN Escrow Amount:* On the Closing Date, a total of Four Hundred Five Thousand One Hundred Fourteen Dollars and ninety seven cents (\$405,114.97) (the “RR Escrow”) for payment of amounts due in respect of the Reading Rainbow/GPN Assets shall be placed in escrow by wire transfer delivery to the Escrow Agent to be held and distributed in accordance with an escrow agreement in a form mutually agreeable to Buyer and Seller (the “RR Escrow Agreement”);

(d) *Creditor Payments:* On the Closing Date, a total of Three Million Five Hundred Forty Three Thousand Three Hundred Three Dollars and thirty two cents \$3,543,303.32 shall be paid to the creditors of the Seller or Parent, as applicable, listed in Annex II in the order and the amounts specified therein (the “Creditor Payments”);

(e) *Closing Payment:* At the Closing, Buyer shall pay the amount equal to the Purchase Price less the sum of the Escrow Amount, RR Escrow, and Creditor Payments as may be adjusted in accordance with Section 1.7 (the “Closing Payment”), to the Seller by wire transfer of funds pursuant to the wiring instructions set forth in Annex III.

1.3. Acquired Assets:

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, but effective as of the Effective Time, except for the Excluded Assets, the Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from the Seller, free and clear of any Encumbrances other than the Assumed Liabilities, all right, title and interest in and to all of the assets that are owned, used, or held in respect to, or are a party of, the Business, including, without limitation:

(a) All Intellectual Property Assets, including, without limitation, those trademarks, trade names, service marks, fictitious business names, logos, and domain names relating solely to the Brands and/or used solely in the Business, whether or not registered, including, without limitation, all pending applications for any such registrations, and all rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under applicable law and all goodwill associated therewith;

(b) all copyrights in works owned, held, or licensed by the Seller, or created by employees of the Seller (or their predecessors) and all moral rights of Seller in respect of the Brands and/or the Business, whether or not registered, and all pending applications for registration thereof;

(c) finished inventory of the Seller to be designated by Buyer on or before Closing having a Book Value of \$2,150,000.00 and which shall include finished inventory, of the Business relating to the 2009 revised version of the “Learn to Read” Brand having a Book Value of no less than \$1,800,000.00(the “Designated Inventory”);

(d) all rights of Seller (including, without limitation, rights under Assumed Contracts in the case of licensed works) in: (i) existing work in progress (“WIP”), and (ii) book art, editorial and content materials, including raw materials, photographs, illustrations, artwork, rights in art files, films and original art, wrapping, supplies and packaging (but excluding wrapping, supplies and packaging in respect of inventory which is not Designated Inventory) relating to, ordered for, or allocated for use in, the Brands and/or the Business;

(e) a 24 month right and license to use the “Smarterville” trademark, logos and branding solely for the purpose of the marketing, sale and packaging of the Designated Inventory and solely in accordance with a license agreement in form mutually agreeable to Buyer and Parent;

(f) all rights of Seller under the Assumed Contracts;

(g) all Accounts Receivable as of the Closing Date relating solely to ongoing United States retail accounts of the Business;

(h) all rights in customer databases, mailing lists and active, suspended and expired customer lists, used in, held for, arising from, or created out of the Business and to any licenses of the Business to use Third Party customer databases or lists that constitute Assumed Contracts, subject to the terms thereof;

(i) all existing promotional and marketing materials, URLs, websites, stationery, forms, labels and similar supplies and all sales media kits relating solely to, created for, or used primarily with respect to, any of the Brands and/or the Business;

(j) copies of all existing records, documents and files relating solely to the Brands, the Business and/or the Acquired Assets as needed to continue to operate the Business;

(k) all rights to causes of action, lawsuits, judgments, claims and demands of any nature whether choate or inchoate, known or unknown, contingent or non-contingent, available to or being pursued by Seller or the Parent with respect solely to the Business or the ownership, use, function or value of any of the Acquired Assets and all claims, causes of action, choses in action, rights of recovery, rights of set-off, counterclaims and rights of recoupment and indemnity for present or future (but excluding past) damages for the breach, infringement or misappropriation of any of the Acquired Assets;

(l) all toll free telephone numbers, facsimile numbers, email addresses, depositories and post office boxes used by Seller solely in connection with the marketing, sales, and distribution efforts of the Business;

Schedule 2.11(a)

Intellectual Property Assets

(i) Marks:


Reg./Appln. Number	US TRADEMARKS
77/449871	HOOKED ON FUN
1872425	HOOKED ON MATH
1876555	HOOKED ON PHONICS
1877587	1-800-ABCDEFG
2050379	HOOKED ON PHONICS
2287035	ABCDEFG
2348348	HOP BOOKS
2355758	HOOKED ON PHONICS
2409046	SKIP & SPIN
2417881	SLAM & DUNK
2419481	HOP BOOKS HOOKED ON PHONICS LIBRARY COLLECTION
2421711	READING CHILD DRAWING
2591385	HOOKED ON PHONICS
2950215	HOOKED ON NATURE
3345757	HOOKED ON SHAPES
3345758	HOOKED ON COLORS
3345759	HOOKED ON NUMBERS
3403692	HOOKED ON BABY
3477905	HOOKED ON READING
3494170	THE SURE THING FOR PRE-K SUCCESS!
3494171	THE SURE THING FOR KINDERGARTEN SUCCESS!
3545224	HOOKED ON HANDWRITING
3545225	HOOKED ON SPANISH
3671106	THE SURE THING FOR READING SUCCESS!
3681631	THE SURE THING FOR MATH SUCCESS!
3723831	HOOKED ON ENGLISH
3769322	HOOKED ON LEARNING

Appln. Number	Reg. Number	Country	FOREIGN TRADEMARKS
1354615		Australia	HOOKED ON PHONICS
	823202674	Brazil	HOOKED ON PHONICS
	823202682	Brazil	HOOKED ON PHONICS

The Parties have executed this asset purchase agreement as of the date stated in the introductory paragraph.

SELLER:
SMARTERVILLE PRODUCTIONS, LLC
By: Its Sole Member, Smarterville, Inc.

BUYER:
SANDVIKS HOP, INC.

By: 

Stephen Hanon, CFO

By: _____
Marius Sandvik, President

PARENT:
SMARTERVILLE, INC.

By: 

Stephen Hanon, CFO


[Signature Page To The October 2010 Smarterville / Sandvik Asset Purchase Agreement]

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By: _____
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PARENT:
SMARTERVILLE, INC.

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[Signature Page To The October 2010 Smarterville / Sandvik Asset Purchase Agreement]