

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	CORRECTIVE ASSIGNMENT
NATURE OF CONVEYANCE:	Corrective Assignment to correct the Serial No. 10/255,026 previously recorded on Reel 014934 Frame 0051. Assignor(s) hereby confirms the correct Serial No. is 10/225,026.

CONVEYING PARTY DATA

Name	Execution Date
CTI Industries Corporation	12/31/2003
CTI Helium, Inc.	12/31/2003

RECEIVING PARTY DATA

Name:	Cole Taylor Bank
Street Address:	111 West Washington
Internal Address:	Suite 400
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60602

PROPERTY NUMBERS Total: 1

Property Type	Number
Application Number:	10225026

CORRESPONDENCE DATA

Fax Number: (312)609-5005
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 3126097838
 Email: podonoghue@vedderprice.com
 Correspondent Name: Patricia O'Donoghue, Vedder Price
 Address Line 1: 22117 Princeton Circle
 Address Line 4: Chicago, ILLINOIS 60601

ATTORNEY DOCKET NUMBER:	99999130001
NAME OF SUBMITTER:	Patricia O'Donoghue

Total Attachments: 18

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**PATENT
 REEL: 020233 FRAME: 0227**

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02-03-2004

Form PTO-1595 (Rev. 03/01)

RE



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

OMB No. 0651-0027 (exp. 5/31/2002)

102660326

Tab settings

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

1. Name of conveying party(ies):

CTI Industries Corporation

1-29-04

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

2. Name and address of receiving party(ies)

Name: Cole Taylor Bank

Internal Address: Suite 400

Street Address: 111 West Washington Street

City: Chicago State: IL Zip: 60602

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: December 31, 2003

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 A

B. Patent No.(s)

SEE ATTACHED SCHEDULE B

Additional numbers attached? Yes No

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

Name: Tammy S. Settle

Internal Address: VEDDER PRICE KAUFMAN & KAMMHOLZ

Street Address: 222 North LaSalle Street

Suite 2400

City: Chicago State: IL Zip: 60601

6. Total number of applications and patents involved: 20

7. Total fee (37 CFR 3.41).....\$ 800.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: Charge any deficiencies or credit any overpayment to:

22-0259

(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.

Tammy S. Settle

Name of Person Signing

Signature: Tammy S. Settle

Date: JUN 29 AM 8:33 APR/FINANCE

Total number of pages including cover sheet, attachments, and documents: 14

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

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

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PATENT REEL: 020233 FRAME: 0229

1. Additional name(s) of conveying party(ies):

CTI Helium, Inc., an Illinois Corporation

PATENT AND LICENSE SECURITY AGREEMENT
CTI Industries Corporation and CTI Helium, Inc.

PATENT APPLICATIONS
SCHEDULE A

APPLICATION NO.
09/478,639
09/945,389
10/176,287
29/145,001
10/042,955
10/124,940
10/198,799
10/215,026
10/293,135
10/661,684

PATENT AND LICENSE SECURITY AGREEMENT
CTI Industries Corporation and CTI Helium, Inc.

PATENT REGISTRATIONS
SCHEDULE B

PATENT NO.
5,573,437
5,405,479
5,538,573
D387,095
6,033,113
D448,813
D457,921
D458,650
6,357,915

PATENT AND LICENSE SECURITY AGREEMENT

PATENT AND LICENSE SECURITY AGREEMENT ("Agreement") dated as of December 31, 2003, made by CTI Industries Corporation, an Illinois corporation and CTI Helium, Inc., an Illinois corporation (the "Grantors") and Cole Taylor Bank ("Lender").

W I T N E S S E T H:

WHEREAS, Lender and Grantors have entered into that certain Loan and Security Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which Lender has, subject to certain conditions precedent, agreed to make certain loans and extend certain other financial accommodations (collectively, the "Loans") to Grantors; and

WHEREAS, Lender has required as a condition, among others, to the making of the Loans to Grantors in order to secure the prompt and complete payment, observance and performance of all of Grantors' obligations and liabilities hereunder, under the Loan Agreement and the other Loan Documents, and under all of the other instruments, documents and agreements executed and delivered by Grantors to Lender in connection with the Loan Agreement and the other Loan Documents (all such obligations and liabilities being hereinafter referred to collectively as the "Obligations"), that Grantors execute and deliver this Agreement to Lender.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantors agree as follows:

1. Defined Terms.

(i) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

(ii) The words "hereof", "herein", and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa unless otherwise specified. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements to which Lender is a party, including, without limitation, references to the Loan Agreement and any of the Loan Documents (as defined in the Loan Agreement), shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

2. Security Interest in Patents. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Grantors hereby grant to Lender, a security interest, having priority over all other security interests except for Permitted Liens (as defined in the Loan Agreement), with power of sale to the extent permitted by applicable law, in all of Grantors' now owned or existing and filed and hereafter acquired or arising and filed:

(i) patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, those patents and patent applications listed on Schedule A, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, (d) to the extent any of the foregoing patents or applications are or become subject to a terminal disclaimer, any patent which necessitated said terminal disclaimer, and (e) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in the foregoing clauses (a)-(d), being sometimes hereinafter individually and/or collectively referred to as the "Patents"); and

(ii) license agreements with any other party in connection with any Patents or such other party's patents or patent applications, whether Grantors are a licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B, and the right upon the occurrence and during the continuance of an Event of Default (as defined in the Loan Agreement) to use the foregoing in connection with the enforcement of Lender's rights under the Loan Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses").

3. Restrictions on Future Agreements. Grantors will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Grantors further agree that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Lender under this Agreement or the rights associated with those Patents which are necessary or desirable in the operation of Grantors' business.

4. New Patents. Grantors represent and warrant that the Patents and Licenses listed on Schedules A and B, respectively, include all of the patents, patent applications and license agreements in connection with patents or patent applications now owned or held by Grantors. If, prior to the termination of this Agreement, Grantors shall (i) obtain rights to any new patentable inventions or license agreements or any patents or patent applications in connection therewith or (ii) become entitled to the benefit of any patent, patent application or any reissue, division, continuation, renewal, extension or continuation-in-part related to any Patent or any improvement on any Patent, the provisions of Section 2 shall automatically apply thereto and Grantors shall give to Lender prompt written notice thereof. Grantors hereby authorize Lender to modify this Agreement by (a) amending Schedules A or B, as the case may be, to include any future patents, patent applications and license agreements in connection with patents and patent applications that are Patents or Licenses under Section 2 or under this Section 4, and (b) filing, in addition to and not in substitution for, this Agreement, a duplicate original of this Agreement containing on Schedules A or B thereto, as the case may be, such future patents, patent applications and license agreements which are Patents or Licenses, as the case may be, under Section 2 or this Section 4.

5. Royalties. Grantors hereby agree that the use by Lender of the Patents and Licenses as authorized hereunder shall be coextensive with Grantors' rights thereunder and with respect thereto and without any liability for royalties or other related charges from Lender to Grantors.

6. Nature and Continuation of Lender's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents and the Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated. At such time the rights granted to Lender hereunder shall also terminate.

7. Right to Inspect; Further Assignments and Security Interests. Lender shall have the right, at any reasonable time and from time to time, to inspect Grantors' premises and to examine Grantors' books, records and operations relating to the patents; provided, that in conducting such inspections and examinations, Lender shall use its best efforts not to disturb unnecessarily the conduct of Grantors' ordinary business operations. Grantors agrees not to sell or assign its respective interests in, or grant any license under, the Patents without the prior written consent of Lender.

8. Duties of Grantors. Grantors shall have the duty to the extent desirable in the normal conduct of Grantors' business and consistent with Grantors' current business practices: (i) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or thereafter until the termination of this Agreement; (ii) to make application on such unpatented but patentable inventions as Grantors deems appropriate; and (iii) to take reasonable steps to preserve and maintain all of Grantors' rights in the patent applications and patents that are part of the Patents. Any expenses incurred in connection with the foregoing shall be borne by Grantors. Grantors shall not abandon any right to file a patent application or any pending patent application or patent which is or shall be necessary or economically desirable in the operation of Grantor's business. Grantor agrees to retain any experienced patent attorney reasonably acceptable to Lender for the filing and prosecution of all such applications and other proceedings. Lender shall not have any duty with respect to the Patents and Licenses. Without limiting the generality of the foregoing, Lender shall not be under obligation to take any steps necessary to preserve rights in the Patents or Licenses against any other parties, but may do so at its option during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of Grantors and added to the Obligations secured thereby.

9. Lender's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, and subject to the terms of the Loan Agreement, Lender shall have the right, but shall not be obligated, to bring suit to enforce the Patents and the Licenses, and, if Lender shall commence any such suit, Grantors shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement. Grantor shall, upon demand, promptly reimburse and indemnify Lender for all costs and reasonable expenses incurred by Lender in the exercise of its rights under this Section 9 (including, without limitation, all attorneys' and paralegals' fees). If, for any reason whatsoever, Lender is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

10. Waivers. No course of dealing between Grantors and Lender, and no failure to exercise or delay in exercising on the part of Lender any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver of any of Lender's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Loan Agreement or other Loan Documents shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Lender's Exercise of Rights and Remedies Upon Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Lender may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement or other Loan Documents, or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, Grantors acknowledge and agree that (i) the Patents and Licenses comprise a portion of the Collateral and Lender shall have the right to exercise its rights under the Loan Agreement with respect to the Patents and Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) from and after the occurrence of an Event of Default, Lender or its nominee may use the Patents and Licenses in connection with the conduct of Grantors' business.

12. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Sections 2 and 4 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney. All of Lender's rights and remedies with respect to the Patents and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Grantors hereby irrevocably appoints Lender as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise to carry out the acts described below. Subject to the terms of the Loan Agreement, upon the occurrence and during the continuance of an Event of Default, Grantor hereby authorizes Lender to, in its sole discretion, (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents and the Licenses, (ii) take any other actions with respect to the Patents and the Licenses as Lender deems is in its best interest, (iii) grant or issue any exclusive or non-exclusive license with respect to the Patents to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents and the Licenses to anyone on commercially reasonable terms. Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6 hereof. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement, but rather is intended to facilitate the exercise of such

rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be located or deemed located.

15. Binding Effect; Benefits. This Agreement shall be binding upon Grantors and its successors and assigns, and shall inure to the benefit of Lender, and its nominees, successors and assigns. Grantors' successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantors; provided, however, that Grantors shall not voluntarily assign its obligations hereunder without the prior written consent of Lender.

16. Governing Law; Choice of Forum; Service of Process. The validity, interpretation and enforcement of this Agreement and the other Loan Documents and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Illinois (without giving effect to principles of conflicts of law). Grantors irrevocably consent and submit to the non-exclusive jurisdiction of the courts of the State of Illinois, County of Cook and the United States District Court for the Northern District of Illinois and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Loan Documents or in any way connected or related or incidental to the dealings of Grantors and Lender in respect of this Agreement or the other Loan Documents or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Grantors or their property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the collateral or to otherwise enforce its rights against Grantors or their property). Grantors hereby waive personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Grantors in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Grantors shall appear in answer to such process, failing which Grantors shall be deemed in default and judgment may be entered by Lender against Grantors for the amount of the claim and other relief requested.

17. JURY TRIAL WAIVER. EACH OF GRANTORS AND LENDER HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF GRANTORS AND LENDER IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH OF GRANTORS AND LENDER HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT GRANTORS

OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GRANTORS AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

18. Notices. All notices, requests and demands hereunder shall be in writing and (a) made to Lender and to Grantors at its respective address set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

19. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. Right of Recordal of Security Interest. Lender shall have the right, but not the obligation, at the expense of Grantors, to record this Agreement in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Lender, and Lender shall advise Grantors of such recordals. Upon satisfaction in full of the Obligations and termination of the Loan Agreement, Grantors shall have the right to effect recordal of such satisfaction or termination at the expense of Grantors in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Grantors. Lender and Grantors shall cooperate to effect all such recordals hereunder.

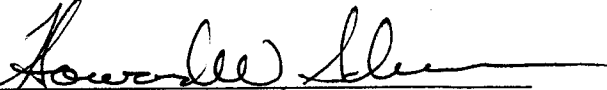
SIGNATURE PAGES FOLLOW

Signature Page to Patent and License Security Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

Grantor:

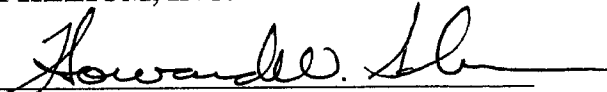
CTI INDUSTRIES CORPORATION

By: 
Howard W. Schwan
President

Address:

22160 N. Pepper Road
Barrington, Illinois 60010
Facsimile: (847) 382-1219

CTI HELIUM, INC.

By: 
Howard W. Schwan
President

Address:

22160 N. Pepper Road
Barrington, Illinois 60010
Facsimile: (847) 382-1219

ACCEPTED AND AGREED BY:

COLE TAYLOR BANK

By: 
Vice President

Jeffrey J. Podwika
Vice President

SCHEDULE A
 PATENT AND LICENSE SECURITY AGREEMENT
 PATENTS AND PATENT APPLICATIONS

NAME	PATENT/SERIAL NUMBER	ISSUED/APPLICATION DATE
“Packaged Balloon and Greeting Card”	5,573,437	Issued - 11/12/96
“Automatic Valve Insertion Method”	5,405,479	Issued - 4/11/95
“Improved Automatic Insertion Method and Apparatus Therefor”	5,538,573	Issued - 7/23/96
“Human Lips-Shaped Novelty Balloon”	U.S. Design Pat. # D387,095	Issued - 12/2/97
“Seal for Zipper-Type Plastic Bags and the Like”	6,033,113	Issued – 3/7/00
“Display Rack for Inflated Buoyant Novelty Balloons”	Pat. App. No. 09/478,639	Application Date 1/6/00
“Display Rack for Inflated Buoyant Novelty Balloons”	Pat. App. No. 09/945,389	Application Date 8/31/01
“Air-Evacuable Bag Having Double-Layered Valve Film and Method for Manufacturing Same”	Pat. App. No.10/176,287	Application Date 6/20/02
“Tombstone Novelty Balloon”	U.S. Design Pat. # D448,813	Issued - 10/2/01
“Short Bow Novelty Balloon”	U.S. Design Pat. App. 29/145,001	Issued – 6/11/02
“Long Bow Novelty Balloon”	U.S. Design Pat. # D457921	Issued – 5/28/02
“Short Bow Novelty Balloon” Design (w/o heart)	U.S. Design Pat. #D448,813	Issued – 6-18-02
“Long Bow Novelty Balloon” Design (w/o heart)	U.S. Design Pat. #D458,650	Issued – 6-11-02

NAME	PATENT/SERIAL NUMBER	ISSUED/APPLICATION DATE
"Storage Bag With One-Way Air Valve"	6,357,915 B2	Issued – 3/19/02
Method for Texturing a Film	Pat. App. No. 10/042,955	Application Date 1/8/02
Balloon Weight	Pat. App. No. 10/124,940	Application Date 4/17/02
End Stops for Flexible Packaging	Pat. App. No. 10/198799	Application Date 7/19/02
Slider with Arm	Pat. App. No. 10/225,026	Application Date 8/20/02
Seal for Zippered Bag	Pat. App. No. 10/293,135	Application Date 11/13/02
Seal for Airtight Bag	Pat. App. No. 10/661,684	Application Date 9/11/03

SCHEDULE B
PATENT AND LICENSE SECURITY AGREEMENT
PATENT LICENSES

Cross License Agreement by and between Anagram International, Inc. and CTI Industries Corporation dated December 14, 1990.

Patent License Agreement by and between New West Products, Inc. and Glue Dot Com, L.L.C. dated August, 2002.