

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
La Rue Distributors, Inc.	12/11/2006
RECEIVING PARTY DATA	
Name:	Silver Goose, Inc.
Street Address:	20 West 33rd Street
City:	New York
State/Country:	NEW YORK
Postal Code:	10001
PROPERTY NUMBERS Total: 6	
Property Type	Number
Patent Number:	6612472
Patent Number:	6394328
Patent Number:	D423210
Patent Number:	5950895
Patent Number:	5458164
Patent Number:	D279428
CORRESPONDENCE DATA	
Fax Number:	(212)245-2255
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	2129745444
Email:	sgerber@gerblaw.com
Correspondent Name:	Steven M. Gerber, Esq.
Address Line 1:	666 Fifth Avenue
Address Line 2:	27th Flr
Address Line 4:	New York, NEW YORK 10103
ATTORNEY DOCKET NUMBER:	SG

OP \$240.00 6612472

PATENT

NAME OF SUBMITTER:

Steven M. Gerber

Total Attachments: 8

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La Rue Distributors, Inc.
20 West 33rd Street
New York, NY 10001

Dated as of December 11, 2006

Mr. Arnold Dunn
Silver Goose, Inc.
20 West 33rd Street
New York, NY 10001

Re: Letter Agreement ("Agreement") by and between LaRue Distributors, Inc., d/b/a LaRue International ("LaRue") and Silver Goose, Inc. ("Silver Goose")

Dear Mr. Dunn:

The following sets forth the terms and conditions for the proposed transaction by and between LaRue, a New York corporation with offices at 20 West 33rd Street, New York, NY and Silver Goose, Inc., a New York corporation with offices at 20 West 33rd Street, New York, NY:

WHEREAS, LaRue is a wholesaler and distributor of women's and children's handbags, luggage and accessories; and

WHEREAS, LaRue is currently indebted to Israel Discount Bank of New York ("IDB") in the amount of, approximately, \$4.5 million (the "IDB Obligation"); and

WHEREAS, IDB has a security interest in all of LaRue's assets pursuant to a security agreement (the "Security Agreement") dated January 13, 2005, by and between IDB and LaRue; and

WHEREAS, the value of LaRue's current assets are insufficient to satisfy the IDB Obligation; and

WHEREAS, LaRue is currently in possession of purchase orders (the "Purchase Orders") from retailers for the immediate production and delivery of goods and LaRue is unable to fulfill such orders for reasons related to its worsening financial condition; and

WHEREAS, LaRue lacks the financial wherewithal to continue to operate its business as presently constituted and has decided to wind down its wholesale business operations; and

WHEREAS, LaRue's remaining assets consist primarily of accounts receivable, inventory (the "Inventory") and sample goods products (the "Samples"); and

WHEREAS, it is the business judgment of LaRue's management that the contemplated transaction with Silver Goose will allow LaRue to maximize the value of its remaining assets and thereby maximize the potential recovery to its creditors; and

WHEREAS, LaRue and Silver Goose (the "Parties") have reached an agreement pursuant to which Silver Goose will assist LaRue in the wind-down of its operations according to the terms and conditions of this Agreement.

In accordance with the foregoing recitals and for good and valuable consideration, receipt of which is hereby acknowledged by the parties hereto, LaRue and Silver Goose agree to the following material terms, which Agreement is intended by the Parties to be valid and enforceable.

Assignment of Purchase Orders Purchase Orders that can be fulfilled with Inventory currently in LaRue's possession shall remain assets of LaRue and LaRue, to the extent possible, shall fulfill the same.

LaRue shall assign to Silver Goose any and all presently unfulfilled Purchase Orders that LaRue is unable to fulfill with the Inventory currently in its possession.

Silver Goose shall have the right to reject, in its absolute discretion, any Purchase Order LaRue seeks to assign to Silver Goose.

Silver Goose shall pay LaRue fifty (50%) percent of the profits received as a result of such assigned Purchase Orders within 30 after shipment of goods on account of such Purchase Orders. Profits shall be defined as sales price less the cost of goods sold (including royalties, if any).

Warehousing of Inventory Silver Goose agrees to cause its affiliate, Stretch-O-Rama, Inc. d/b/a Longstreet ("Longstreet") to make space available for the warehousing of the Inventory at its current facilities in exchange for a payment to Longstreet of \$1.25 per carton of Inventory. This warehousing fee shall be paid to Longstreet in four equal monthly installments commencing 10 days after receipt of the subject cartons, and shall cover all related expenses through December 31, 2007, including shipping, receiving and storage but shall not include commercially reasonable costs of stuffing. It being understood that parties currently contemplate that LaRue's remaining inventory will be sold "unstuffed" to the fullest extent possible. In the event that IDB in its sole discretion deems it appropriate to demand the turn over of La Rue's inventory in accordance with its rights under the Security Agreement, Silver Goose's rights and obligations under this

Agreement, as they pertain to the Inventory shall terminate and Silver Goose shall turn over the Inventory to IDB without costs, setoff or offset and free and clear of all liens, claims and encumbrances of Silver Goose or its agents.

Purchase of Inventory

Silver Goose agrees to purchase from LaRue any and all existing LaRue inventory which La Rue elects to sell to Silver Goose and which may reasonably be used to fulfill purchase orders which Silver Goose may receive subsequent to the date of this Agreement.

The purchase price for all such goods shall be cost plus landed duty paid. Silver Goose shall pay to IDB, for the benefit of LaRue, the purchase price for all such goods on net thirty day terms.

Release of Liens

LaRue and Silver Goose acknowledge, subject to obtaining similar acknowledgement from IDB, that notwithstanding anything to the contrary contained in the Security Agreement, (a) Purchase Orders assigned to Silver Goose by LaRue, (b) accounts receivable generated by Silver Goose in fulfillment of the Purchase Orders, and (c) any proceeds of the foregoing, and any property being transferred to Silver Goose hereunder, shall be free and clear of all liens, claims and encumbrances of IDB or their agent. LaRue shall obtain from IDB their acknowledgement of the foregoing and any required releases.

Sample Line

LaRue agrees to sell and Silver Goose agrees to purchase LaRue's Samples for Twenty-Five Thousand (\$25,000.00) Dollars cash due on the Effective Date which monies shall be paid to IDB for the benefit of LaRue.

Collection of Receivables:

As LaRue is not assigning any of its existing accounts receivable owned by and due to LaRue, LaRue shall maintain ownership of and shall continue to collect all of its existing accounts receivable, which collections it will turnover to IDB in partial satisfaction of the IDB Obligation.

At the request of IDB, Silver Goose agrees to supervise and support LaRue's collection of receivables and to provide resources reasonably necessary to (1) effectuate the collection of outstanding accounts receivable; (2) supervise all billing services and reconciliations of receivables on a monthly basis; (3) supervise and effectuate the presentation and collection of all outstanding letters of credit for which LaRue is the beneficiary; and (4) assist LaRue in all matters relating to its billing processes. In exchange for such services, LaRue shall pay Silver Goose a commission equal to five (5%) percent of all net receivables collected for all goods sold and

delivered, exclusive of ACH payments from JC Penny, Amazon.com, Merchant, Dillards, Cato, Sears and Walmart. Such payment shall be made on a monthly basis based upon the collections received in the prior month, ten (10) days after receipt by LaRue and IDB of an inventory and receivable aging showing the details of the previous months collections and sales in form satisfactory to IDB. IDB shall at all times have reasonable access to and right of inspection of the inventory and the right to examine and make copies of all books and records relating to the LaRue receivables and to do whatever else it deems necessary to protect its interests. In the event that IDB in its sole discretion deems it appropriate to demand the turn over of La Rue's accounts receivable in accordance with its rights under the Security Agreement, Silver Goose's rights and obligations under this Agreement, as they pertain to the collection of La Rue's accounts receivable shall terminate and Silver Goose shall have no rights to or responsibilities for any subsequent collections thereon.

Personnel: All employees of LaRue shall be terminated on or before the Effective Date with the exception of (i) Patricia Haywood; (ii) Laura Cartagnea; and (iii) Susan Rios. These employees shall provide ongoing services related to bookkeeping, collection of receivables, invoicing and order entry for as long as and to the extent necessary to maximize the value of LaRue's remaining assets. The salaries for the above employees shall remain the sole and exclusive responsibility and liability of LaRue and shall not exceed the amounts set forth on Schedule A attached.

Provision of Business Office Silver Goose agrees to make at least one office unit available to LaRue rent free for a period of two years.

Personal Property LaRue shall transfer and assign to Silver Goose all of its right, title and interest to all furniture, fixtures and equipment located at LaRue's premises located at 20 East 33rd Street, New York, NY.

Effective Date This Agreement shall become effective upon the date of the execution of this Agreement by all of the Parties.

Intellectual Property : LaRue shall assign to Silver Goose right and title to all of its trademarks, copyrights or patents.

Representations and Warranties: LaRue represents and warrants that, to the best of its knowledge and belief: (i) LaRue has the authority to effectuate the transaction memorialized by this Agreement as well as the related transfer of property; (ii) no liens, claims or encumbrances exist with respect to any of the property at issue in this Agreement, with the exception of


any liens held by IDB or its affiliates; and (iii) no disputes or challenges exist with respect to LaRue's trademarks, copyrights or patents.

- Limitation of Liability** Except as expressly assumed by Silver Goose under this Agreement, Silver Goose shall not assume any liabilities of LaRue, whatsoever, including, without limitation, payroll, pension, employee benefits, tort, contract, environmental or taxes by virtue of this Agreement.
- Approvals:** Any contemplated approval shall not be unreasonably withheld, delayed or conditioned.
- Amendment** This Agreement may not be modified, amended, altered or supplemented except by a written agreement executed by Purchaser and the Sellers.
- Governing Law and Jurisdiction** This Agreement shall be governed and construed in accordance with the Laws of the State of New York applicable to a contract executed and performed in such State, without giving effect to the conflicts of laws principles thereof. The parties hereto agree that the United States District Court for the Southern District of New York shall have exclusive jurisdiction over any dispute or controversy arising out of or relating to this Agreement, or if the District Court refuses to exercise jurisdiction over such controversy, the courts of the State of New York.
- Headings** The headings contained in this Agreement are for reference purposes only and shall not modify, define, limit, expand or otherwise affect in any way the meaning or interpretation of this Agreement.
- Entire Agreement** This Agreement and the instruments and other documents delivered pursuant to this Agreement, contain the entire agreement of the parties relating to the subject matter hereof, and supersede all prior agreements, understandings, representations, warranties and covenants of any kind between the parties. All others are specifically waived.
- Binding On Parties** All parties, by their respective signatures, represent that their entry into this Agreement is fully authorized by all required by-laws and procedures, corporate or other action, and that their entry into this Agreement does not violate any contract or agreement to which they are parties or any law or regulation by which they are bound. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective legal


representatives, successors and permitted assigns. Except as expressly set forth herein, nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement, or their respective legal representatives, successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

By signing below, you indicate your acceptance to the terms of this Agreement.


ACCEPTED:
LARUE DISTRIBUTORS, INC.
d/b/a LARUE INTERNATIONAL



Name: Alan Silver
Title: VP

ACCEPTED:
SILVER GOOSE, INC.


Name: Fred
Title: President

REVIEWED AND NO OBJECTION:
ISRAEL DISCOUNT BANK OF NEW YORK


Name: Jerry Hertzman
Title: SVPI


Name: Neal Landers
Title: VP

SCHEDULE A

Patricia Haywood	\$1500/week through 12/31/06
Susan Rios	\$935/week through 01/31/07
Laura Cartagnea	\$790/week through 05/31/07

*Above dates may be extended only upon mutual agreement of all parties to this Agreement.