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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

M&D Balloons, Inc.
c/o Anagram International, Inc.
7700 Anagram Drive
Eden Prairie, MN 55344

4-30-02

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

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

Execution Date: March 20, 2002

2. Name and address of receiving party(ies)

Name: Fleet National Bank, as
Collateral Agent
Internal Address: _____

Street Address: 100 Federal Street

Mail Stop MADE10011A

City: Boston State: MA Zip: 02110

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

See attached Schedule I

B. Patent No.(s)

See attached Schedule I

Additional numbers attached? ☒ Yes ☐ No

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

Name: Elizabeth Akiloff

Internal Address: c/o O'Melveny & Myers LLP

Street Address: 153 East 53rd Street

53rd Floor, Room 5305

City: New York State: NY Zip: 10022

6. Total number of applications and patents involved: 15

7. Total fee (37 CFR 3.41).....\$ 600.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

N/A

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Elizabeth Akiloff

Name of Person Signing

Edy
Signature

4/26/02

Date

Total number of pages including cover sheet, attachments, and documents: 15

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

05/03/2002 TDI#Z1 00000159 5248275

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600.00 DP

PATENT
REEL: 12841 FRAME: 0513

SCHEDULE I TO GRANT OF PATENT SECURITY INTEREST

Patents Issued and Pending:

COMPANY PATENT HOLDINGS:

File #	Inventor(s)	Patent No. (App Ser. No.)	Issue Date (Filing Date)	Title	Maintenance Fee Due Dates/Comments
51423	McGrath et al.	5,248,275	9/28/93	Balloon With Flat Film Valve ("Bag Balloon")	9/28/2004 - 3/28/2004
54477	McGrath	5,378,299	1/3/95	Method of Making Balloon With Flat Film Valve	1/3/2002 - 7/3/2002
54664	Becker	5,482,492	1/9/96	Improved Balloon & Balloon Valves ("Pokeless")	1/9/2003 - 7/9/2003
55355	Becker	5,378,186	1/3/95	Balloon Assembly ("Pluto With Collar") Tap Dancer	1/3/2002 - 7/3/2002
56656	Harris	5,514,022	5/7/96	Toy Balloon Packaging ("OnePac Variation")	5/7/2003 - 11/7/2003
57420	Kurtz	5,779,614	7/14/98	Method And Apparatus For Folding Toy Balloons ("Balloon Folder")	7/14/2005 - 1/14/2006
57421	Kurtz	5,857,636	1/12/99	Method and Apparatus For Providing Securement For Toy Balloons ("Ribbon Attachment")	1/12/2002 - 7/12/2002
58122	Becker	5,595,521	1/21/97	Improved Balloons & Balloon Valves ("Pokeless w/alternative claims") (Continuation of 54664)	1/21/2004 - 7/21/2004
58195	Knight	5,733,406	3/31/98	Manufacture of Valves For Inflatable Articles	3/31/2005 - 9/31/2005
59698	Harris	5,797,783	8/25/98	Toy Balloon Packaging ("OnePac variations - counterweight assemblies") (FWC of File 54489)	8/25/2005 - 2/25/2006
60866	Kurtz	5,806,165	9/15/98	Method and Apparatus For Providing Securement For Toy Balloons (Division of File 57421)	9/15/2005 - 3/15/2006
68400	Van Dyke et al.	(10/015,441)	(12/31/01)	Improved Buoyant Balloons	Awaiting Examination
68709	Ward et al.	(09/655,947)	(9/6/00)	Buoyant Toy Balloon with Extended Life	Awaiting Examination
68710	Van Dyke et al.	(09,654,408)	(9/1/00)	Buoyant Toy Balloon with Three Dimensional Shape	ABANDONED
72024	Ward et al.	(10,015,977)	(12/31/01)	Extended Life Balloon (CIP of 68709)	Awaiting Examination



GRANT OF PATENT SECURITY INTEREST

WHEREAS, M&D BALLOONS, INC., a Delaware corporation ("**Grantor**"), owns and uses in its business, and will in the future adopt and so use, various intangible assets, including the Patent Collateral (as defined below);

WHEREAS, AMSCAN HOLDINGS, INC., a Delaware corporation ("**Company**"), as borrower, has entered into an Amended and Restated AXEL Credit Agreement dated as of September 17, 1998 (said Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time, being the "**AXEL Credit Agreement**") with the financial institutions named therein as lenders (collectively, together with their respective successors and assigns party to the AXEL Credit Agreement from time to time, "**AXEL Lenders**") and **FLEET NATIONAL BANK ("Fleet")**, as administrative agent for AXEL Lenders, pursuant to which AXEL Lenders have made certain commitments, subject to the terms and conditions set forth in the AXEL Credit Agreement, to extend certain term loan credit facilities (the "**AXEL Loans**") to Company;

WHEREAS, Company has entered into an Amended and Restated Revolving Loan Credit Agreement dated as of September 17, 1998 (said Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time, being the "**Revolving Loan Credit Agreement**"; together with the AXEL Credit Agreement, the "**Credit Agreements**") with the financial institutions named therein as lenders (collectively, together with their respective successors and assigns party to the Revolving Loan Credit Agreement from time to time, the "**Revolving Loan Lenders**"; together with the AXEL Lenders, the "**Lenders**") and Fleet, as administrative agent for Revolving Loan Lenders, pursuant to which Revolving Loan Lenders have made certain commitments, subject to the terms and conditions set forth in the Revolving Loan Credit Agreement, to extend certain revolving loan credit facilities (the "**Revolving Loans**", together with the AXEL Loans, the "**Loans**") to Company.

WHEREAS, Company may from time to time enter into one or more Interest Rate Agreements (collectively, the "**Lender Interest Rate Agreements**") with one or more Lenders (in such capacity, collectively, "**Interest Rate Exchangers**");

WHEREAS, Grantor has executed and delivered a counterpart to that certain Subsidiary Guaranty dated as of December 19, 1997 (said Subsidiary Guaranty, as amended, supplemented or otherwise modified from time to time, being the "**Guaranty**") in favor of Fleet, as collateral agent for and representative of (in such capacity herein called "**Secured Party**") the Lenders and their respective agents party to the Credit Agreements and any Interest Rate Exchangers, pursuant to which Grantor has guaranteed the prompt payment and performance when due of all obligations of Company under the Credit Agreements and all obligations of Company under the Lender Interest Rate Agreements, including the obligation of Company to make payments thereunder in the event of early termination thereof; and

WHEREAS, pursuant to the terms of that certain Subsidiary Patent and Trademark Security Agreement dated as of March 20, 2002 (as amended, supplemented or otherwise modified from time to time, the "**Security Agreement**") between Grantor and Secured Party, Grantor has agreed to create in favor of Secured Party, for the benefit of Lenders and

Interest Rate Exchangers, a secured and protected interest in, and Secured Party has agreed to become a secured creditor with respect to, the Patent Collateral:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, subject to the terms and conditions of the Guaranty and the Security Agreement, Grantor hereby assigns and grants to Secured Party a security interest in all of Grantor's right, title and interest in and to the following, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest (either directly or pursuant to a license or otherwise) and wherever the same may be located (the "**Patent Collateral**"), as security for the Secured Obligations (as defined in the Security Agreement):

(a) all patents and patent applications and all rights, title and interests in patents and patent applications under any domestic or foreign law that are presently, or in the future may be, owned, held or used by Grantor, in whole or in part, including the patents and patent applications listed on Schedule I annexed hereto, all rights (but not obligations) corresponding thereto, including the right (but not the obligation) to sue for past, present and future infringements in the name of Grantor or in the name of Secured Party or otherwise, and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof (all of the foregoing Collateral described in this paragraph (a) being referred to herein collectively as the "**Patents**"); it being understood that the rights and interests included in the Patents under this Paragraph (a) shall include all rights and interests pursuant to licensing or other contracts in favor of Grantor pertaining to patents and patent applications presently or in the future owned, held or used by third parties but, in the case of third parties which are not Affiliates of Grantor, only to the extent permitted by such licensing or other contracts and, if not so permitted under such contracts, only with the consent of such third parties;

(b) all books, records, ledger cards, files, correspondence, computer programs, tapes, disks and related data processing software that at any time evidence or contain information relating to any of the Patent Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon;

(c) to the extent not otherwise included in the foregoing paragraphs (a) and (b), all general intangibles relating to the Patent Collateral; and

(d) all proceeds, products, rents and profits (including license royalties and proceeds of infringement suits) of or from any and all of the foregoing Patent Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Patent Collateral. For purposes of this Grant of Patent Security Interest, the term "**proceeds**" includes whatever is receivable or received when Patent Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the security interest in the Patent Collateral granted hereby 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.

IN WITNESS WHEREOF, Grantor has caused this Grant of Patent Security Interest to be duly executed and delivered by its officer thereunto duly authorized as of the 20 day of March, 2002.

M&D BALLOONS, INC.

By: Michael R. Conde
Name:
Title: