

11-02-2006



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TRIAL

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MARKS ONLY

2006 NOV -1 AM 11: 41

11.1.06

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):
Educational Insights, Inc.

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

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: J. P. Morgan Chase Bank National Association
Internal _____
Address: _____
Street Address: 120 S. LaSalle Street
City: Chicago
State: IL
Country: USA Zip: 60603

Association Citizenship USA
 General Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship _____
 Other _____ Citizenship _____

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)

3. Nature of conveyance /Execution Date(s) :
Execution Date(s) October 16, 2006

Assignment Merger
 Security Agreement Change of Name
 Other _____

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No. (s)
78/750816

B. Trademark Registration No.(s)
1446329

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):
Application: Instagrader Reg: Albert (stylized)

5. Name & address of party to whom correspondence concerning document should be mailed:
Name: Aaron Zarkowsky
Internal Address: _____
Street Address: 225 W. Washington Street, Suite 1700
City: Chicago
State: IL Zip: 60606
Phone Number: 312/346-1460
Fax Number: 312/346-1859
Email Address: zarkowsky@dlec.com

6. Total number of applications and registrations involved: 24

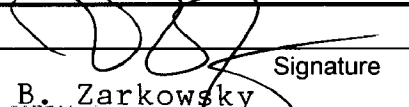
7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 615.00

Authorized to be charged by credit card
 Authorized to be charged to deposit account
 Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____
Authorized User Name _____

9. Signature:  _____
Signature
Aaron B. Zarkowsky
Name of Person Signing

Date: 10/30/06

Total number of pages including cover sheet, attachments, and document: 11

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

4.B. Trademark Registration No.(s) (continued)

| | |
|---------|-------------------------|
| 2369951 | Alpha Magnets |
| 2419930 | Ant Zone |
| 2344174 | Aquarium Watch |
| 1581498 | Brain Boosters |
| 1446330 | Clock-o-Dial and Design |
| 2366646 | Dino Jump-a-Saurus |
| 1248897 | Educational Insights |
| 2729789 | Eggspert |
| 2022734 | Exploratooy |
| 1292809 | Funthinkers (Stylized) |
| 1616873 | Geosafari |
| 1855589 | Geosafari |
| 2317105 | Hot Dots |
| 1449615 | Kitty Kat and Design |
| 2419692 | Launch Pad |
| 2422067 | Learning Circle |
| 2347807 | Mathmagnets |
| 2007972 | Mystery Rock |
| 2579392 | Phonics Firefly |
| 2283761 | Starhood |
| 2377936 | Story Time |
| 1627019 | The Phonics Factory |

PATENT AND TRADEMARK SECURITY AGREEMENT

dated as of October 16, 2006

among

LEARNING RESOURCES HOLDINGS, INC., LEARNING RESOURCES, INC., each an Illinois corporation,
and **EI ACQUISITION, INC.,** a California corporation (t/b/k/a **EDUCATIONAL INSIGHTS, INC.,** a California
Corporation)

and

JPMORGAN CHASE BANK NATIONAL ASSOCIATION,
as Lender

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TRADEMARK
REEL: 003421 FRAME: 0271

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of **October 16, 2006**, by **LEARNING RESOURCES HOLDINGS, INC., LEARNING RESOURCES, INC.**, each an Illinois corporation, and **EI ACQUISITION, INC.**, a California corporation (t/b/k/a **EDUCATIONAL INSIGHTS, INC.**, a California Corporation) (each a "Grantor" and collectively "Grantors"), in favor of **JPMORGAN CHASE BANK NATIONAL ASSOCIATION** (the "Bank").

RECITALS

A. The Grantors have entered into a First Amended and Restated Credit, Pledge and Security Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with the Bank, pursuant to which the Bank has agreed to make loans to, and issue or participate in letters of credit for the account of, the Grantors. Terms not otherwise defined herein shall have the meanings given thereto in the Credit Agreement.

C. Pursuant to the Credit Agreement, the Grantors are required to execute and deliver to the Bank this Agreement.

D. Pursuant to the terms of the Credit Agreement, the Grantors have granted to the Bank, a security interest in substantially all the assets of the Grantors, including all right, title and interest of the Grantor in, to and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications and trademark licenses, and all products and proceeds thereof, to secure the payment of all amounts owing by the Grantors under the Credit Agreement.

In consideration of the mutual agreements set forth herein and in the Credit Agreement, the Grantor does hereby grant to the Bank, a continuing security interest in all of each Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired:

- (1) each trademark and trademark application, including, without limitation, each registered trademark and trademark application referred to in Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof and all goodwill associated therewith;
- (2) each trademark license, including, without limitation, each registered trademark license listed on Schedule 1 annexed hereto, together with all goodwill associated therewith;
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any trademark, including, without limitation, any trademark referred to in Schedule 1 annexed hereto, any trademark issued pursuant to a trademark

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application referred to in Schedule 1 and any trademark licensed under any trademark license listed on Schedule 1 annexed hereto (items 1 through 3 being herein collectively referred to as the "Trademark Collateral");

- (4) each patent and patent application, including, without limitation, each patent and patent application referred to in Schedule 2 annexed hereto, together with any reissues, continuations or extensions thereof and all goodwill associated therewith;
- (5) each patent license, including, without limitation, each registered patent license listed on Schedule 2 annexed hereto, together with all goodwill associated therewith;
- (6) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any patent, including, without limitation, any patent referred to in Schedule 2 annexed hereto, any patent issued pursuant to a patent application referred to in Schedule 2 and any patent licensed under any patent license listed on Schedule 2 annexed hereto (items 4 through 6 being herein collectively referred to as the "Patent Collateral"; the Trademark Collateral and the Patent Collateral are collectively for purposes of this Agreement, the "Collateral").

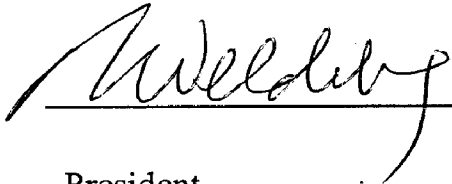
This security interest is granted in conjunction with the security interests granted to the Bank pursuant to the Credit Agreement and subject to limitations set forth therein. The Grantor hereby acknowledges and affirms that the rights and remedies of the Bank with respect to the security interest in the Trademark Collateral and the Patent Collateral made and granted hereby are more fully set forth in the Credit Agreement and Credit Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Credit Agreement.

License. The Bank is hereby granted a license or other right to use, following the occurrence and during the continuance of an Event of Default, without charge, the Borrowers' labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral, and, following the occurrence and during the continuance of an Event of Default, The Borrowers' rights under all licenses and all franchise agreements shall inure to the Bank's benefit. In addition, the Borrowers hereby irrevocably agree that the Bank may, following the occurrence and during the continuance of an Event of Default, sell Inventory which bears any trademark owned by or licensed to the Borrowers and any Inventory that is covered by any copyright owned by or licensed to the Borrowers and the Bank may finish any work in process and affix any trademark owned by or licensed to the Borrowers and sell such Inventory as provided herein.

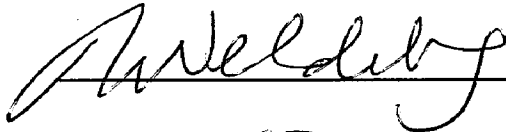
[signature page follows]

The Grantors have caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the date first set forth above.

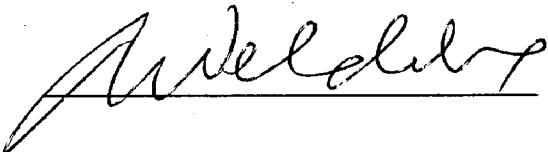
LEARNING RESOURCES HOLDINGS, INC.
an Illinois corporation

By: 
Its: President

LEARNING RESOURCES, INC., an Illinois corporation

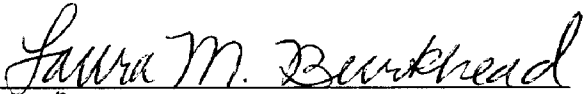
By: 
Its: ~~President~~ CEO

EI ACQUISITION, INC., an California corporation, t/b/k/a Educational Insights, Inc., a California corporation

By: 
Its: President

Acknowledged:


JPMORGAN CHASE BANK
NATIONAL ASSOCIATION, a national banking association

By: 
Title: AVP

*Signature Page to Patent & Trademark
Credit Agreement*

STATE OF IL)
) SS
COUNTY OF Cook)

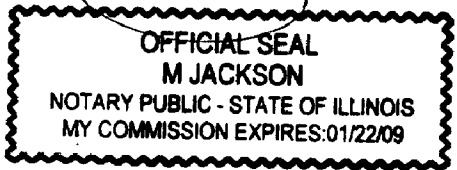
On this 16th day of Oct, 2006 before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of **LEARNING RESOURCES HOLDINGS, INC.**, an Illinois corporation, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.




Notary Public

STATE OF IL)
) SS
COUNTY OF Cook)

On this 16th day of Oct, 2006 before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of **LEARNING RESOURCES, INC.**, an Illinois corporation, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.

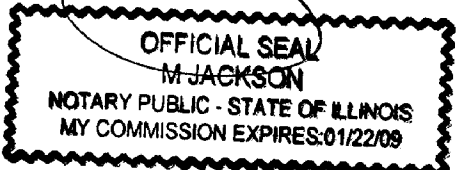





Notary Public

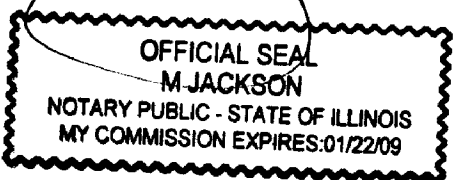
STATE OF IL)
) SS
COUNTY OF Cook)

On this 16th day of Oct, 2006 before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of **EI Acquisition, Inc.**, a California corporation, t/b/k/a Educational Insights, Inc., a California corporation, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.





Notary Public




Educational Insights, Inc.

U.S. Trademark Registrations/Applications

| Trademark | Ser. No./Reg. No. | Filing Date | Brief Goods/Services | Owner |
|--|-------------------|-------------------|--|--|
| ALBERT (STYLIZED) ALBERT | RN:1,446,329 | June 26, 1986 | (Int'l Class: 16) Educational aids for learning mathematical and reading skills by young children, composed of printed cards and a machine for evaluating... (Int'l Class: 28) Hand held electronic game used to teach children reading and mathematics | Educational Insights, Inc. (California Corp.) |
| ALPHAMAGNETS | RN:2,369,951 | July 29, 1998 | (Int'l Class: 28) Toy kit comprised of a collection of magnetic numbers and symbols supported by magnetic pieces and a reusable drawstring storage bag | Educational Insights, Inc. (California Corp.) |
| ANT ZONE | RN:2,419,930 | February 22, 1999 | (Int'l Class: 16) Insect habitat, namely, a kit comprising sand, a housing unit and accessories related thereto, used to create an ant habitat for observation purposes, and sold as a unit | Educational Insights, Inc. (California Corp.) |
| AQUARIUM WATCH | RN:2,344,174 | April 13, 1998 | (Int'l Class: 28) Toy watches | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| BRAINBOOSTERS | RN:1,581,498 | June 22, 1989 | (Int'l Class: 16) Educational book | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| CLOCK-O-DIAL AND DESIGN <i>Clock O Dial</i> | RN:1,446,330 | June 26, 1986 | (Int'l Class: 16) Educational devices for teaching children to tell time, principally composed of printed circular charts and a base for using the... (Int'l Class: 28) Toy clocks used to teach children to tell time | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| DINO JUMP-A-SAURUS | RN:2,366,646 | May 13, 1997 | (Int'l Class: 28) Board game and equipment sold as a unit for playing a board game, namely, movable pieces | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |

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|--|--------------|--------------------|---|---|
| EDUCATIONAL INSIGHTS | RN:1,248,897 | April 6, 1981 | (Int'l Class: 16) Teaching aids-namely, spirit master workbooks, paper flash cards, wall charts and posters, cardboard letters, portable chalkboards for school and home... (Int'l Class: 28) Toys and games-namely, puzzles and equipment sold as a unit for playing electronic question and answer games | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| EGGSPERT | RN:2,729,789 | August 17, 2000 | (Int'l Class: 9) Electronic devices, namely, electronic books, electronic board programs, electronic pads and electronic touch pads, electronic keypads, electronic touch screens, containing a plurality of trigger mechanisms that determine the first person to depress a trigger mechanism | Educational Insights, Inc. (California Corp.) |
| EXPLORATOY | RN:2,022,734 | August 9, 1993 | (Int'l Class: 28) Educational related toys, games, sporting goods and other playthings; namely, toy microscope kit comprising hand held microscopes, viewing adapters and accessories therefor; toy domed insectarium kit consisting of insect net, scooper, tweezers, and toy rides for insects; namely, ferris wheel,... | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| FUNTHINKERS (STYLIZED) FunThinkers | RN:1,292,809 | May 19, 1983 | (Int'l Class: 16) Educational materials-namely, reading books and booklets; writing instruments (colored pencils, crayons, drawing pencils), multimedia kits (pre-recorded cassettes, read-along books and... (Int'l Class: 28) Educational games-namely, board games, (game boards, plastic playing pieces, pre-recorded cassettes, books and booklets, flash cards), all sold in packaged... | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| GEOSAFARI | RN:1,616,873 | January 25, 1990 | (Int'l Class: 28) Educational electronic geography game | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| GEOSAFARI | RN:1,855,589 | September 14, 1993 | (Int'l Class: 9) Electronic computerized game and computer program therefor | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| HOT DOTS | RN:2,317,105 | December 1, 1997 | (Int'l Class: 16) Educational teaching devices, namely, sheets with questions and/or objects coordinated with electronically conducted ink and an electronic tester than can determine the conductivity of the electronically conductive ink with sound and light indicators, sold together as a unit | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |

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|--|--------------|-------------------|--|--|
| INSTAGRADER INSTAGRADER | SN:78-750816 | November 9, 2005 | (Int'l Class: 9) Educational equipment and software for interactive teaching and classroom activities, namely computers, wireless terminals, transceivers, and chargers, and software for authoring of instruction materials, namely test creation authoring software, and software for recording student data, activities, and attendance | Educational Insights, Inc. (California Corp.) |
| KITTY KAT AND DESIGN  | RN:1,449,615 | June 27, 1986 | (Int'l Class: 16) Teaching and learning aids, namely, activity books and booklets; math and reading flash cards; and activity stamps (Int'l Class: 28) Plastic game counters, bingo game cards, spinners, and word card games | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| LAUNCH PAD | RN:2,419,692 | July 29, 1998 | (Int'l Class: 28) Electronic interactive multimedia educational game machine for children | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| LEARNING CIRCLE | RN:2,422,067 | February 22, 1999 | (Int'l Class: 28) Game consisting of a housing apparatus with display lights, that emits sound, and with game cards that can be mounted on the housing, sold as a unit; cards for playing a game | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| MATHMAGNETS | RN:2,347,807 | July 29, 1998 | (Int'l Class: 28) Toy kit comprised of a collection of magnetic numbers and symbols supported by magnetic pieces and a reusable draw string storage bag | Educational Insights, Inc. (California Corp.) |
| MYSTERY ROCK | RN:2,007,972 | October 15, 1996 | (Int'l Class: 28) educational hobby toys, namely a clay rock containing other rocks, fossils and gemstones to teach excavating | Educational Insights, Inc. Wells Fargo Security Agreement |
| PHONICS FIREFLY | RN:2,579,392 | August 26, 1999 | (Int'l Class: 9) Electronic teaching product, namely, a quiz game with electric lights and sounds that can indicate symbols, in combination with accessory printed symbol cards sold as a unit therewith | Educational Insights, Inc. (California Corp.) |
| STARHOOD | RN:2,283,761 | June 16, 1997 | (Int'l Class: 28) Toy kit consisting primarily of pre-cut geometric shapes to make a projection screen to be used in the projection of images such as stellar constellations and planetary positions | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
| STORY TIME | RN:2,377,936 | December 1, 1997 | (Int'l Class: 28) Foldout puppet stage, puppets, and marionettes | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |

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|---------------------|--------------|---------------|--|---|
| THE PHONICS FACTORY | RN:1,627,019 | June 22, 1989 | (Int'l Class: 16) Educational guides, books, printed cards, poster and pre-recorded audio cassettes sold as a unit | Educational Insights, Inc. (California Corp.) Wells Fargo Security Agreement |
|---------------------|--------------|---------------|--|---|