

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Memorandum of Subordination Agreement

CONVEYING PARTY DATA

Name	Execution Date
California KL Holdings, Inc.	03/14/2006

RECEIVING PARTY DATA

Name:	LaSalle Bank National Association
Street Address:	135 South LaSalle St
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60603

PROPERTY NUMBERS Total: 10

Property Type	Number
Patent Number:	6447536
Patent Number:	6209133
Patent Number:	D357524
Patent Number:	D340512
Patent Number:	6905507
Patent Number:	4798412
Application Number:	10875648
Application Number:	11023232
Patent Number:	D388973
Application Number:	11065508

CORRESPONDENCE DATA

Fax Number: (202)626-1700

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 202-879-3795

Email: vudupa@jonesday.com

PATENT

500089414

REEL: 017388 FRAME: 0127

CH \$400.00 6447536

Correspondent Name: Vaishali Udupa  
Address Line 1: 51 Louisiana Ave. NW  
Address Line 4: Washington, DISTRICT OF COLUMBIA 20001-2113

ATTORNEY DOCKET NUMBER:	089440-050001
-------------------------	---------------

NAME OF SUBMITTER:	Vaishali Udupa
--------------------	----------------

**Total Attachments: 11**

source=patent subordination agreement#page1.tif  
source=patent subordination agreement#page2.tif  
source=patent subordination agreement#page3.tif  
source=patent subordination agreement#page4.tif  
source=patent subordination agreement#page5.tif  
source=patent subordination agreement#page6.tif  
source=patent subordination agreement#page7.tif  
source=patent subordination agreement#page8.tif  
source=patent subordination agreement#page9.tif  
source=patent subordination agreement#page10.tif  
source=patent subordination agreement#page11.tif

## MEMORANDUM OF SUBORDINATION AGREEMENT

THIS MEMORANDUM OF SUBORDINATION AGREEMENT (the "**Memorandum**") is made as of March 14, 2006 by CALIFORNIA KL HOLDINGS, INC., a California corporation, for itself as a subordinated creditor and as administrative agent for all Subordinated Creditors, as defined in the Subordination Agreement referred to below ("**Subordinated Agent**"), with respect to the following:

1. Kids Line, LLC and Sassy, Inc., (collectively, the "**Companies**") are the owners and holders of intellectual property, including but not limited to that listed and more fully described in Exhibit A attached hereto (the "**Property**").

2. Concurrently with the execution of this Memorandum, the Companies have granted to LaSalle Bank National Association ("**Senior Agent**"), as administrative agent, a lien on the Property pursuant to that certain Credit Agreement executed by the Companies, as borrowers, Senior Agent, the other financial institutions party thereto as Lenders and the Syndication Agent and the Documentation Agent (as such terms are defined therein) dated as of the date hereof (the "**Senior Lien**").

3. The Companies have previously granted to Subordinated Agent a lien on the Property pursuant to that certain Subordinated Security Agreement dated as of December 15, 2004, as amended from time to time, by the Russ Berrie and Company, Inc. and its subsidiaries in favor of Subordinated Agent (the "**Subordinated Lien**").

4. Senior Agent and Subordinated Agent have agreed to certain arrangements regarding their relative priorities with respect to payment of the loans secured by the Senior Lien and the Subordinated Lien pursuant to the terms and conditions of that certain Subordination Agreement dated as of the date hereof (the "**Subordination Agreement**") by and among Senior Agent, Subordinated Agent, Michael Levin, Neville Levin, and Joanne Levin.

5. This Memorandum is prepared and executed by the Subordinated Agent for the purpose of evidencing and providing record notice of the Subordination Agreement.

6. In the event of any inconsistency between the terms of the Subordination Agreement and the terms of this Memorandum, the terms of the Subordination Agreement shall prevail. This Memorandum may be executed in any number of counterparts, each of which shall be an original but all of which shall be deemed one and the same document. All terms used but not defined in this Memorandum that are capitalized shall have the meanings given to such terms in the Subordination Agreement.

IN WITNESS WHEREOF the parties have executed this Memorandum as of the dates written below.

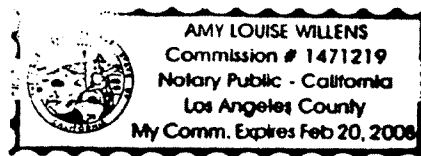
CALIFORNIA KL HOLDINGS, INC., as  
Subordinated Agent

By: W. L. L. L.  
Its: Chief Executive Officer

STATE OF California  
COUNTY OF Los Angeles

The foregoing instrument was acknowledged before me on March 2 2006, by Michael Klein, the Chief Executive Officer of CALIFORNIA KL HOLDINGS, INC., a California corporation, on behalf of the corporation who is personally known to me or who has produced his as identification.

Amy Louise Wilens  
Notary Public, Los Angeles County, California  
My Commission Expires: Feb 20 2008  
Acting in Los Angeles County, California



CHI-1520735

## EXHIBIT A

### COPYRIGHTS

Grantor	Country	Copyright	Registration No.	Registration Date
Sassy, Inc.	UNITED STATES	Thoroughly Modern Mom	PA 38-768	6/28/1978
Sassy, Inc.	UNITED STATES	Thoroughly Modern Mom	TX 87-778	7/21/1979

### PATENTS

#### **Sassy, Inc. United States Registrations**

Patent No.	Date	Description
Patent No. 6447536	09/10/2002	Teething Pacifier
Patent No. 6209133	04/03/2001	Integrated Bib/Teether Apparatus
Patent No. D357524	04/18/1995	Water Toy
Patent No. D340512	10/19/1993	Child's Training Toilet
Patent No. 6905507	06/14/2005	Teething Pacifier
Patent No. 4798412	01/17/1989	Two Piece Booster Seat with Multiple Seat Heights

#### **Sassy, Inc. United States Patent Applications**

Patent Application No.	Date	Description
App. No. 10875648	06/24/2004	Foldable Bib Display Apparatus
App. No. 11023232	12/27/2004	Infant Teething and Feeding Apparatus

### Kids Line, LLC United States Patent Registration

Patent No.	Date	Description
Patent No. D388,973	01/13/1998	Bassinet Carriage and Rocker

### Kids Line, LLC United States Patent Application

Patent Application No.	Date	Description
App. No. 11065508	02/24/2005	Method and Apparatus for Attaching an Item to a Railing

### TRADEMARKS

Grantor	Country	Mark	Application/ Registration No.	App/Reg Date
Sassy, Inc.	UNITED STATES	BARNA <sup>1</sup>	Reg. No. 1652060	7/23/1991
Sassy, Inc.	UNITED STATES	CIRCUS	Reg. No. 2183971	8/25/1998
Sassy, Inc.	UNITED STATES	INFA- TRAINER	Reg. No. 1187712	1/26/1982
Sassy, Inc.	UNITED STATES	POGO	Reg. No. 2159097	5/19/1998
Sassy, Inc.	UNITED STATES	SASSY	Reg. No. 1556869	9/19/1989
Sassy, Inc.	UNITED STATES	SASSY	Reg. No. 1551624	8/15/1989
Sassy, Inc.	UNITED STATES	SASSY	Reg. No. 1552736	8/22/1989
Sassy, Inc.	UNITED STATES	SASSY	Reg. No. 1551988	8/15/1989
Sassy, Inc.	UNITED STATES	SASSY	Reg. No. 2296588	11/30/1999
Sassy, Inc.	UNITED STATES	SASSY SEAT	Reg. No. 1556870	9/19/1989

<sup>1</sup> Sassy, Inc. licensed this U.S. Trademark from Kirgro, Inc. f/k/a Barna Limited, pursuant to a royalty agreement dated July 14, 2000, which agreement expired July 13, 2005. Upon expiration of the royalty agreement, the agreements between the parties provided that the rights in the mark were to be transferred to Sassy, Inc. without further payment. Such transfer has not been reflected in the records of the United States Patent and Trademark Office.

<b>Grantor</b>	<b>Country</b>	<b>Mark</b>	<b>Application/ Registration No.</b>	<b>App/Reg Date</b>
Sassy, Inc.	UNITED STATES	SASSY SEAT & design	Reg. No. 1116407	4/10/1979
Sassy, Inc.	UNITED STATES	THE BEST FED BABY PEOPLE	Reg. No. 1375694	12/17/1985
Sassy, Inc.	UNITED STATES	SASSY SPA	App. No. 76457108	10/9/2002
Sassy, Inc.	UNITED STATES	SASSY	Reg. No. 2752658	9/19/2003
Sassy, Inc.	UNITED STATES	SASSY	Reg.. No. 3006201	10/11/2005
Sassy, Inc.	ARGENTINA	SASSY	Reg. No. 1.784.558	3/30/00
Sassy, Inc.	AUSTRALIA	SASSY	Reg. No. 755620	8/21/97
Sassy, Inc.	AUSTRIA	SASSY	Reg. No. 196.270	05/21/01
Sassy, Inc.	BENELUX	SASSY	Reg. No. 629872	2/20/98
Sassy, Inc.	BRAZIL	SASSY	Reg. No. 821420780	8/13/02
Sassy, Inc.	CANADA	SASSY	Reg. No. 542,170	3/12/01
Sassy, Inc.	CANADA	SASSY SEAT & DESIGN	Reg. No. 282,211	08/12/83
Sassy, Inc.	CHINA	SASSY	Reg. No. 1378162	03/28/00
Sassy, Inc.	CZECH REPUBLIC	SASSY	Reg. No. 255001	06/25/03
Sassy, Inc.	DENMARK	SASSY	Reg. No. 200000792	02/08/00
Sassy, Inc.	FINLAND	SASSY	Reg. No. 222039	10/31/01



<b>Grantor</b>	<b>Country</b>	<b>Mark</b>	<b>Application/ Registration No.</b>	<b>App/Reg Date</b>
Sassy, Inc.	FRANCE	SASSY	Reg. No. 98/179.226	02/20/98
Sassy, Inc.	GERMANY	SASSY	Reg. No. 398 09 459	07/06/98
Sassy, Inc.	GREECE	SASSY	Reg. No. 143727	03/20/02
Sassy, Inc.	HONG KONG	SASSY	Reg. No. 06405/2002	09/14/00
Sassy, Inc.	INDONESIA	SASSY	Reg. No. 488659	09/04/01
Sassy, Inc.	IRELAND	SASSY	Reg. No. 212947	08/21/98
Sassy, Inc.	ISRAEL	SASSY	Reg. No. 120,447	11/04/99
Sassy, Inc.	ITALY	SASSY	Reg. No. 871468	07/04/02
Sassy, Inc.	JAPAN	SASSY	Reg. No. 4512048	10/05/01
Sassy, Inc.	MALAYSIA	SASSY	Reg. No. 00015154	10/27/00
Sassy, Inc.	MEXICO	SASSY	Reg. No. 655656	05/29/00
Sassy, Inc.	NEW ZEALAND	SASSY	Reg. No. 303931	01/15/99
Sassy, Inc.	NORWAY	SASSY	Reg. No. 210141	08/30/01
Sassy, Inc.	PHILIPPINES	SASSY	Reg. No. 4-2000- 07961	12/14/03
Sassy, Inc.	POLAND	SASSY	App. No. Z-252428	07/04/02
Sassy, Inc.	PORTUGAL	SASSY	Reg. No. 349861	02/10/03
Sassy, Inc.	SINGAPORE	SASSY	Reg. No. T00/16164E	05/13/03

<b>Grantor</b>	<b>Country</b>	<b>Mark</b>	<b>Application/ Registration No.</b>	<b>App/Reg Date</b>
Sassy, Inc.	SOUTH AFRICA	SASSY	Reg. No. 1999/00558	01/15/99
Sassy, Inc.	SPAIN	BABY SASSY	Reg. No. 2214218M5	07/20/99
Sassy, Inc.	SPAIN	SASSY	Reg. No. 2208233M6	02/21/00
Sassy, Inc.	SWEDEN	SASSY	Reg. No. 356268	06/14/02
Sassy, Inc.	SWITZERLAND	SASSY	Reg. No. 492082	11/28/01
Sassy, Inc.	TAIWAN	SASSY	Reg. No. 971798	11/16/01
Sassy, Inc.	THAILAND	SASSY	Reg. No. KOR144010	12/04/00
Sassy, Inc.	UNITED KINGDOM	SASSY	Reg. No. 2158808	02/20/98
Sassy, Inc.	VENEZUELA	SASSY	Reg. No. P232849	08/27/01
Kids Line, LLC	UNITED STATES	KIDSLINE	Reg. No. 2,754,915	08/26/03
Kids Line, LLC	UNITED STATES	KIDSLINE	App. No. 78/827,837	03/02/06
Kids Line, LLC	NEW ZEALAND	KIDSLINE	Reg. No. 710055	03/24/04
Kids Line, LLC	AUSTRALIA	KIDSLINE	Reg. No. 994575	03/22/04
Kids Line, LLC	UNITED STATES	BEBEFINA	Reg. No. 2,177,304	07/28/98
Kids Line, LLC	UNITED STATES	KATIE LITTLE	App. No. 78/246,424	05/06/03
Kids Line, LLC	MEXICO	KIDSLINE	Reg. No. 503936	09/18/95

## **INTELLECTUAL PROPERTY LICENSES**

### **License and Royalty Agreements of Sassy, Inc. (as licensee or obligor to pay royalties)**

1. Distribution Agreement dated June 15, 2000 and effective January 1, 2001 by and between MAM Babyartikel G.M.B.H. ("MAM") and Sassy, Inc.; Agreement regarding Assignment of Distribution Agreement dated as of July 18, 2002 by and among MAM, Russ Berrie and Company, Inc. and RBSACQ, Inc.; Agreement regarding Assignment dated as of July 18, 2002 by and among MAM, Sassy, Inc., Fritz Hirsch, Homer Douglas, Steven Rotblatt, Robert Kaplan and Susan Hinshaw; Agreement Regarding Assignment dated as of July 31, 2002 by and among MAM, Russ Berrie and Company, Inc., RBSACQ, Inc. and Sassy, Inc.
2. Consultant Agreement dated as of June 1, 2004 by and among Christine Breede Schechter, Daniel Schechter and Sassy, Inc.
3. License Agreement dated October 14, 2002 by and between Manhattan Group LLC and Sassy, Inc.
4. License Agreement dated as of April 30, 2002 by and between Mariann Straub and Sassy, Inc.; Consent to Assignment and Acknowledgement dated as of July 25, 2002 by and among Mariann C. Straub, Sassy, Inc. and RBSACQ, Inc.; Consent to Assignment and Acknowledgement dated as of August 4, 2002 by and among Mariann C. Straub, Sassy, Inc. and RBSACQ, Inc.; and Confirmatory Assignment dated February 11, 2003 between Mark Greenwood and Mariann C. Straub
5. Consultant Agreements dated December 31, 2002, May 23, 2000, September 10, 1999, October 19, 1998 (bath toys), May 19, 1998, October 19, 1998 (soft toys) and March 3, 1998 by and between Jennifer Piety and Sassy, Inc. (expired but certain royalty obligations continue)
6. Consultant Agreement dated May 2, 2000 between Dr. Joyce Aronson and Sassy, Inc.
7. Letter Agreements dated August 7, 2001 and September 17, 2001 between Pitrone & Associates and Sassy, Inc.
8. Exclusivity Agreement dated October 2, 2003 by and between Sassy, Inc. and Impulse Design & Engineering, LLC (expired but the parties continue to do business)
9. Relationship Agreement dated May 1, 2002 by and between Sassy, Inc. and Lena Strategic Design, Inc. (expired but the parties continue to do business)
10. Consultant's Agreement dated November 19, 1995 by and between DDL&S, L.L.C. and Sassy, Inc.; Consent to Assignment dated as of July \_\_\_\_, 2002 by and among DDL&S, L.L.C., Sassy, Inc. and RBSACQ, Inc.; and Consent to Assignment dated as of August 14, 2002 by and among DDL&S, L.L.C., Sassy, Inc. and RBSACQ, Inc. (expired but royalty obligations continue)

11. Child Development Consultation Services Letter Agreement dated July 1, 2001 by and between Dr. Carol Andrew and Sassy, Inc. (expired but the parties continue to do business)
12. License Agreement dated October 20, 1995 by and between Princeton Innovations, Inc. and Sassy, Inc.
13. Domestic Merchandise License Agreement dated September 1, 2005 by and between LeapFrog Enterprises, Inc. and Sassy, Inc.

**License and Royalty Agreements of Sassy, Inc. (as licensor )**

1. License Agreement dated October 22, 2002 by and between Triboro Quilt Manufacturing Corp. and Sassy, Inc. regarding SASSY SPA trademark
2. License Agreement dated February 1, 2004 by and between LaRue Distributors, Inc. and Sassy, Inc. regarding various SASSY trademarks

**License and Royalty Agreements of Kids Line, LLC (as licensee or obligor to pay royalties)**

1. Licensing Agreement dated as of July 23, 1997, by and between Viv Eisner-Hess and Kids Line Inc., Licensing Agreement Addendums dated as of May 23, 2000 and as of March 5, 2002 and consent dated November 4, 2004
2. License Agreement dated as of October 11, 2003, by and between Kids Line, LLC and Olga Vieira
3. Distribution and Manufacturing Agreement dated as of July 17, 2004 by and between Lil Buddies, Inc. and Kids Line, LLC and Acknowledgement and Release dated July 29, 2004
4. License Agreement dated as of September 20, 2001 by and between Amscan, Inc., and Kids Line, Inc.<sup>2</sup>
5. License Agreement dated March 5, 2001 by and between Taurus Merchandising Pvt. Ltd. and Kids Line, Inc.
6. Consumer Products License Agreement dated June 20, 2005 by and between Disney Enterprises, Inc. and Kids Line, LLC as amended by letter dated December 12, 2005

**License and Royalty Agreements of Kids Line, LLC (as licensor)**

---

<sup>2</sup> Amscan's consent to the March 15, 2002 assignment of the license from Kids Line, Inc. (now known as California KL Holdings, Inc.) to Kids Line, LLC was required but not obtained.

1. License Agreement dated as of September 1, 2004 by and between H.S.C.D. Inc./Newco International, Inc. and Kids Line, LLC
2. License Agreement dated as of February 1, 2005 by and between Baby Trend, Inc. and Kids Line, LLC