

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	BANKRUPTCY COURT ORDER

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
U.S. Bankruptcy Court Southern District of New York		03/04/2009	N/A:

RECEIVING PARTY DATA

Name:	LDG-Delaware OPCO, Inc.
Street Address:	c/o Clarion Capital Partners, 110 East 59th Street
Internal Address:	Suite 2100
City:	New York
State/Country:	NEW YORK
Postal Code:	10022
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 22

Property Type	Number	Word Mark
Registration Number:	2689407	THE BLACKSHEAR STYLE
Serial Number:	76439979	POOCHES PET PEEVES
Serial Number:	76433605	ANGIE'S IMPAWSTERS
Serial Number:	76427725	LITTLE PRIDE & JOYS
Registration Number:	2671807	WILLITTS DESIGNS
Registration Number:	2178898	DREAMSICLES
Registration Number:	2184426	DREAMSICLES
Registration Number:	2017563	DREAMSICLES
Registration Number:	2020702	DREAMSICLES
Registration Number:	2191178	DREAMSICLES
Registration Number:	2184425	DREAMSICLES
Registration Number:	2140928	DREAMSICLES
Registration Number:	2140929	DREAMSICLES

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Registration Number:	1998120	DREAMSICLES HEAVENLY CLASSICS
Registration Number:	2062558	DREAMSICLES & ME
Registration Number:	2099129	DREAMSICLES KIDS
Registration Number:	2666821	DREAMSICLES FLYING CIRCUS
Registration Number:	2663695	DREAMSICLES FLYING CIRCUS
Registration Number:	2336789	ANGEL HUGS
Registration Number:	2354635	ANGEL HUGS
Registration Number:	2392325	NORTHERN LIGHTS
Registration Number:	2409474	NORTHERN LIGHTS

CORRESPONDENCE DATA

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Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
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ATTORNEY DOCKET NUMBER:	047736/0001
NAME OF SUBMITTER:	Marisa Kaplan, Esq. (047732/0001)
Signature:	/kc for mk/
Date:	03/17/2009

Total Attachments: 24

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re :
 : Chapter 11 Case No.
 :
LENOX SALES, INC., *et al.* :
 : 08-14679 (ALG)
 :
Debtors. : (Jointly Administered)
 :
-----X

**ORDER (I) APPROVING ASSET PURCHASE AGREEMENT AND
AUTHORIZING THE SALE OF THE DEBTORS' ASSETS OUTSIDE
THE ORDINARY COURSE OF BUSINESS, (II) AUTHORIZING
THE SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS,
ENCUMBRANCES AND INTERESTS, AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated December 1, 2009 (the "Sale Motion"), of the above-captioned debtors and debtors-in-possession (the "Debtors") for the entry of an order pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") (i) approving, among other things, (A) certain bidding procedures in connection with the sale of all or substantially all of the Debtors' assets; (B) the form of asset purchase agreement, (C) the sale of all or substantially all of the Debtors' assets free and clear of all Liens¹, Claims, Encumbrances and Interests (as defined herein); and (ii) granting related relief; and the Bankruptcy Court having entered an order dated December 16, 2008 (the "Bidding Procedures Order") authorizing the Debtors to solicit and consider offers for the Purchased Assets and conduct the Auction in accordance with the terms and conditions of the Bidding Procedures and approving, *inter alia*, (i) the Bidding Procedures; (ii) the form and manner of notice of the

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion, the Agreement, or the Bidding Procedures Order as applicable.

Auction, Sale Hearing and the Assumption and Assignment Notice; and (iii) procedures relating to the assumption and assignment of certain unexpired leases and executory contracts, including notice of proposed Determined Cure Costs; and the Bankruptcy Court having established the date of the Sale Hearing; and the Bankruptcy Court having jurisdiction to consider the Sale Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157(b)(2) and 1334;² and consideration of the Sale Motion, the relief requested therein, and the responses thereto being a core proceeding in accordance with 28 U.S.C. § 157(b); and the appearance of all interested parties and all responses and objections to the Sale Motion having been duly noted in the record of the Sale Hearing; and upon the record of the Sale Hearing, and all other pleadings and proceedings in this case, including the Sale Motion; and it appearing that the relief requested in the Sale Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY FOUND, DETERMINED AND CONCLUDED THAT:³

A. The findings and conclusions set forth herein constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. The Bankruptcy Court has jurisdiction over this matter and over the Debtors' estates and their property pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core

² The "Bankruptcy Court" shall mean the United States Bankruptcy Court for the Southern District of New York.

³ All findings of fact and conclusions of law announced by the Bankruptcy Court at the Sale Hearing in relation to the Sale Motion are hereby incorporated herein to the extent not inconsistent herewith.

proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of these chapter 11 cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

D. That certain asset purchase agreement, dated as of February [25], 2009, between LDG-Delaware Opco, Inc. (“New Lenox” or “Purchaser”), and the Debtors (the “Agreement”) is substantially in the form approved by the Bidding Procedures Order, except as otherwise noted on the redlined copy filed with the Bankruptcy Court on March 2, 2009 (docket # 340). New Lenox is an entity owned and controlled (indirectly) by the persons that are the lenders (the “Term Loan Lenders”) party to that certain Amended and Restated Term Loan Credit Agreement dated as of April 20, 2007, and was formed for the purpose of acquiring the Debtors’ assets.

E. The Purchased Assets (as such term is defined in the Agreement) constitute property of the Debtors’ estates and title thereto is vested in the Debtors’ estates within the meaning of section 541(a) of the Bankruptcy Code.

F. The statutory predicates for the relief sought in the Sale Motion and the basis for the approvals and authorizations herein are (i) sections 102, 105, 363, and 365 of the Bankruptcy Code, and (ii) Bankruptcy Rules 2002, 6004, 6006 and 9014.

G. As evidenced by the affidavits of services filed with the Bankruptcy Court, proper, timely, adequate, and sufficient notice of the Sale Motion, the Auction, and the Sale Hearing have been provided in accordance with sections 102(1) and 363(b) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 9006, 9007, 9008 and 9014, the local rules of this Bankruptcy Court, and in compliance with the Bidding Procedures Order. Such notice was good and sufficient and appropriate under the particular circumstances. No other or further notice of the Sale Motion, the Auction, the Sale Hearing, or of the entry of this Order is necessary or shall

be required. A reasonable opportunity to object or be heard regarding the requested relief has been afforded to all interested persons and entities.

H. The Debtors have demonstrated a sufficient basis and compelling circumstances requiring them to enter into the Agreement, sell the Purchased Assets under section 363 of the Bankruptcy Code, and such action is an appropriate exercise of the Debtors' business judgment and in the best interests of the Debtors, their estates and their creditors. Such business reasons include, but are not limited to, the facts that (i) there is substantial risk of deterioration of the value of the Purchased Assets if the sale is not consummated quickly; (ii) the Agreement constitutes the highest or best offer for the Purchased Assets; (iii) the Agreement and the Closing (as defined in the Agreement) will present the best opportunity to realize the value of the Debtors on a going concern basis and avoid decline and devaluation of the Debtors' business; (iv) the sale of the Purchased Assets pursuant to the Agreement will provide the Debtors with \$2,500,000 to pay, inter alia, administrative, priority and secured tax claims that would not otherwise be paid, and (v) unless the sale is concluded expeditiously as provided for in the Sale Motion and pursuant to the Agreement, creditors' recoveries may be diminished.

I. The Debtors and their professionals (i) provided potential purchasers, upon request, sufficient information to enable them to make an informed judgment on whether to bid on the Purchased Assets, (ii) afforded interested potential purchasers a full, fair and reasonable opportunity to conduct due diligence and submit offers prior to the Bid Deadline. As of the Bid Deadline, the only offers received by the Debtors for the Purchased Assets were from Upstairs Acquisition Corp. ("UAC") and New Lenox.

J. At the Auction, the Debtors determined that the offer submitted by New Lenox did not constitute a Qualified Bid; as a result, the Debtors declared the UAC offer to be the Successful Bid.

K. The Debtors filed a Supplement to the Sale Motion seeking approval of the sale to UAC.

L. The Bank of New York Mellon, in its capacity as agent for the Term Loan Lenders, filed an objection to the sale on the grounds, inter alia, that (i) the Bidding Procedures were not properly implemented and that New Lenox should have been a Qualified Bidder, (ii) the UAC purchase price was grossly inadequate, and (iii) the sale to UAC did not satisfy section 363(f) of the Bankruptcy Code (the “Term Lender Objection”). The Term Lender Objection also requested that the Bankruptcy Court deny approval of the UAC sale and that the Bankruptcy Court exercise its discretion to reopen the Auction.

M. The Bankruptcy Court conducted hearings in respect of the Sale Motion on February 23, 24 and 25, 2009. At the conclusion of the hearings, the Bankruptcy Court determined that it should exercise its discretion to reopen the Auction, and directed that an Auction be conducted with New Lenox as a Qualified Bidder.

N. At the commencement of the Auction, the Debtors determined that the offer of New Lenox was highest and best. UAC declined to submit any further offer; as a result, the Debtors declared New Lenox to be the Successful Purchaser. Thereafter, the Debtors and the Purchaser entered into the Agreement, a copy of which is annexed hereto as Exhibit A.

O. The Purchaser is the Successful Bidder for the Purchased Assets in accordance with the Bidding Procedures Order and further order of the Bankruptcy Court. The offer of the Purchaser, upon the terms and conditions set forth in the Agreement, including the form and total

consideration to be realized by the Debtors pursuant to the Agreement, (i) is the highest and best offer received by the Debtors; (ii) is fair and reasonable; (iii) is in the best interests of the Debtors' creditors and estates; (iv) constitutes full and adequate consideration and reasonably equivalent value for the Purchased Assets; (v) provides the Debtors with \$2,500,000 to pay, inter alia, administrative, priority and secured tax claims that would not otherwise be paid, and (vi) will provide a greater recovery for the Debtors than would be provided by the UAC offer or liquidation.

P. The Purchaser is a buyer in good faith, as that term is used in the Bankruptcy Code and the decisions thereunder, and is entitled to the protections of section 363(m) of the Bankruptcy Code with respect to all of the Purchased Assets. The Agreement was negotiated and entered into in good faith and without collusion or fraud of any kind. Neither the Debtors nor the Purchaser has engaged in any conduct that would prevent the application of section 363(m) of the Bankruptcy Code or cause the application of or implicate section 363(n) of the Bankruptcy Code to the Agreement or to the consummation of the sale transaction and transfer of the Purchased Assets. The Purchaser is entitled to all the protections and immunities of section 363(m) of the Bankruptcy Code.

Q. The Debtors have full corporate power and authority to execute the Agreement and all other documents contemplated thereby, and the sale of the Purchased Assets has been duly and validly authorized by all necessary corporate authority by the Debtors to consummate the transactions contemplated by the Agreement. No consents or approvals, other than as may be expressly provided for in the Agreement, are required by the Debtors to consummate such transactions.

R. Except as otherwise provided in the Agreement, the Purchased Assets shall be sold free and clear of all mortgages, restrictions, hypothecations, charges, indentures, loan agreements, instruments, leases, licenses, options, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, liens (including, without limitation, mechanics', materialmen's and other consensual and non-consensual liens and statutory liens), judgments, demands, encumbrances, rights of first refusal, offsets, contracts, recoupment, rights of recovery, claims for reimbursement, contribution, indemnity, exoneration, products liability, alter-ego, environmental, pension, or tax, decrees of any court or foreign or domestic governmental entity, or charges of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership, debts arising in any way in connection with any agreements, acts, or failures to act, of the Debtors or the Debtors' predecessors or affiliates, claims (as that term is used in the Bankruptcy Code), reclamation claims, obligations, liabilities, demands, guaranties, options, rights, contractual or other commitments, restrictions, interests and matters of any kind and nature, whether known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, whether arising prior to or subsequent to the commencement of the bankruptcy case, and whether imposed by agreement, understanding, law, equity or otherwise, including claims otherwise arising under doctrines of successor liability (other than as expressly provided in the Agreement; collectively, "Liens, Claims, Encumbrances and Interests") with such Liens, Claims, Encumbrances and Interests to attach to the consideration to be received by the Debtors in the same priority as before the Closing, and the Purchaser would not enter into the Agreement

to purchase the Purchased Assets otherwise. Notwithstanding the foregoing, nothing in this Order finding that the Purchased Assets will be sold free and clear of Liens, Claims, Encumbrances and Interests applies to Assumed Contracts and Assumed Leases that will be subject to a separate order.

S. The transfer of the Purchased Assets to the Purchaser is a legal, valid and effective transfer of the Purchased Assets, and, except as may otherwise be provided in the Agreement, shall vest the Purchaser with all right, title and interest of the Debtors to the Purchased Assets free and clear of any and all Liens, Claims, Encumbrances and Interests. Except as specifically provided in the Agreement or this Order, the Purchaser shall not assume or become liable for any Liens, Claims, Encumbrances and Interests relating to the Purchased Assets being sold by the Debtors.

T. The transfer of the Purchased Assets to the Purchaser free and clear of all Liens, Claims, Encumbrances and Interests will not result in any undue burden or prejudice to any holders of any Liens, Claims, Encumbrances and Interests as all such Liens, Claims, Encumbrances and Interests of any kind or nature whatsoever shall attach to the net proceeds of the sale of the Purchased Assets received by the Debtors in the order of their priority, with the same validity, force and effect which they now have as against the Purchased Assets. All persons having Liens, Claims, Encumbrances or Interests of any kind or nature whatsoever against or in any of the Debtors or the Purchased Assets shall be forever barred, estopped and permanently enjoined from pursuing or asserting such Liens, Claims, Encumbrances or Interests against the Purchaser, any of its assets, property, successors or assigns, or the Purchased Assets.

U. The Debtors may sell the Purchased Assets free and clear of all Liens, Claims, Encumbrances and Interests of any kind or nature whatsoever because, in each case, one or more

of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied. Not selling the Purchased Assets free and clear of all Liens, Claims, Interests and Encumbrances would adversely impact the Debtors' estates, and the sale of Purchased Assets other than one free and clear of all Liens, Claims, Interests and Encumbrances would be of substantially less value to the Debtors' estates.

V. In the absence of a stay pending appeal, the Purchaser is acting in good faith, pursuant to section 363(m) of the Bankruptcy Code, in closing the transactions contemplated by the Agreement at any time on or after the entry of this Order and cause has been shown as to why this Order should not be subject to the stay provided by Bankruptcy Rules 6004(h) and 6006(d).

W. The transactions contemplated under the Agreement do not amount to a consolidation, merger or *de facto* merger of the Purchaser and the Debtors and/or the Debtors' estates, there is not substantial continuity between the Purchaser and the Debtors, there is no common identity between the Debtors and the Purchaser, there is no continuity of enterprise between the Debtors and the Purchaser, the Purchaser is not a mere continuation of the Debtors or their estates, and the Purchaser does not constitute a successor to the Debtors or their estates. Other than the Assumed Liabilities, the Purchaser shall have no obligations with respect to any liabilities of the Debtors, including, without limitation, the Excluded Liabilities, and the Debtors and the Committee will release and forever discharge the Purchaser and its successors and assigns from any and all claims, causes of action, obligations, liabilities, demands, losses, costs and expenses of any kind, character or nature whatsoever, known or unknown, fixed or contingent, relating to the sale, except for liabilities and obligations under the Agreement.

X. The sale of the Purchased Assets outside of a plan of reorganization pursuant to the Agreement neither impermissibly restructures the rights of the Debtors' creditors nor

impermissibly dictates the terms of a liquidating plan of reorganization for the Debtors. The sale does not constitute a *sub rosa* chapter 11 plan.

Y. The total consideration provided by the Purchaser for the Purchased Assets is the highest and best offer received by the Debtors, and the Purchase Price provided by the Purchaser under the Agreement is fair and reasonable and constitutes for all purposes a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and any other similar applicable law.

NOW, THEREFORE, BASED UPON ALL OF THE FOREGOING, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The relief requested in the Sale Motion is granted, subject to the terms and conditions contained herein. The Sale Motion complies with all aspects of Local Rule 6004-1.

2. All objections, responses, and requests for continuance concerning the Sale Motion are resolved in accordance with the terms of this Order and as set forth in the record of the Sale Hearing.

3. Notice of the Sale Hearing was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006.

Approval of Sale

4. The sale of the Purchased Assets,⁴ the terms and conditions of the Agreement (including all schedules and exhibits affixed thereto), and the transactions contemplated thereby be, and hereby are, authorized and approved, except as provided in decretal paragraph 17 of this Order.

⁴ Any reference in this Order to Purchased Assets is made subject to the provisions of paragraph 17 of this Order.

5. The sale of the Purchased Assets and the consideration provided by the Purchaser under the Agreement is fair and reasonable and shall be deemed for all purposes to constitute a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and any other applicable law.

6. The Purchaser is hereby granted and is entitled to all of the protections provided to a good faith buyer under section 363(m) of the Bankruptcy Code. Pursuant to section 363(m) of the Bankruptcy Code, if any or all of the provisions of this Order are hereafter reversed, modified, or vacated by a subsequent order of this Bankruptcy Court or any other court, such reversal, modification, or vacatur shall not affect the validity and enforceability of any transfer under the Agreement or obligation or right granted pursuant to the terms of this Order (unless stayed pending appeal), and notwithstanding any reversal, modification or vacatur shall be governed in all respects by the original provisions of this Order and the Agreement, as the case may be.

7. At the Closing, the Debtors will be authorized to fully perform under, consummate and implement the terms of the Agreement together with any and all additional instruments and documents that may be reasonably necessary or desirable to implement and effectuate the terms of the Agreement, this Order and sale of the Purchased Assets contemplated thereby including, without limitation, deeds, assignments, stock powers and other instruments of transfer, and to take all further actions as may reasonably be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser, or reducing to possession any or all of the Purchased Assets or Assumed Liabilities, as may be necessary or appropriate to the performance of the Debtors' obligations as contemplated by the Agreement, without any further corporate action or orders of this Bankruptcy Court. The Purchaser shall

have no obligation to proceed with the Closing of the Agreement until all conditions precedent to their obligations to do so have been met, satisfied or waived.

8. The Debtors are further authorized and empowered to cause to be filed with the secretary of state of any state or other applicable officials of any applicable governmental units, any and all certificates, agreements, or amendments necessary or appropriate to effectuate the transactions contemplated by the Agreement, any related agreements and this Order, including amended and restated certificates or articles of incorporation and by-laws or certificates or articles of amendment, and all such other actions, filings, or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units or as any of the officers of the Debtors may determine are necessary or appropriate. The execution of any such document or the taking of any such action shall be, and hereby is, deemed conclusive evidence of the authority of such person to so act.

9. Effective as of the Closing (a) the sale of the Purchased Assets by the Debtors to the Purchaser shall constitute a legal, valid and effective transfer of the Purchased Assets notwithstanding any requirement for approval or consent by any person and vests the Purchaser with all right, title and interest of the Debtors in and to the Purchased Assets, free and clear of all Liens, Claims, Interests and Encumbrances of any kind, pursuant to section 363(f) of the Bankruptcy Code, and (b) the assumption of any Assumed Liabilities by the Purchaser constitutes a legal, valid and effective delegation of any Assumed Liabilities to the Purchaser and divests the Debtors of all liability with respect to any Assumed Liabilities.

Transfer of Assets

10. Except to the extent specifically provided in the Agreement, upon the Closing, the Debtors shall be, and hereby are, authorized, empowered, and directed, pursuant to sections 105,

363(b) and 363(f) of the Bankruptcy Code, to sell the Purchased Assets to the Purchaser. The sale of the Purchased Assets vests the Purchaser with all right, title and interest of the Debtors to the Purchased Assets free and clear of any and all Liens, Claims, Interests and Encumbrances and other liabilities, whether arising prior to or subsequent to the Petition Date, whether imposed by agreement, understanding, law, equity or otherwise, with all such Liens, Claims, Interests and Encumbrances to attach only to the proceeds of the sale with the same priority, validity, force, and effect as they now have in or against the Purchased Assets. The Sale Motion shall be deemed to provide sufficient notice as to the sale of the Purchased Assets free and clear of Liens, Claims, Interests and Encumbrances in accordance with Local Rule 6004-1. Following the Closing, no holder of any Liens, Claims, Interests and Encumbrances in the Purchased Assets may interfere with the Purchaser's use and enjoyment of the Purchased Assets based on or related to such Liens, Claims, Interests and Encumbrances, or any actions that the Debtors may take in their chapter 11 cases and no person may take any action to prevent, interfere with or otherwise enjoin consummation of the transactions contemplated in or by the Agreement or this Order.

11. The provisions of this Order authorizing the sale of the Purchased Assets free and clear of Liens, Claims, Encumbrances and Interests and the Assumed Liabilities, shall be self-executing, and neither the Debtors nor the Purchaser shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate and implement the provisions of this Order.

12. On or before the Closing Date, the Debtors' creditors are authorized and directed to execute such documents and take all other actions as may be necessary and as the Debtors may request to release any Liens, Claims, Encumbrances or Interests of any kind against the

Purchased Assets, as such Liens, Claims, Encumbrances or Interests may have been recorded or may otherwise exist. If any person or entity that has filed financing statements or other documents or agreements evidencing any Liens, Claims, Encumbrances or Interests in or against the Purchased Assets shall not have delivered to the Debtors prior to the Closing after request therefor, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all such Liens, Claims, Encumbrances or Interests that the person or entity has with respect to the Purchased Assets, the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to such Purchased Assets prior to the Closing, and the Purchaser is authorized to file such documents after Closing.

13. To the greatest extent available under applicable law, the Purchaser shall be authorized, as of the Closing Date, to operate under any license, permit, registration and governmental authorization or approval of the Debtors with respect to the Purchased Assets, and all such licenses, permits, registrations and governmental authorizations and approvals are deemed to have been, and hereby are, directed to be transferred to the Purchaser as of the Closing Date.

14. All of the Debtors' interests in the Purchased Assets to be acquired by the Purchaser under the Agreement shall be, as of the Closing Date and upon the occurrence of the Closing, transferred to and vested in the Purchaser. Upon the occurrence of the Closing, this Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Purchased Assets acquired by the Purchaser under the Agreement and/or a bill of sale or assignment transferring indefeasible title and interest in the Purchased Assets to the Purchaser.

15. Except as expressly provided in the Agreement, the Purchaser is not assuming nor shall it or any affiliate of the Purchaser be in any way liable or responsible, as a successor or otherwise, for any liabilities, debts, or obligations of the Debtors in any way whatsoever relating to or arising from the Debtors' ownership or use of the Purchased Assets prior to the consummation of the transactions contemplated by the Agreement, or any liabilities calculable by reference to the Debtors or their operations, or relating to conditions existing on or prior to consummation of the transactions contemplated by the Agreement, which liabilities, debts, and obligations are hereby extinguished insofar as they may give rise to liability, successor or otherwise, against the Purchaser or any affiliate of the Purchaser.

16. Except as otherwise expressly provided in the Agreement, all persons or entities, presently or on or after the Closing Date, in possession of some or all of the Purchased Assets are directed to surrender possession of the Purchased Assets to the Purchaser on the Closing Date or at such time thereafter as the Purchaser may request.

Assumed Contracts and Assumed Leases

17. For the avoidance of doubt, this Order shall not be construed to authorize the assumption and assignment of any Assumed Contracts or Assumed Leases or to overrule or otherwise affect any objections relating to Assumed Contracts or Assumed Leases that have been timely filed. Further, entry of this Order shall not prevent or prejudice the rights of entities with executory contracts or unexpired leases to object to the Debtors' assumption and/or assignment of such contracts or leases or make any determination with respect to the Debtors' deadline to assume or reject unexpired leases and executory contracts pursuant to 11 U.S.C. § 365(d)(4). Assumption and assignment of any executory contract or unexpired lease may only be effected by the Debtors' compliance with the terms and conditions contained in the Bidding Procedures

Order.⁵ A hearing to consider the assumption and assignment of certain of the Assumed Contracts and Assumed Leases, notice of which was provided in accordance with the Bidding Procedures Order, shall be held on March 11, 2009 at 11:00 a.m.

Additional Provisions

18. Each and every federal, state, and local governmental agency or department is hereby authorized to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and this Order.

19. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Purchased Assets sold, transferred or conveyed to the Purchaser on account of the filing or pendency of this chapter 11 cases or the consummation of the transaction contemplated by the Agreement.

20. The Purchaser has not assumed or is otherwise not obligated for any of the Debtors' liabilities other than the Assumed Liabilities and as otherwise set forth in the Agreement, and the Purchaser has not purchased any of the Excluded Assets. Consequently, all persons, Governmental Units (as defined in sections 101(27) and 101(41) of the Bankruptcy Code) and all holders of Liens, Claims, Interests or Encumbrances based upon or arising out of liabilities retained by the Debtors are hereby enjoined from taking any action against the Purchaser or the Purchased Assets, including asserting any setoff, right of subrogation or recoupment of any kind, to recover any Liens, Claims, Interests or Encumbrances or on account of any liabilities of the

⁵ Notwithstanding anything to the contrary in this Order or in the Agreement, (i) none of the agreements between one of more of the Debtors and Oracle USA, Inc. ("Oracle") relating to the licensing of Oracle software and related services ("Oracle Agreements") shall be assumed and/or assigned and/or otherwise transferred to the Purchaser, without a further order of the Bankruptcy Court pursuant to the procedures set forth in Bidding Procedures Order relating to the assumption and/or assignment of executory contracts and unexpired leases; and (ii) to the extent that any computers, hard drives, servers or the likes (the "Computer Equipment") are transferred to the Purchaser prior to the assumption and/or assignment of the Oracle Agreements or without further Bankruptcy Court order, then any and all Oracle software and/or licenses shall be removed or scrubbed or eliminated from such Computer Equipment prior to the transfer of such Computer Equipment.

Debtors other than Assumed Liabilities pursuant to the Agreement. All persons holding or asserting any Interest in the Excluded Assets are hereby enjoined from asserting or prosecuting such Liens, Claims, Interests or Encumbrances or cause of action against the Purchaser or the Purchased Assets for any liability associated with the Excluded Assets.

21. The Purchaser is not and shall not be deemed a “successor” to the Debtors or their estates as a result of the consummation of the transactions contemplated by the Agreement or any other event occurring in the chapter 11 cases under any theory of law or equity, and the Purchaser shall not assume, nor be deemed to assume, or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates including, but not limited to, any bulk sales law, successor liability, liability or responsibility for any claim against the Debtors or against an insider of the Debtors, or similar liability except as otherwise expressly provided in the Agreement, and the Sale Motion contains sufficient notice of such limitation in accordance with Local Rule 6004-1. Except to the extent the Purchaser assumes the Assumed Liabilities pursuant to the Agreement, the purchase of the Purchased Assets by the Purchaser or its affiliates, and the transactions approved hereby, will not cause the Purchaser or any of its affiliates to be deemed a successor in any respect to the Debtors’ businesses.

22. Except to the extent expressly included in the Assumed Liabilities, pursuant to sections 105 and 363 of the Bankruptcy Code, all persons and entities, including, but not limited to, the Debtors, the Committee, all debt security holders, equity security holders, the Debtors’ employees or former employees, governmental, tax and regulatory authorities, lenders, parties to or beneficiaries under any benefit plan, trade and other creditors asserting or holding a Lien, Claim, Encumbrance or Interest of any kind or nature whatsoever against, in or with respect to any of the Debtors or the Purchased Assets (whether legal or equitable, secured or unsecured,

matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to the Purchased Assets, the operation of the Debtors' business prior to the Closing Date or the transfer of the Purchased Assets to the Purchaser, shall be forever barred and estopped from asserting, prosecuting or otherwise pursuing such Lien, Claim, Encumbrance or Interest, whether by payment, setoff, or otherwise, directly or indirectly, against the Purchaser or any affiliates, successors or assigns thereof and each of their respective current and former members, officers, directors, managed funds, investment advisors, attorneys, employees, partners, affiliates, financial advisors and representatives (each of the foregoing in its individual capacity), or the Purchased Assets. For the avoidance of doubt, the foregoing shall not prevent the Debtors, their estates, successors or permitted assigns from pursuing claims, if any, against the Purchaser and/or its successors and assigns in accordance with the terms of the Agreement or any rights the Committee has to pursue a Challenge (as defined in the Final DIP Order (as defined below)).

23. Other than the Assumed Liabilities or as otherwise provided for in the Agreement, the Purchaser shall have no obligations with respect to any liabilities of the Debtors, including, without limitation, the Excluded Liabilities, and the Debtors and the Committee are deemed to release and forever discharge the Purchaser and any of its affiliates, successors and assigns from any and all claims, causes of action, obligations, liabilities, demands, losses, costs and expenses of any kind, character or nature whatsoever, known or unknown, fixed or contingent, relating to the sale, except for liabilities and obligations under the Agreement.

24. Pursuant to that certain Final Order entered on December 16, 2008 authorizing the Debtors' postpetition financing [Docket No. 129] (the "Final DIP Order") and the terms of the DIP Credit Agreement (as defined in the Final Order), upon the Closing Date: (a) the Purchaser

shall pay in full in cash all Obligations (as defined in the DIP Credit Agreement), including cash collateralization of all letters of credit not replaced and cancelled on or prior to Closing, in accordance with the terms of the DIP Credit Agreement, to the DIP Facility Agent (or applicable Issuing Bank (as defined in the DIP Credit Agreement) with respect to any letters of credit), for the benefit of itself, the Issuing Bank and the DIP Lenders to be paid by the DIP Agent to the DIP Lenders in accordance with the DIP Credit Agreement or held as cash collateral by the Issuing Bank for outstanding letters of credit under a separate cash collateral agreement with the Purchaser; and (b) other than obligations that specifically survive termination as provided in the DIP Credit Agreement, such as any indemnification obligations, the DIP Credit Agreement, the DIP Lenders' commitments thereunder, and any of the DIP Agent's or DIP Lenders' obligations or liabilities under the Final Order shall be deemed terminated after such payment in full.

25. Subject to the terms of the Agreement, the Agreement and any related agreements may be waived, modified, amended, or supplemented by agreement of the Debtors and the Purchaser, without further action or order of the Bankruptcy Court; provided, however, that any such waiver, modification, amendment, or supplement is not material and substantially conforms to, and effectuates, the Agreement and any related agreements and provided, further, that any such waiver, modification, amendment or supplement is filed with the Bankruptcy Court. Any material modification, amendment, or supplement to the Agreement must be approved by Order of the Bankruptcy Court following a motion on notice to all interested parties.

26. The failure specifically to include any particular provisions of the Agreement or any related agreements in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Bankruptcy Court, the Debtors and the Purchaser that the Agreement

and any related agreements are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Order prior to Closing.

27. To the extent any provisions of this Order conflict with the terms and conditions of the Agreement, this Order shall govern and control.

28. This Order and Agreement shall be binding upon and govern the acts of all persons and entities, including without limitation, the Debtors and the Purchaser, their respective successors and permitted assigns, including, without limitation, any Chapter 11 trustee hereinafter appointed for the Debtors' estates or any trustee appointed in a Chapter 7 case if this case is converted from Chapter 11, all creditors of any Debtor (whether known or unknown), filing agents, filing officers, title agents, recording agencies, secretaries of state, and all other persons and entities who may be required by operation of law, the duties of their office or contract, to accept, file, register, or otherwise record or release any documents or instruments or who may be required to report or insure any title in or to the Purchased Assets.

29. The provisions of this Order are non-severable and mutually dependent without written consent of Purchaser.

30. Nothing in any order of this Bankruptcy Court or contained in any plan of reorganization or liquidation confirmed in the chapter 11 cases, or in any subsequent or converted cases of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code, shall conflict with or derogate from the provisions of the Agreement or the terms of this Order.

31. Notwithstanding Bankruptcy Rules 6004, 6006 and 7062, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing, and the Sale Motion shall be deemed to provide sufficient notice of the Debtors' request for relief from stay. In the absence of any person or entity obtaining a stay pending appeal, the Debtors and the

Purchaser are free to close under the Agreement at any time, subject to the terms of the Agreement. In the absence of any person or entity obtaining a stay pending appeal, if the Debtors and the Purchaser close under the Agreement, the Purchaser shall be deemed to be acting in “good faith” and shall be entitled to the protections of section 363(m) of the Bankruptcy Code as to all aspects of the transactions under and pursuant to the Agreement if this Order or any authorization contained herein is reversed or modified on appeal.

32. This Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms and provisions of this Order, the Bidding Procedures Order, and the Agreement in all respects and to decide any disputes concerning this Order and the Agreement, or the rights and duties of the parties hereunder or thereunder or any issues relating to the Agreement and this Order including, but not limited to, the interpretation of the terms, conditions and provisions hereof and thereof, the status, nature and extent of the Purchased Assets and any Assumed Contracts and Assumed Leases and all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning the transfer of the assets free and clear of all Liens, Claims, Interests and Encumbrances.

Dated: New York, New York
March 4, 2009

/s/ Allan L. Gropper
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE A

<u>Name</u>	<u>Registration/Application No.</u>	<u>Registration/Application Date</u>
THE BLACKSHEAR STYLE	2689407	02/18/03
POOCHES PET PEAVES	76439979	08/13/02
ANGIE'S IMPAWSTERS	76433605	02/04/03
LITTLE PRIDE & JOYS	76427725	07/01/02
WILLITTS DESIGNS	2671807	01/07/03
DREAMSICLES	2178898	08/04/98
DREAMSICLES	2184426	08/25/98
DREAMSICLES	2017563	11/19/96
DREAMSICLES	2020702	12/03/96
DREAMSICLES	2191178	09/22/98
DREAMSICLES	2184425	08/25/98
DREAMSICLES W/ CLOUD & STARS DESIGN	2140928	03/03/98
DREAMSICLES W/ CLOUD & STARS DESIGN	2140929	03/03/98
DREAMSICLES HEAVENLY CLASSICS (STYLIZED)	1998120	09/03/96
DREAMSICLES & ME (STYLIZED)	2062558	05/20/97

<u>Name</u>	<u>Registration/Application No.</u>	<u>Registration/Application Date</u>
DREAMSICLES KIDS (STYLIZED)	2099129	09/23/97
DREAMSICLES FLYING CIRCUS	2666821	12/24/02
DREAMSICLES FLYING CIRCUS	2663695	12/17/02
ANGEL HUGS	2336789	03/28/00
ANGEL HUGS	2354635	06/06/00
NORTHERN LIGHTS	2392325	10/03/00
NORTHERN LIGHTS	2409474	11/28/00

SRZ-10856371.1

RECORDED: 03/17/2009

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