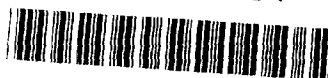




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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

The Right Start, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State California Other

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: January 3, 2001

2. Name and address of receiving party(ies)

Name: Paragon Capital LLC

Internal Address:

Street Address: Hillside Office Bldg., 75 Second Avenue

City: Needham State: MA Zip: 02494

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation-State

Other limited liability company

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See Attached Exhibit A

Additional number(s) attached Yes No

76108403

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

Name: Margaret E. Watson, Esq.

Internal Address:

Street Address: Ruberto, Israel & Weiner, P.C.

100 North Washington Street

City: Boston State: MA Zip: 02114

6. Total number of applications and registrations involved:

20

7. Total fee (37 CFR 3.41) \$ 515.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

(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.

Margaret E. Watson, Esq.

Name of Person Signing

Signature Margaret E. Watson

Signature

10/4/01

Date

Total number of pages including cover sheet, attachments, and document: 9

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

10/10/2001 LMUELLER 00000231 76108403

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**EXHIBIT A  
TO A TRADEMARK SECURITY AGREEMENT  
BETWEEN THE RIGHT START, INC. (Borrower)  
AND  
PARAGON CAPITAL LLC (Lender)  
DATED: As of January 23, 2001**

**TRADEMARKS (FEDERAL)**

<b>Trademark</b>	<b>Registration No.</b>	<b>Serial No.</b>	<b>Status</b>
The Right Start		76108403	Pending
RS (design)		76053195	Pending
Rightstart.com (design)		76074609	Pending
Rightstart.com		76026632	Pending
Right Start		75859574	Pending
Because You're a Mom, There's Rightstart.com		75859573	Abandoned
The Right Start (design)		75732314	Pending
Lil' Cubby		75536541	Suspended
Right Start Babies to Kids		75535518	Petition to Revive- Pending
Babies to Kids	2337557	75535610	Registered- April 4, 2000 Expiry: 4/4/10
The Right Start	2368955	75067372	Registered- July 18, 2000 Expiry: 7/18/10
Splash Diaper	2286506	75413334	Registered- October 12, 1999 Expiry: 10/12/09
The Right Start	2157378	75087466	Registered- May 12, 1998 Expiry: 5/12/08
The Right Start	2173433	75067371	Registered- July 14, 1998 Expiry: 7/14/08
The Right Start	2166244	75067370	Registered- June 16, 1998 Expiry: 6/16/08
The Right Start	1917940	74586583	Registered- Sept. 12, 1995 Expiry: 9/12/05



## TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT is entered into as of January 23, 2001, by and between The Right Start, Inc., a California corporation, having its principal place of business at 5388 Sterling Center Drive, Westlake Village, California 91361 (the "**Borrower**"), and Paragon Capital LLC, a Delaware limited liability company with a usual place of business at Hillside Office Building, 75 Second Avenue, Needham, Massachusetts 02494 (the "**Lender**").

NOW THEREFORE, in consideration of the premises, Borrower hereby agrees with Lender as follows:

1. **Grant of Security Interest.** Borrower hereby grants to Lender a first priority security interest in, and conditionally assigns, but does not transfer title to Lender, all of Borrower's right, title and interest in and to the following (collectively, the "**Collateral**") to secure payment and performance of all obligations of Borrower to Lender whether such obligations are direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including without limitation, those liabilities of Borrower to Lender pursuant to a Loan and Security Agreement dated January 23, 2001, between Lender and Borrower (the "**Loan Agreement**") (collectively, the "**Obligations**").

Without limiting the security interest granted under the Loan Agreement, the Collateral shall include the following:

(a) Each of the trademarks, and rights and interests protectable as trademarks, which are presently, or in the future may be, owned, created, acquired or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(b) All of Borrower's right, title and interest, in and to the trademarks and trademark registrations listed on Schedule A attached hereto, as the same may be updated hereafter from time to time;

(c) All of Borrower's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country, and to apply for, renew and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Borrower or in the name of Lender for past, present and future infringements of the trademarks, registrations or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(d) All general intangibles relating to the Collateral; and

(e) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

2. **Warranties and Representations.** Borrower hereby warrants and represents to Lender the following:

(a) A true and complete schedule setting forth all United States and state trademark registrations owned or controlled by Borrower or licensed to Borrower, together with full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(b) Each of the trademarks and trademark registrations is valid and enforceable, and Borrower is not presently aware of any past, present or prospective claim by any third party that any of the trademarks are invalid or unenforceable, or that the use of any trademarks violates the rights of any third person, or of any basis for any such claims;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the trademarks and trademark registrations free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, shop rights and covenants by Borrower not to sue third persons;

(d) Borrower has used and will continue to use proper statutory notice in connection with its use of each of the trademarks;

(e) Borrower has used and will continue to use consistent standards of high quality (which may be consistent with Borrower's past practices) in the manufacture, sale and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks;

(f) Except for the filing of financing statements under the Uniform Commercial Code to perfect the security interests created hereunder, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Borrower of the security interest hereunder or for the execution, delivery or performance of this Agreement by Borrower or for the perfection of or the exercise by Lender of its rights hereunder to the Collateral in the United States.

3. **After-Acquired Trademark Rights.** If Borrower shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Borrower shall give reasonably prompt notice in writing to Lender with respect to any such new trademarks or renewal or extension of any trademark registration. Borrower shall bear any expenses incurred in connection with future applications for trademark registration.

4. **Litigation and Proceedings.** Borrower shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings or other actions for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral, except to the extent that failure to protect any such property would not have a material adverse effect on the business of Borrower. Borrower shall provide to Lender any information with respect thereto requested by Lender. Lender shall provide at Borrower's expense all necessary cooperation in connection with any such suit, proceeding or action, including, without limitation, joining as a necessary party. Following Borrower's becoming aware thereof, Borrower shall notify Lender of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state or foreign court regarding Borrower's claim of ownership in any of such trademarks, its right to apply for the same, or its right to keep and maintain such trademark rights.

**5. Power of Attorney.** Borrower hereby grants Lender power of attorney, having the full authority, and in the place of Borrower and in the name of Borrower, from time to time in Lender's discretion to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of the Loan Agreement. Such appointment shall become effective and remain in effect upon (but not before) the occurrence and continuation of a Suspension Event or an Event of Default, as those terms are defined in the Loan Agreement.

(a) To endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use or maintain the Collateral;

(b) To ask, demand, collect, sue for, recover, impound, receive and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) To file any claims or take any action or institute any proceedings that Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Lender's rights with respect to any of the Collateral and to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to any person.

**7. Right to Inspect.** Borrower grants to Lender and its employees and agents the right to visit Borrower's plants and facilities which manufacture, inspect or store products sold under any of the trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Lender shall notify Borrower of its intent to visit one business day in advance in order to permit Borrower to arrange for Lender's admission to its facilities.

**8. Events of Default.** Any of the following events shall be an Event of Default:

(a) Borrower fails to perform any covenant hereof;

(b) The determination that any representation or warranty hereunder was not or is not true or complete in any material respect; or

(c) the occurrence of an Event of Default as that term is defined in the Loan Agreement.

**9. Specific Remedies.** Upon the occurrence of any Event of Default, as described in the Loan Agreement or herein, and in addition to any remedies under the Loan Agreement:

(a) Lender may cease advancing money or extending credit to or for the benefit of Borrower under the Loan Agreement or under any other agreement between Borrower and Lender.

(b) Lender may declare all Obligations to be due and payable immediately, whereupon they shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Borrower;

(c) Lender may set off against the Obligations all Collateral, balances, credits, deposits, accounts or moneys of Borrower then or thereafter held with Lender, including amounts represented by certificates of deposit;

(d) Lender may notify licensees to make royalty payments on license agreements directly to Lender;

(e) Lender may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Lender deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Borrower ten (10) days prior to such disposition. Borrower shall be credited with the net proceeds of such sale only when they are actually received by Lender, and Borrower shall continue to be liable for any deficiency remaining after the Collateral is sold or collected;

(f) If the sale is to be a public sale, Lender shall also give notice of the time and place by publishing a notice one time at least five (5) calendar days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held; and

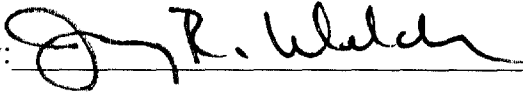
(g) To the maximum extent permitted by applicable law, Lender may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any Collateral payable by Lender at such sale.

**10. Governing Law.** All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Massachusetts.

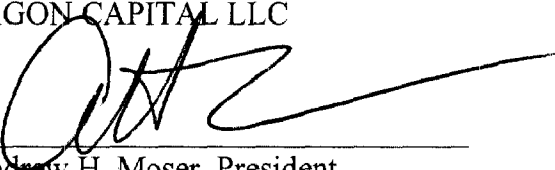
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IN WITNESS WHEREOF, the Borrower and Lender have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

THE RIGHT START, INC.

By: 

PARAGON CAPITAL LLC

By:   
Andrew H. Moser, President

**COMMONWEALTH OF MASSACHUSETTS**

Suffolk, ss.

*See next page*

January , 2001

Then personally appeared the above-named, \_\_\_\_\_, \_\_\_\_\_, and acknowledged the foregoing instrument to be the free act and deed of The Right Start, Inc., before me,


\_\_\_\_\_  
, Notary Public  
My commission expires:

**COMMONWEALTH OF MASSACHUSETTS**

Suffolk, ss.

January 25 , 2001

Then personally appeared the above-named, Andrew H. Moser, President, and acknowledged the foregoing instrument to be the free act and deed of Paragon Capital LLC,

  
, Notary Public  
My commission expires: 2/17/06

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Los Angeles } ss.

On January 18, 2001, before me, Judy Groner, Notary Public,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Jerry R. Welch,  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Judy Groner  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Trademark Security Agreement

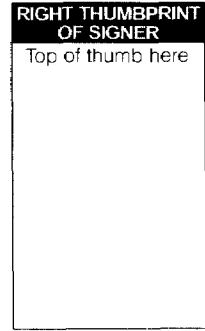
Document Date: January 2001 Number of Pages: 2

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: Jerry R. Welch

- Individual
- Corporate Officer — Title(s): President/CEO
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: The Right Start



The Right Start	1918619	74586582	Registered- Sept. 12, 1995 Expiry: 9/12/05
The Right Start Catalog	1919710	74586572	Registered- Sept. 19, 1995 Expiry: 9/19/05
The Right Start Professional	1918513	74494709	Registered- Sept. 12, 1995 Expiry: 9/12/05
Loop D'Loop	1616864	74010554	Lapsed

**TRADEMARKS (STATE)**

<b>Trademark</b>	<b>State</b>	<b>Registration No.</b>	<b>Status</b>
Right Start	California	50,036	Registered- July 30, 1998 Expiry: 7/30/08

**EXHIBIT B  
TO A TRADEMARK SECURITY AGREEMENT  
BETWEEN THE RIGHT START, INC. (Borrower)  
AND  
PARAGON CAPITAL LLC (Lender)  
DATED: As of January 23, 2001**

<b>Trademark</b>	<b>Registration No.</b>	<b>Serial No.</b>	<b>Status</b>
Lil' Cubby	75536541		Pending

**RUBERTO, ISRAEL & WEINER, P.C.**

ATTORNEYS AT LAW

100 North Washington Street  
Boston, Massachusetts 02114  
Telephone 617.742.4200  
Facsimile 617.742.2355  
www.riw.com



Margaret E. Watson  
Ext.: 273  
mwatson@riw.com

October 4, 2001

VIA FEDEX

Commissioner of Patent & Trademarks  
Box Assignments  
Washington, D.C. 20231

Re: The Right Start, Inc. - Conveying Parting

Dear Sir/Madam:

I enclose two documents for recording with the United States Patent and Trademark Office as follows:

1. Termination Release of Security Interest of Heller Financial, Inc. in its security interest of the trademarks of The Right Start, Inc. I would appreciate it if you would record this instrument prior to recording of the Instrument identified at No. 2; and
2. Security Interest granting Paragon Capital LLC the security interest in The Right Start, Inc. trademarks.

If you have any questions or comments, please do not hesitate to telephone me. Your assistance is most appreciated. In connection with the foregoing, I enclose a check in the amount \$1,130.00 to cover the expenses for this matter.

Very truly yours,

Margaret E. Watson

MEW:rw  
Enclosures

U:\RAW\Attorneys\MEW\Comm.of.Patent&Trademark.Right Start. ltr 10.4.01.wpd

RECORDED: 10/05/2001

TRADEMARK  
REEL: 002381 FRAME: 0923