

05-07-1999

MRD 5-4-99

RECC



Attorney Docket No. 030990-017

To the Honorable Commissioner of Patent

101031636

original documents or copy thereof.

1. Name of conveying party(ies):

PCI Acquisition Corp.

- Individual(s)
- General Partnership
- Corporation - DELAWARE

Other: _____

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Merger
- Change of Name

Other: Trademark Security Agreement

Execution Date: April 30, 1999

2. Name and address of receiving party(ies):

Name: Citizens Bank of Rhode Island

Address: One Citizens Plaza

Providence, Rhode Island 02903

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation
- Other: RHODE ISLAND FINANCIAL INSTITUTION

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designation must be a separate document from Assignment)

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

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

A. Trademark Application No.(s)

75/404,784

B. Trademark Registration No.(s)

1858550	1378617	1148010	1122357	0856028	2013981
1616679	1326916	1135124	1111781	0749439	
1442082	1208303	1119634	0942002	0727727	

Additional numbers attached? Yes No

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

Name: B. Parker Livingston, Jr.

Address: Burns, Doane, Swecker & Mathis, L.L.P.

Post Office Box 1404

Alexandria, Virginia 22313-1404

05/06/1999 ISH00077 00000112 75404784

01 FC:481	40.00 OP
02 FC:482	400.00 OP

6. Total number of applications and registrations involved: 17

7. Total fee (37 CFR 3.41): \$ 440

- Enclosed
- Authorized to be charged to deposit account, if necessary

8. Deposit account number:

02-4800

(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.

B. Parker Livingston, Jr.
Name of Person Signing

Signature

5/4/99
Date

Total number of pages including cover sheet, attachments, and document: 20

Continuation

1. Name of conveying party(ies):

Paramount Cards Inc.
Corporation - RHODE ISLAND

Card\$mart Retail Corporation
Corporation - RHODE ISLAND

TRADEMARK SECURITY AGREEMENT

This Trademark Security Agreement (this "Trademark Security Agreement") is made this 30th day of April, 1999, by **PCI ACQUISITION CORP.**, a Delaware corporation ("PCI"), **PARAMOUNT CARDS INC.**, a Rhode Island corporation ("Paramount Cards"), and **CARD\$MART RETAIL CORPORATION**, a Rhode Island corporation ("Card\$mart"; PCI, Paramount Cards and Card\$mart are hereinafter individually referred to as "Borrower" and collectively referred to as "Borrowers"), in favor of **CITIZENS BANK OF RHODE ISLAND**, a Rhode Island financial institution, with its principal office located in the City of Providence, Rhode Island, as agent for the benefit of the financial institutions which are or which become Banks under, and as described in, the Credit Agreement (as hereinafter defined) (in such capacity, together with its successors and assigns in such capacity, "Secured Party"), in the following circumstances:

A. Citizens Bank of Rhode Island, a Rhode Island financial institution ("Citizens"), and State Street Bank and Trust Company, a trust company chartered under the laws of the Commonwealth of Massachusetts ("State Street"), have agreed to make a Revolving Credit Loan to Borrowers in the maximum aggregate principal amount of Ten Million Dollars (\$10,000,000) (the "Revolving Credit Loan"), and a Term Loan to Borrowers in the principal amount of Eighteen Million Five Hundred Thirty One Thousand Dollars (\$18,531,000) (the "Term Loan"; the Revolving Credit Loan and the Term Loan are hereinafter collectively referred to as the "Loans") which Loans are governed, in part, by that certain Credit Agreement dated of even date herewith by and among Borrowers, Citizens, State Street and Secured Party (the "Credit Agreement"), and which Loans are evidenced by (i) that certain Revolving Credit Note dated of even date herewith made by Borrowers in favor of Citizens in the maximum aggregate principal amount of \$6,666,667 and all modifications, amendments, renewals and extensions thereof and interest thereon (the "Citizens Revolving Credit Note"), (ii) that certain Revolving Credit Note dated of even date herewith made by Borrowers in favor of State Street in the maximum aggregate principal amount of \$3,333,333 and all modifications, amendments, renewals and extensions thereof and interest thereon (the "State Street Revolving Credit Note"), (iii) that certain Term Note dated of even date herewith made by Borrowers in favor of Citizens in the stated principal amount of \$12,354,000 and all modifications, amendments, renewals and extensions thereof and interest thereon (the "Citizens Term Note"), and (iv) that certain Term Note dated of even date herewith made by Borrowers in favor of State Street in the stated principal amount of \$6,177,000 and all modifications, amendments, renewals and extensions thereof and interest thereon (the "State Street Term Note"; the Citizens Revolving Credit Note, the State Street Revolving Credit Note, the Citizens Term Note and the State Street Term Note are hereinafter collectively referred to as the "Notes").

B. Paramount Cards and Citizens are parties to that certain Letter of Credit Application and Reimbursement Agreement (the "Reimbursement Agreement") dated April 17, 1996 by and between Paramount Cards and Citizens (f/k/a Citizens Savings Bank).

C. Secured Party has agreed to make the Loans to Borrowers on the condition that Borrowers enter into this Trademark Security Agreement to secure all of Borrowers'

obligations of payment and performance under the Loans, the Notes, the Reimbursement Agreement, and the Credit Agreement (collectively, the "Obligations").

NOW, THEREFORE, in consideration of the Loans made by Citizens and State Street to Borrowers, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions. As used in this Agreement, unless the context otherwise requires:

(a) "Collateral" - shall mean, collectively and individually -

(i) each of the Trademarks listed on Schedule "A" annexed hereto and made a part hereof and the goodwill of the business symbolized by each of those Trademarks;

(ii) each of the Licenses;

(iii) all accounts, contract rights and general intangibles of any Borrower arising under or relating to the Licenses, whether now existing or hereafter arising, including, without limitation, (1) all moneys due and to become due under any License, (2) any damages arising out of or for breach or default in respect of any such License, (3) all other amounts from time to time paid or payable under or in connection with any such License, and (4) the right of any Borrower to terminate any such License or to perform and to exercise all remedies thereunder;

(iv) any claims by any Borrower against third parties and all proceeds of suits for infringement of the Trademarks, and the rights to sue for past, present and future infringements and all rights corresponding thereto in the United States; and

(v) as to all of the foregoing (i) through (iv) inclusive, any and all cash proceeds, non-cash proceeds and products thereof, additions and accessions thereto, replacements and substitutions therefor, and all related books, records, journals, computer printouts and data, of any Borrower.

(b) "Licenses" - shall mean, collectively and individually, any and all Trademark license agreements granted by any Borrower to third parties, whether now existing or hereafter arising, as any of same may from time to time be amended or supplemented, including, but not limited to, the license agreements listed on Schedule "B" annexed hereto and made a part hereof.

(c) "Trademarks" - shall mean, collectively and individually, all --

(i) trademarks, trade names, trade dress, service marks, prints and labels on which said trademarks, trade names, trade dress and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, all applications thereof filed under Section 1(a) of the Lanham Act (15 U.S.C.A. 1051(a)), and all registrations and records of any of the foregoing, including, without limitation, registrations and records in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now or hereafter owned or licensable by any Borrower, including, but not limited to, those registrations and applications listed on Schedule "A" annexed hereto and made a part hereof; and

(ii) trademarks, trade names, trade dress and service marks, whether now or hereafter owned by any Borrower which has not or is not required to be registered or recorded in any jurisdiction; and

(iii) reissues, extensions or renewals thereof and all licenses thereof (including, without limitation, all license agreements).

2. Grant of Security Interest. In order to secure the complete and timely satisfaction of the Obligations owing from each Borrower to Secured Party, each Borrower represents that, except as set forth on Schedule A, it now possesses the sole and complete ownership rights to the business assets to be covered by this Trademark Security Agreement, that it has the right and power to pledge and mortgage the Collateral and to grant the security interest in the Collateral herein granted, and that it has not granted a security interest or otherwise pledged, mortgaged, transferred, assigned or licensed any part of its rights in said business assets to any party other than Secured Party, and each Borrower hereby pledges, mortgages, and grants a first priority security interest to Secured Party in and to the Collateral, subject only to those liens permitted by the Credit Agreement, if any.

3. No Liens, etc. Each Borrower agrees that it will not, without the prior written consent of Secured Party, assign or transfer, pledge, mortgage, license (other than those licenses listed in Schedule "B" or granted by the Borrowers in the ordinary course of the Borrowers' business) or allow a security interest or lien to be taken by anyone other than Secured Party in the Collateral or take any other acts which are contrary to or inconsistent with the rights granted to Secured Party in this Trademark Security Agreement and will not cease use of the Trademark or take any action or fail to take any action which will result in the cancellation or expiration of any of the Collateral without the prior written agreement of Secured Party to the extent such Collateral is material to the operation of the Borrowers' business.

4. Borrower's Obligation to Maintain and Enforce. Each Borrower further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by Secured Party:

(i) To take all actions necessary to properly maintain and renew all registrations or Collateral which are or may become subject to this Trademark Security Agreement for the full term or terms allowed by law, including but not limited to, the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said registrations which may be necessary or appropriate under applicable law, to the extent such Collateral is material to the operation of Borrowers' business.

(ii) To file new applications to register and protect under applicable law all trademarks acquired by each Borrower but for which applications have not previously been filed or to take all other actions necessary to cause registrations for trademarks to be issued as a result of said applications.

(iii) To protect the Collateral from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement, unfair competition or damage including the defense of any legal action making such claims to the extent appropriate in the exercise of Borrowers' reasonable business judgment.

5. [Intentionally Omitted]

6. After Acquired Property. If any Borrower shall obtain rights to or become entitled to the benefit of any new trademarks, registered trademarks or trademark applications before its obligations to Secured Party as set forth in this Trademark Security Agreement have been satisfied in full, the provisions of this Trademark Security Agreement shall automatically apply thereto and each Borrower hereby authorizes Secured Party to modify or update this Trademark Security Agreement accordingly.

7. Events of Default. The occurrence and continuance of any one or more of the following events shall constitute an "Event of Default" or "Events of Default" hereunder:

(i) Occurrence of an Event of Default, as therein defined, under the Credit Agreement, the Reimbursement Agreement or the Security Agreement (as hereinafter defined);
or

(ii) Default in the observance or performance of any covenant or agreement of any Borrower set forth herein, which default continues for fifteen (15) days after written notice from Secured Party to Borrowers; or

8. Acceleration. Upon the occurrence and during the continuance of any Event of Default, then and in any such event, at the sole option of Secured Party, then or at any time thereafter, Secured Party may declare all or any part of the Obligations to be due and payable,

without notice, protest, presentment or demand, all of which are hereby expressly waived by each Borrower.

9. Rights and Remedies. Secured Party shall have all of the rights and remedies enumerated herein after the occurrence of any Event of Default and so long as such Event of Default shall continue uncured:

(a) Secured Party, and any officer or agent of Secured Party, is hereby constituted and appointed as true and lawful attorney-in-fact of each Borrower with power to execute and deliver any assignment or transfer of any Trademark, any instrument or document relating thereto or to rights of any Borrower therein, or take any other action as Secured Party may deem necessary to protect its rights hereunder or preserve or protect its interest in the Collateral; granting to Secured Party, as the attorney-in-fact of each Borrower, full power of substitution and full power to do any and all things necessary to be done with respect to such Collateral as fully and effectually as such Borrower might or could do but for this appointment, and hereby ratifying all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof, including, but not limited to, the following:

(i) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Trademark Security Agreement or the Credit Agreement and to pay all or any part of the premiums therefor and the costs thereof;

(ii) to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any Licenses and, in the name of any Borrower or in its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License and to file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Secured Party for the purpose of collecting any and all such moneys due under any License whatsoever;

(iii) to direct any party liable for any payment under any of the Licenses to make payment of any and all moneys due and to become due thereunder directly to Secured Party or as Secured Party shall direct;

(iv) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral;

(v) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral;

(vi) to defend any suit, action or proceeding brought against any Borrower with respect to any Collateral;

(vii) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate; and

(viii) generally, to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option, all acts and things which Secured Party deems necessary to protect, preserve or realize upon the Collateral and Secured Party's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as any Borrower might do.

Neither Secured Party nor its agents shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law in its capacity as such attorney-in-fact. This power of attorney is coupled with an interest and shall be irrevocable so long as any Obligations shall remain outstanding.

(b) Secured Party shall have, in addition to any other rights and remedies contained in this Trademark Security Agreement, the Credit Agreement, the Notes, the Reimbursement Agreement, the Security Agreement, and any other agreements, guaranties, notes, instruments and documents heretofore, now or at any time or times hereafter executed by any Borrower and delivered to Secured Party, all of the rights and remedies of a secured party under the UCC, as defined in the Credit Agreement, all of which rights and remedies shall be cumulative, and none exclusive, to the extent permitted by law.

10. Absence of Waiver. The failure of Secured Party at any time or times hereafter to require strict performance by any Borrower of any of the provisions, warranties, terms and conditions contained in this Trademark Security Agreement or in any other agreement, guaranty, note, instrument or document now or at any time or times hereafter executed by any Borrower and delivered to Secured Party shall not waive, affect or diminish any right of Secured Party at any time or times hereafter to demand strict performance thereof; and no rights of Secured Party hereunder shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers or employees, unless such waiver is contained in an instrument in writing signed by an officer of Secured Party and directed to each Borrower specifying such waiver. No waiver by Secured Party of any of its rights shall operate as a waiver of any other of its rights or any of its rights on a future occasion.

10. Responsibility and Liability. Borrowers assume all responsibility and liability arising from the use of the Trademarks and Licenses, and hereby indemnify and hold harmless Secured Party and any financial institutions which are or which become Banks under the Credit Agreement, and each director, officer, employee, affiliate and agent thereof (collectively, the "Indemnified Parties"), from and against any claim, suit, loss, damage or expense (including attorney's fees and expenses) arising out of any alleged defect in any product manufactured, promoted or sold by any Borrower in connection with any of the Trademarks or otherwise arising out of the Borrowers' operation of their business or from the use of the Trademarks. In any suit, proceeding or action brought by Secured Party under any License for any sum owing thereunder, or to enforce any provisions of such License, Borrowers will indemnify and keep the Indemnified Parties harmless from and against all expense, loss or damage suffered by reason of any defense, set off, recoupment, claim, counterclaim, reduction or liability whatsoever of the obligee thereunder or arising out of a breach by any Borrower of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from any Borrower, and all such obligations of any Borrower shall be and remain enforceable against and only against such Borrower and shall not be enforceable against any of the Indemnified Parties.

12. Notices. Except as otherwise specified herein or by notice, all notices, communications and demands hereunder shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight delivery service, with all charges prepaid, to the applicable party or parties at the addresses set forth below, or by facsimile transmission (including, without limitation, computer generated facsimile), promptly confirmed in writing sent by first class mail, to the facsimile numbers and addresses set forth below:

(a) if to Borrowers, to: PCI Acquisition Corp.
c/o Paramount Cards Inc.
400 Pine Street
Pawtucket, Rhode Island 02860
Attn.: Mr. Paul T. Morrison
Vice President
Facsimile No.: (401) 723-1050,

and: Paramount Cards Inc.
Card\$mart Retail Corp.
400 Pine Street
Pawtucket, Rhode Island 02860
Attn: Mr. Philip H. Hayden,
Chief Financial Officer
Facsimile No.: (401) 724-9010;

with copy to: Gary L. Green, Esquire
Dechert Price & Rhoads
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, Pennsylvania 19103
Facsimile No.: (215) 994-2222;

(b) if to Secured Party, to: Citizens Bank of Rhode Island
One Citizens Plaza
Providence, Rhode Island 02903
Attn.: Mr. Michael DiSandro, Vice President
Facsimile No.: (401) 455-5404,

with copy to: David M. Gilden, Esquire
Partridge Snow & Hahn LLP
180 South Main Street
Providence, Rhode Island 02903
Facsimile No.: (401) 861-8210

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties given in accordance with this Section at least ten (10) days in advance thereof. All such notices and correspondence shall be deemed given upon the earliest to occur of (i) actual receipt, (ii) if sent by certified or registered mail, three (3) business days after being postmarked, (iii) if sent by overnight delivery service, when received or when delivery is refused, or (iv) if sent by facsimile, when receipt of such transmission is acknowledged.

13. Merger of Understandings. This Trademark Security Agreement contains the entire understanding between the parties hereto with respect to the Collateral and such understanding shall not be modified except in writing signed by or on behalf of the parties hereto; PROVIDED, HOWEVER, that each Borrower and Secured Party acknowledge and agree that they have entered into a Security Agreement dated of even date herewith pursuant to which each Borrower has granted to Secured Party a first priority security interest in all tangible and intangible assets owned by such Borrower (the "Security Agreement"), and this Trademark Security Agreement is intended by each Borrower and Secured Party to supplement the Security Agreement and is not intended as a substitute therefor.

14. Successors and Assigns. The provisions of this Trademark Security Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of Secured Party and each Borrower, provided, however, no Borrower may assign any of its rights or delegate any of its obligations hereunder without the prior written consent of Secured Party.

15. Interpretation. This Trademark Security Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the State of Rhode Island, except with respect to the perfection of the security interests granted herein, and shall in all respects be governed, construed, applied and enforced in accordance with the laws of said State, without resort to its conflict of laws rules. This Trademark Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. The section and paragraph headings herein are included for convenience only and shall not be deemed to be a part of this Trademark Security Agreement. All obligations, warranties, representations, covenants and agreements of each Borrower hereunder shall be the joint and several obligations, warranties, representations, covenants and agreements of each of the undersigned.

16. Fees and Expenses. If prior hereto and/or at any time or times hereafter Secured Party shall employ counsel in connection with the execution and consummation of the transactions contemplated by this Trademark Security Agreement or to commence, defend or intervene, file a petition, complaint, answer, motion or other pleadings, or to take any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) relating to this Trademark Security Agreement, the Collateral or any other agreement, guaranty, note, instrument or document heretofore, now or at any time or times hereafter executed by any Borrower and delivered to Secured Party, or to protect, collect, lease, sell, take possession of or liquidate any of the Collateral, or to attempt to enforce any security interest in any of the Collateral, or to enforce any rights of Secured Party hereunder, whether before or after the occurrence of any Event of Default, or to collect any of the Obligations, then in any of such events, all of the reasonable attorneys' fees arising from such services, and any expenses, costs and charge relating thereto, shall be part of the Obligations, payable on demand and secured by the Collateral.

17. Severability. The terms of this Trademark Security Agreement are severable. If any term shall be found to be invalid or unenforceable, it shall not effect the validity of the remaining terms.

18. Further Action. Each Borrower agrees to execute any other documents and take any further action upon the request of Secured Party as may deemed necessary to effectuate the terms of this Trademark Security Agreement.

19. Secured Party as Agent. Each Borrower acknowledges that Secured Party has been requested to act hereunder as agent for Citizens and State Street, and any other financial institutions which are or become Banks pursuant to the terms of the Credit Agreement, and that Secured Party, to the extent it may so act hereunder, shall exercise all of the rights and remedies hereunder on behalf of, and as agent for the benefit of, Citizens, State Street or any other Banks, and each of them. The rights, powers, and obligations of Secured Party are more particularly described in the Credit Agreement and are hereby incorporated herein by reference and made a part hereof as if fully set forth herein.

20. IN THE EVENT THAT SECURED PARTY BRINGS ANY ACTION OR PROCEEDING IN CONNECTION HERewith IN ANY COURT OF RECORD OF THE STATE OF RHODE ISLAND, OR IN ANY UNITED STATES COURT OF RECORD, EACH BORROWER HEREBY IRREVOCABLY CONSENTS TO AND CONFERS PERSONAL JURISDICTION OF SUCH COURT OVER SUCH BORROWER BY SUCH COURT. IN ANY SUCH ACTION OR PROCEEDING, EACH BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE UPON SUCH BORROWER BY MAILING A COPY OF SUCH SUMMONS, COMPLAINT OR OTHER PROCESS BY UNITED STATES CERTIFIED MAIL TO SUCH BORROWER AT ITS ADDRESS PROVIDED IN SECTION 12 HEREOF. EACH BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR ANY INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION HERewith, OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.


IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Agreement on the date first above written.

Witnessed by:

BORROWERS:

PCI ACQUISITION CORP.

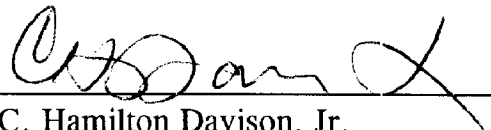


By: 

Paul T. Morrison
Vice President

PARAMOUNT CARDS INC.

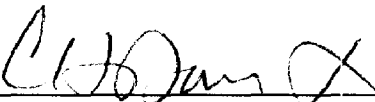


By: 

C. Hamilton Davison, Jr.
President and Chief Executive Officer

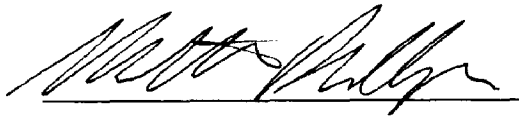
CARD\$MART RETAIL CORPORATION

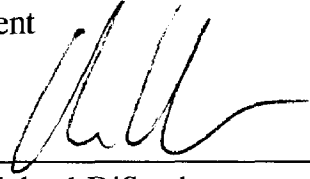


By: 
C. Hamilton Davison, Jr.
President

SECURED PARTY:

CITIZENS BANK OF RHODE ISLAND,
as Agent



By: 
Michael DiSandro
Vice President

354185_7

SCHEDULE A

Trademarks

<u>Name</u>	<u>Date of Registration/Filing</u>	<u>Registration No.</u>
1. Paper Rainbow	October 18, 1994	1,858,550
2. Paramount from the heart & design	October 9, 1990	1,616,679
3. (a fanciful representation of a heart)	June 9, 1987	1,442,082
4. Telecard	January 14, 1986	1,378,617
5. Pups 'n Purrs (stylized)	March 26, 1985	1,326,916
6. Words from the heart (stylized)	September 14, 1982	1,208,303
7. From the Heart	March 3, 1981	1,148,010
8. Parafilm	May 13, 1980	1,135,124
9. Polly Patches (stylized)	June 5, 1979	1,119,634
10. Images (stylized)	July 17, 1979	1,122,357
11. Moments Shared	January 23, 1979	1,111,781
12. photogram & design	August 29, 1972	942,002
13. Parachrome & design	September 3, 1968	856,028
14. Paramount	May 14, 1963	749,439
15. Continental & design	February 20, 1962	727,727
16. Card\$mart	November 5, 1996	2,013,981 *
17. Card\$mart 50% Off Every Card, Every Day & Design	December 12, 1997	75/404,784
18. Images	Canada - April 27, 1973	190,512
19. Images from the Heart	U.K. - Nov. 8, 1996	2,115,209
20. Paramount	Chile - July 7, 1989	344,590
21. Paramount Del Corazon	Mexico - July 31, 1995	499,854
22. Paramount from the Heart	Australia - April 7, 1995	658,087
23. Paramount from the Heart	Chile - Jan. 11, 1990	350,842
24. Paramount from the Heart	Mexico - Sept. 25, 1991	399,742
25. Paramount from the Heart	New Zealand - March 12, 1997	247,723
26. Card\$mart**	Canada	

* Pending Additional Subsequent registration to add tag line of "50% Off Every Card, Every Day," assigned Serial No. 75/404,784.

** Trademark application is pending.

C:\DOCS\Paramnt\Schedule\Trademk\ScheduleA1.doc, April 30, 1999, 3:33 AM

SCHEDULE B

Licenses

- Primor International Distribution Agreement, dated as of August 12, 1998, by and between Hallmark Cards Incorporated and Paramount Cards Inc.
- Licensing Agreement, dated May 11, 1998, by and between ZPR International Inc. and Paramount Cards Inc.
- Agreement, dated January 1, 1997, by and between Village Ltda. and Paramount cards Inc.
- Agreement, dated June 20, 1997, by and between Serpa S.A. and Paramount Cards Inc.
- Licensing Agreement, dated July 1998, by and between Inspiracion cards and Paramount Cards Inc.
- License Agreement, dated July 1, 1998, by and between The Card and Paper House and Paramount Cards Inc.
- Licensing Agreement, dated October 1, 1996, by and between The Paper House Group and Paramount Cards Inc.
- License Agreement, dated July 7, 1994, by and between Inspiracion Cards and Paramount Cards Inc.
- License Agreement, dated January 9, 1995, by and between L.R. Trading and Paramount Cards Inc.
- Letter Agreement, dated April 16, 1985, by and between Ace Printery and Paramount Cards Inc.
- Termination of Licensing Agreement, dated January 6, 1999, by and between The Paper House Group and Paramount Cards, Inc.
- Primor Line Joint Venture Agreement, dated October 16, 1990, by and between Paramount and Hallmark Cards, Incorporated.
- Letter of Termination of License Agreement by and between Paramount and John Sands Pty Ltd., dated February 18, 1997.
- Letter Agreement, dated June 6, 1975, by and between Paramount and Ace Printer

- Agreement, dated March 14, 1983, by and between Paramount and Ace Printery -Federated Traders
- Outline of Essential Goals and Terms, dated February 21, 1996, by and between Paramount and Factory Price Shops Ltd.
- Service Mark License Agreement, dated April 1, 1997, by and between Paramount and Memorabilia Card & Gift.
- Oral Agreement by and between Paramount and Cardmart Greetings.
- Service Mark License Agreement, dated September 6, 1997, by and between Paramount and Aruna Cards Inc.
- Oral Agreement by and between Paramount and Shiva Inc. d/b/a Card\$mart Cranston.
- Oral Agreement by and between Paramount and GKM, Inc. d/b/a Card\$mart.
- Letter Agreement, dated October 31, 1997, by and between Paramount and Retail Connection Ltd.
- Distributor Agreement, dated April 7, 1995, by and between Paramount and Diversified International Products Limited.
- Service Mark License Agreement, dated October 6, 1997, by and between Paramount and Boulevard Cards and Gifts, L.L.C. d/b/a Card\$mart.
- Service Mark License Agreement, dated July 17, 1997, by and between Paramount and CSMLLC, Inc. d/b/a Card\$mart of Milford Inc.
- Licensing Agreement, dated February 1, 1999, by and between Paramount and The Gift Tree.

Paramount has granted approximately sixty service mark licenses to certain retail store operators (“Licensees”) for the use of the CARD\$MART® service mark. This Schedule B includes all Licensees within Paramount’s top fifty accounts with respect to gross billing (the “Accounts”). The Accounts represent approximately 42% of Paramount’s total gross sales.

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that **PCI ACQUISITION CORP.**, a Delaware corporation with its principal place of business located at Five Radnor Corporate Center, 100 Matsonford Road, Suite 170, Radnor, Pennsylvania 19087-4515 (“PCI”), **PARAMOUNT CARDS INC.**, a Rhode Island corporation with its principal place of business located at 400 Pine Street, Pawtucket, Rhode Island 02860 (“Paramount Cards”), and **CARD\$MART RETAIL CORPORATION**, a Rhode Island corporation with its principal place of business located at 400 Pine Street, Pawtucket, Rhode Island 02860 (“Card\$mart”; PCI, Paramount Cards and Card\$mart are hereinafter sometimes individually referred to as “Grantor” and collectively referred to as “Grantors”), pursuant to a certain Trademark Security Agreement of even date herewith (hereinafter referred to as the “Trademark Security Agreement”) by the Grantors in favor of **CITIZENS BANK OF RHODE ISLAND**, a Rhode Island financial institution, with its principal office located in the City of Providence, Rhode Island, as agent (the “Agent”) for Citizens Bank of Rhode Island (“Citizens”) and State Street Bank and Trust Company (“State Street”) which are parties to the Credit Agreement dated of even date herewith by and among Grantors, Citizens, State Street and Agent (the “Credit Agreement”), hereby appoint and constitute Agent as their true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of each Grantor, strictly in accordance with the terms and provisions of the Trademark Security Agreement:

1. Assigning, selling or otherwise disposing of all rights, title and interest of each Grantor in and to the Trademarks, as such term is defined in the Trademark Security Agreement, including, without limitation, those Trademarks listed on Schedule “A” annexed to the Trademark Security Agreement, any Trademarks that either Grantor may now or hereafter acquire, and any Trademarks which may be added to Schedule “A” annexed to the Trademark Security Agreement subsequent to the date of this Special Power of Attorney, all applications filed under Section 1(a) of the Lanham Act (15 U.S.C.A. 1051(a)), and all registrations and recordings of any of the foregoing, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to the foregoing, and to execute and deliver any and all other agreements, documents, instruments or assignment or other papers necessary or advisable to effect such purpose, in each case, in accordance with the terms and provisions of the Trademark Security Agreement; and

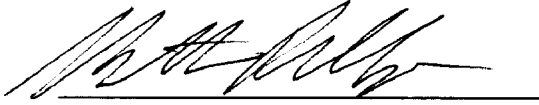
2. To execute any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as the Agent may in its sole discretion determine.


This Special Power of Attorney is made pursuant to the Trademark Security Agreement and may not be revoked until the Obligations, as such term is defined in the Trademark Security Agreement, of each Grantor to Citizens, State Street and Agent are fully paid and satisfied.

IN WITNESS WHEREOF, each Grantor has caused this Special Power of Attorney to be duly executed as of the 30th day of April, 1999.

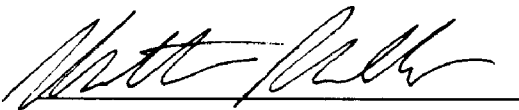
WITNESS:


PCI ACQUISITION CORP.



By: 
Paul T. Morrison
Vice President

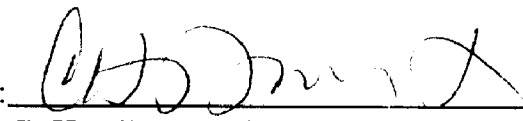
PARAMOUNT CARDS INC.



By: 
C. Hamilton Davison, Jr.
President and Chief Executive Officer

CARD\$MART RETAIL CORPORATION



By: 
C. Hamilton Davison, Jr.
President

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