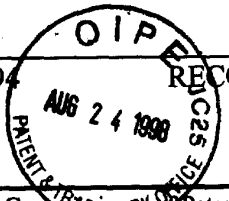


MRD 8-24-98

Form PTO-1594



09-01-1998



100804814

U.S. Department of Commerce
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):
 Finova Capital Corporation
 Individual(s) Association
 General Partnership Limited
 Corporation-State DE Partnership
 Other:
 Additional name(s) of conveying party(ies) attached?
 Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other -Release and Reassignment

Execution Date: July 2, 1998

2. Name and address of receiving party(ies):
 Name: The Leather Factory, Inc.
 Internal Address:
 Street Address: 3847 East Loop 820 South
 City: Fort Worth State: TX Zip: 76105
 Individual(s) citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation-State - TX
 Other
 If assignee is not domiciled in the United States, a domestic
 representative designation is attached: Yes No
 (Designations must be a separate document from
 Assignment) Additional names(s) & address(es) attached?
 Yes No

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)

Additional numbers

B. Trademark registration No.(s)
 2,051,331

attached? Yes No

5. Name and address of party to whom
 correspondence concerning document
 should be mailed:
 Name: Richard J. McKenna
 Internal Address: Foley & Lardner

Street Address: 777 E. Wisconsin Avenue

City: Milwaukee State: WI Zip: 53202-5367

6. Total number of applications
 and registrations involved:.....[1]

7. Total fee (37 CFR 3.41):\$ 40.00
 Enclosed
 Authorized to be charged to deposit account
 any fee deficiencies.

8. Deposit account number: 06-1447

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

DO NOT USE THIS SPACE

08/28/1998 INQUIRY 00000159 2051331

01 FC:481

40.00 OP

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.

Richard J. McKenna
 Name of Person Signing

Signature

8/19/98
 Date

Total Number of pages comprising cover sheet: [1]

RELEASE AND REASSIGNMENT

THIS RELEASE AND REASSIGNMENT (this "Release") is made as of July 2, 1998, by FINOVA CAPITAL CORPORATION, a Delaware corporation ("FINOVA"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan and Security Agreement referred to below.

WITNESSETH:

WHEREAS, The Leather Factory, Inc., a Delaware corporation, The Leather Factory, Inc., a Texas corporation, formerly known as Midas Leathercraft Tool Company, a Texas corporation, The Leather Factory, Inc., an Arizona corporation, Hi-Line Leather & Manufacturing Company, a California corporation, and Roberts, Cushman & Company, Inc., a New York corporation (hereinafter referred to individually as a "Borrower" and collectively as "Borrower") are each a party to (i) a certain Loan and Security Agreement, dated as of November 21, 1997 (the "Loan Agreement"); and (ii) a certain Trademark Security Agreement dated as of November 21, 1997 (the "Trademark Security Agreement"), pursuant to which Borrowers have granted a security interest to FINOVA in, and a collateral assignment to FINOVA of, among other things, the trademarks and trademark licenses as security for the Obligations of Borrowers (as defined in the Loan Agreement), including the trademark set forth on Schedule A hereto; and

WHEREAS, the Trademark Security Agreement was recorded in the United States Patent and Trademark Office on December 1, 1997, in the Trademark Division at Reel 1661, Frame 0262; and

WHEREAS, Borrower has requested that FINOVA release its security interest in the "Trademark" (as hereinafter defined) and reassign the same to Borrowers;

NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged:

1. FINOVA hereby releases its security interest in the following (all of which being hereinafter referred to as the "Trademark"):

(a) the trademark listed on Attachment 1 hereto, and all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in Attachment 1 hereto;

(b) all reissues, extensions or renewals of any of the items described in clause (a);

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in clause (a); and

(d) all proceeds of, and rights associated with, the foregoing, including any claim by such Borrower against third parties for past, present or future infringement or dilution of the trademark or trademark registration, including the trademark or trademark registration referred to in Attachment 1 hereto, or for any injury to the goodwill associated with the use of the trademark.

2. FINOVA hereby reassigns, grants and conveys to Borrowers without any representation, recourse or undertaking by FINOVA, all of FINOVA's right, title and interest in and to the Trademark.

3. The foregoing release is given only with respect to the Trademark and, except as provided for herein, the Loan Agreement and Trademark Security Agreement shall remain in full force and effect in accordance with their respective terms. FINOVA does not waive, diminish or limit any term or condition contained in the Loan Agreement or the Trademark Security Agreement.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, FINOVA has caused this Release and Reassignment to be duly executed by its duly authorized officer as of the day and year first above written.

FINOVA CAPITAL CORPORATION, a Delaware corporation

By: Kenneth Sepp
Name: Kenneth Sepp
Title: VP

ATTACHMENT 1
TO
RELEASE AND REASSIGNMENT

TRADEMARKS

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Step Softly	2,051,331	4/8/97

ACKNOWLEDGEMENT

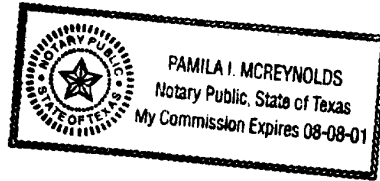
STATE OF Texas)
COUNTY OF Dallas) SS

On this 2nd day of July, 1998, before me personally appeared KENNETH SEPP to me known to be the individual who executed the foregoing instrument and acknowledged to me that such person executed the same as the duly authorized officer above designated of **FINOVA CAPITAL CORPORATION**, a Delaware corporation.

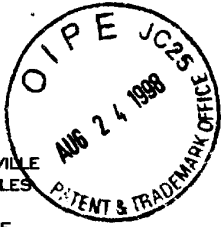
Pamila McReynolds

Notary Public
My Commission Expires:

08/08/01



D \$



CHICAGO
JACKSONVILLE
LOS ANGELES
MADISON
MILWAUKEE
ORLANDO
SACRAMENTO



ATTORNEYS AT LAW

FIRSTAR CENTER
777 EAST WISCONSIN AVENUE
MILWAUKEE, WISCONSIN 53202-5367
TELEPHONE (414) 271-2400
FACSIMILE (414) 297-4900

SAN DIEGO
SAN FRANCISCO
TALLAHASSEE
TAMPA
WASHINGTON, D.C.
WEST PALM BEACH

WRITER'S DIRECT LINE
414-297-5723

EMAIL ADDRESS
rmckenna@foleylaw.com

CLIENT/MATTER NUMBER
030830/0119

August 19, 1998

BOX ASSIGNMENT
Assistant Commissioner
for Patents
Washington, D.C. 20231

Re: Release and Assignment from Finova Capital Corporation to
The Leather Factory, Inc.
U.S. Trademark Registration No. 2,051,331
Our Ref. No. 030830/0119

Honorable Sir::

Enclosed for filing is the following:

- a. Release and Assignment from Finova Capital Corporation to The Leather Factory, Inc.
- b. Recordation form cover sheet
- c. Filing fee of \$40.00. Should there be a deficiency in the fee enclosed, please charge our deposit account (06-1447) for the difference.

Please stamp and date the enclosed post card to acknowledge receipt of the above materials and return it to us.

Sincerely,

Richard J. McKenna

Enclosure(s)