

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		Grant of Trademark Security Interest (Second Lien)	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
CEI-KIDS, LLC		09/30/2010	LIMITED LIABILITY COMPANY: NEW JERSEY
RECEIVING PARTY DATA			
Name:	The Bank of New York Mellon		
Street Address:	600 East Las Colinas Blvd, Suite 1300		
City:	Irving		
State/Country:	TEXAS		
Postal Code:	75039		
Entity Type:	CORPORATION: NEW YORK		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	1835928	KID CARE	
CORRESPONDENCE DATA			
Fax Number:	(917)777-4104		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	212-735-3000		
Email:	kellie.weilbrenner@skadden.com		
Correspondent Name:	Skadden, Arps, Slate, Meagher & Flom LLP		
Address Line 1:	Four Times Square		
Address Line 2:	Attn: Shivram Sankar, Esq.		
Address Line 4:	New York, NEW YORK 10036		
ATTORNEY DOCKET NUMBER:	055660/0052		
NAME OF SUBMITTER:	Shivram Sankar		
Signature:	/Shivram Sankar/		

CH \$40.00 1835928

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**TRADEMARK
 REEL: 004289 FRAME: 0387**

Date:

10/04/2010

Total Attachments: 6

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**GRANT OF TRADEMARK SECURITY INTEREST
(Second Lien)**

September 30, 2010

WHEREAS, CEI-KIDS, LLC, a New Jersey limited liability company, (“**Grantor**”), owns and uses in its business, and will in the future adopt and so use, various intangible assets, including the Trademark Collateral (as defined below); and

WHEREAS, CEI HOLDINGS INC., a Delaware corporation (“**Company**”), has entered into the Term Loan Credit Agreement, dated as of September 30, 2010 (said Term Loan Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”; capitalized terms used herein not otherwise defined herein shall have the meanings ascribed therein), with the financial institutions named therein (collectively, together with their respective successors and assigns party to the Credit Agreement from time to time, the “**Lenders**”) and The Bank of New York Mellon, as Administrative Agent for the Lenders and as Collateral Agent for Lenders (in such capacity, “**Collateral Agent**”), pursuant to which Lenders have made certain commitments, subject to the terms and conditions set forth in the Credit Agreement, to extend certain credit facilities to Company; and

WHEREAS, Grantor has executed and delivered that certain Subsidiary Guaranty dated as of September 30, 2010 (said Subsidiary Guaranty, as amended, restated, supplemented or otherwise modified from time to time, the “**Guaranty**”), in favor of Collateral Agent for the benefit of the Beneficiaries, pursuant to which Grantor has guaranteed the prompt payment and performance when due of all obligations of Company under the Credit Agreement and the other Loan Documents; and

WHEREAS, pursuant to the terms of the Security Agreement, dated as of September 30, 2010 (said Agreement, as amended, restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”), among Grantor, Collateral Agent and the other grantors named therein, Grantor has created in favor of Collateral Agent a security interest in, and Collateral Agent has become a secured creditor with respect to, the Trademark Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, subject to the terms and conditions of the Security Agreement, to evidence further the security interest granted by Grantor to Collateral Agent pursuant to the Security Agreement, Grantor hereby grants to Collateral Agent a security interest in all of Grantor’s right, title and interest in and to the following, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located (the “**Trademark Collateral**”):

- (i) all rights, title and interests (including rights acquired pursuant to a license or otherwise) in and to all trademarks, service marks, designs, logos, indicia, trade names, trade dress, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers and applications pertaining thereto, owned by such Grantor, or hereafter adopted and used, in its business (including, without limitation, the trademarks set forth on Schedule A annexed hereto) (collectively, the “**Trademarks**”), all registrations that have been or may hereafter be issued or applied for thereon in the United States and any state thereof and in foreign countries (including, without limitation, the registrations and applications set forth on Schedule A annexed hereto), all common law and other rights (but in no event any of the obligations) in and to the Trademarks in the United States and any state thereof

and in foreign countries and all goodwill of such Grantor's business symbolized by the Trademarks and associated therewith; and

(ii) all proceeds, products, rents and profits of or from any and all of the foregoing Trademark Collateral and, to the extent not otherwise included, all payments under insurance (whether or not Collateral Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Trademark Collateral. For purposes of this Grant of Trademark Security Interest, the term "**proceeds**" shall have the meaning assigned to the term "Proceeds" in the UCC.

Grantor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement, dated as of September 30, 2010 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Intercreditor Agreement**"), among BNP Paribas, as First Lien Administrative Agent, and The Bank of New York Mellon, as Second Lien Administrative Agent. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Grantor has caused this Grant of Trademark Security Interest to be duly executed and delivered by its officer thereunto duly authorized as of the date first written above.

CEI-KIDS, LLC, as Grantor

By: William Laudien
Name: WILLIAM LAUDIEN
Title: PRESIDENT

**SCHEDULE A
TO
GRANT OF TRADEMARK SECURITY INTEREST**

UNITED STATES TRADEMARKS:

Registrations:

Owner	Registration Number	Description	
CEI-Kids, LLC	Reg. #1835928	Kid Care (stylized)	Registered 5/10/94

Applications:

Owner	Registration Number	Description
None		

Licenses:

Licensee	Licensor	Registration / Application Number	Description
None			

OTHER TRADEMARKS:

Registrations:

Owner	Registration Number	State / Country	Description
CEI-Kids, LLC	TMA592377	Canada	Sport for Kids
CEI-Kids, LLC	#1493311	Argentina	Kid Care
CEI-Kids, LLC	#519906	Benelux	Kid Care
CEI-Kids, LLC	#TMA508141	Canada	Kid Care
CEI-Kids, LLC	#110520	Greece	Kid Care
CEI-Kids, LLC	#1713720	Spain	Kid Care

Applications:

Owner	Application Number	State / Country	Description
None			

Licenses:

Licensee	Licensor	State / Country	Registration / Application Number	Description
None				

Trade Names:

1. CEI-Kids, LLC uses the name "Kid Care."

Domain Names:

Domain Name Registrations

Entity	Domain Name	Filing Date
CEI-Kids, LLC	www.kidcarebrand.com	10/20/00