

05-25-2000

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RECORDATION FORM COVER SHEET

OPR/FINANCE TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Name  Execution Date  
Month Day Year

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

02/22/2000 DMGUYEN 00000226 1428447

01 FC:481 40.00 OP  
02 FC:482 175.00 OP

fee ok

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 002079 FRAME: 0082

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

<input type="text" value="1428447"/>	<input type="text" value="1761433"/>	<input type="text"/>
<input type="text" value="1367720"/>	<input type="text" value="1336772"/>	<input type="text"/>
<input type="text" value="1330950"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="75532640"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75484255"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75777777"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed  Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

JOHN SCHEIBELER

Name of Person Signing

Signature

May 22, 2006

Date Signed

**GRANT OF SECURITY INTEREST  
IN UNITED STATES TRADEMARKS**

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, Happy Kids, Inc., a New York Corporation (the "Grantor") with principal offices at 100 West 33<sup>rd</sup> Street, Suite 1100, New York, NY 10001, hereby assigns and grants to The CIT Group/Commercial Services, Inc., as Collateral Agent, with principal offices at 1211 Avenue of the Americas, New York, New York 10036 (the "Grantee"), a security interest in (i) all of the Grantor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto, (ii) all Proceeds (as such term is defined in the Security Agreement referred to below) and products of the Marks, (iii) the goodwill of the businesses with which the Marks are associated and (iv) all causes of action arising prior to or after the date hereof for infringement of any of the Marks or unfair competition regarding the same.

THIS GRANT is made to secure the satisfactory performance and payment of all the Obligations of the Grantor, as such term is defined in the Security Agreement among the Grantor, the other assignors from time to time party thereto and the Grantee, dated as of December 17, 1999 (as amended from time to time, the "Security Agreement"). Upon the occurrence of the Termination Date (as defined in the Security Agreement), the Grantee shall, upon such satisfaction, execute, acknowledge, and deliver to the Grantor an instrument in writing releasing the security interest in the Marks acquired under this Grant.

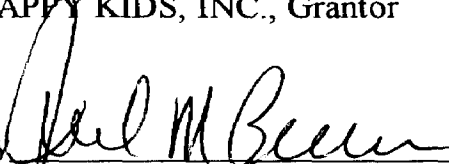
This Grant has been granted in conjunction with the security interest granted to the Grantee under the Security Agreement. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

\* \* \*

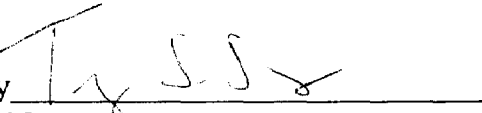
IN WITNESS WHEREOF, the undersigned have executed this Grant as of the

17 day of December, 1999.

HAPPY KIDS, INC., Grantor

By   
Name:  
Title:

THE CIT GROUP/COMMERCIAL  
SERVICES, INC.,  
as Collateral Agent and Grantee

By   
Name:  
Title:

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On this 17 day of December, 1999, before me personally came Jack  
Berman who, being by me duly sworn, did state as follows: that [s]he is  
President of HAPPY KIDS, INC. that [s]he is authorized to execute the foregoing Grant  
on behalf of said Corporation and that [s]he did so by authority of the Board of Directors of  
said Corporation.

Deesha M. Hill, Esq.  
Notary Public

DEESHA M. HILL 12/17/99  
Notary Public, State of New York  
No. 02HI6025792  
Qualified in Kings County  
Certificate Filed in New York County  
Commission Expires June 1, 2001

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF NEW YORK    )

On this 17 day of December 1999, before me personally came Jerry A.

Schwartz who, being by me duly sworn, did state as follows: that [s]he is Vice President of The CIT Group/Commercial Services, Inc. that [s]he is authorized to execute the foregoing Grant on behalf of said corporation and that [s]he did so by authority of the Board of Directors of said corporation.

Deesha M. Hill Esq.  
Notary Public

12/17/99  
DEESHA M. HILL  
Notary Public, State of New York  
No. 02H16025792  
Qualified in Kings County  
Certificate Filed in New York County  
Commission Expires June 1, 2001

**SCHEDULE A**

<b><u>Marks</u></b>	<b><u>Country</u></b>	<b><u>Ownership of Mark</u></b>	<b><u>Serial/Registration No.</u></b>
Bull Frog	USA	Happy Kids, Inc.	75/532,640
Bull Frog & Design	USA	Happy Kids, Inc.	1,428,447
Bull Frog Knits & Design	USA	Happy Kids, Inc.	1,367,720
Champ & Design	USA	Happy Kids, Inc.	1,330,950
Hearts & Design	USA	Happy Kids, Inc.	1,761,433
Little Champ & Design	USA	Happy Kids, Inc.	1,336,772
Surfari	USA	Happy Kids, Inc.	75/484,255
Arctic Plains	USA	Happy Kids, Inc.	75/777,777
O.P. Kids and Design	Puerto Rico	Happy Kids, Inc.	33,878