

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL
EFFECTIVE DATE:	12/31/2006

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Binney & Smith LLC	FORMERLY Binney & Smith Inc.	12/31/2006	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	Crayola LLC
Street Address:	1100 Church Lane
City:	Easton
State/Country:	PENNSYLVANIA
Postal Code:	18042
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 18

Property Type	Number	Word Mark
Serial Number:	78646996	CHALK 'N ROLL
Serial Number:	78602818	COLOR EXPLOSION
Serial Number:	78727012	COLOR EXPLOSION
Serial Number:	78861575	COLOR PILLAR
Serial Number:	77003355	COLOR WONDER
Serial Number:	77003383	COLOR WONDER
Serial Number:	78908218	CUTS WHERE SCISSORS CAN'T
Serial Number:	78800240	DRAW AND RECORD STORY CREATOR
Serial Number:	78947704	IMAGINATION QUOTIENT
Serial Number:	78947696	IMAGINATION QUOTIENT
Serial Number:	78947671	OTHER IQ
Serial Number:	78947686	OTHER IQ

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Serial Number:	78946669	RAINBOW RAKE
Serial Number:	78946701	SOFT STICKS
Serial Number:	78791317	SPRAY MAGIC
Serial Number:	78956647	SQUEEZABLES
Serial Number:	78712473	TWISTABLES
Serial Number:	78712483	TWISTABLES

CORRESPONDENCE DATA

Fax Number: (816)274-7171
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 8165453187
Email: ischuv1@hallmark.com
Correspondent Name: Albert P. Mauro, Jr., Esq.
Address Line 1: Hallmark Cards, 2501 McGee Trafficway
Address Line 2: Legal Division, Mail Drop #339
Address Line 4: Kansas City, MISSOURI 64108

NAME OF SUBMITTER:	Albert P. Mauro, Jr.
Signature:	/Albert P. Mauro, Jr./
Date:	03/09/2007

Total Attachments: 7
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ASSET TRANSFER AGREEMENT

This Agreement is made this 31 day of December, 2006 by and between Crayola LLC (“Crayola”) and Binney & Smith LLC (formerly known as Binney & Smith Inc.) (“B&S”).

WHEREAS, Crayola is the sole owner of equity interests in B&S, and B&S desires, for good and valuable consideration, to transfer certain of its assets and liabilities to Crayola, and Crayola desires to accept such transfers, in order (i) to give greater prominence and emphasis to the “Crayola” brand business of B&S and to its innovation by putting principal components of such business into a new entity called Crayola and (ii) to achieve certain state income tax savings as part of an overall rearrangement into MIX Holdings, Inc. of ownership interests of other subsidiaries and divisions of Hallmark Cards, Incorporated;

NOW, THEREFORE, in consideration of the respective agreements and undertakings of the parties herein, the parties agree as follows:

1. Transfer of Assets.

(a) Transfer. As of December 31, 2006 (the “Effective Date”), in consideration of Crayola’s assumption of liabilities described in Section 2, and except as stated in Section 1(b), B&S shall sell, assign, transfer and convey to Crayola all the property and assets of B&S of every kind and nature whatsoever, tangible or intangible, personal or mixed, including without limitation, cash, receivables, customer lists, intellectual property, know-how, files, rights under contracts, tax refunds or other claims, stock in subsidiaries or other affiliates, investments, current business and good will (“Assigned Assets”).

(b) Retained Assets. Notwithstanding Section 1(a), B&S shall not transfer the following assets (“Retained Assets”) to Crayola:

- (i) Any interest in Binney & Smith Europe Ltd.;

(ii) Any fee interest in real estate, including but not limited to real estate in Pennsylvania or England, and any related contracts, including contracts for the sale of same;

(iii) Any leases, assets or agreements relating to The Crayola Factory or The Crayola Store in Easton, Pennsylvania, including the management agreement with Byrnes Holdings;

(iv) Any leases (or related assets or agreements) with the Palmer Upper Mill Business Trust for the Upper Mill properties in Easton, Pennsylvania;

(v) The corporate name "Binney & Smith";

(vi) Any liability insurance policies in the name of B&S or its predecessors.

2. Assumption of Liabilities.

(a) Assumption. As of the Effective Date, and except as stated in Section 2(b),

Crayola shall assume certain obligations, commitments, debts, contracts and liabilities ("Assumed Liabilities") listed below. Crayola expressly does not assume, and shall not be liable for, expressly or implicitly, any liabilities not expressly assumed, whether existing, contingent, known, unknown, or to exist in the future ("Excluded Liabilities") described in Section 2(b).

The following are the Assumed Liabilities, except to the extent they are described in Section 2(b):

(i) Current trade liabilities to suppliers, customers or employees of B&S arising from the ongoing operation of the business transferred to Crayola, including letters of credit and purchase orders;

(ii) Liabilities under benefit plans, compensation plans, pension plans and employment agreements for U.S.-based employees of B&S;

(iii) Contractual obligations under any agreement, lease or other document with respect to the Assigned Assets.

(b) Excluded Liabilities. Any liability not expressly assumed by Crayola shall be deemed an Excluded Liability. The parties believe that the Retained Assets will be sufficient to satisfy the Excluded Liabilities. Any Excluded Liability shall be retained by B&S. Some, but not all, of the Excluded Liabilities are:

(i) Any liability, including environmental liability, associated with the Retained Assets;

(ii) Any liability under any pending or threatened or future lawsuit, claim, action or other proceeding of any kind or nature (x) against B&S or (y) alleging or arising as a result of any manufacture, marketing, distribution or sale of products, negligence, violation of law or breach of obligation allegedly occurring or committed in whole or in part by B&S prior to or after the Effective Date;

(iii) Liability for income taxes for any period prior to the Effective Date;

(iv) Liabilities under any benefit plans, compensation plans, pension plans and employment agreements for current or former employees of Binney & Smith Europe Ltd.

3. Covenants.

(a) General. The parties will cooperate to obtain all necessary third party consents to any transfer to Crayola of the Assigned Assets and the Assumed Liabilities as of the Effective Date. With respect to assignments of leases or agreements to which required third party consents are not obtained or for which subleasing or sublicensing may be appropriate, the parties will execute such documents as reasonably required to effect such sublease or sublicense. If any of the parties determines that the transfer of any trademark registrations or patents or patent

applications to Crayola is not cost effective, then B&S agrees that, from and after the Effective Date, it will grant Crayola an irrevocable, royalty-free license to use same with the right to sublicense same and an irrevocable power of attorney to transfer ownership of such intellectual property to Crayola, provided that Crayola shall bear all expense of exercising its rights hereunder. Crayola shall have the right to continue to use B&S' name on all existing packaging, marketing materials, fixtures, letterhead, cards, email addresses, phone and address listings, invoices and the like after the Effective Date until the supplies are exhausted or until one (1) year from the Effective Date, whichever is later. B&S will deliver to Crayola all books, records and papers of B&S with respect to the Transferred Assets. B&S will deliver to Crayola such bills of sale, endorsements, drafts, instructions, assignments and deeds as Crayola shall request to convey title to all the Transferred Assets, and Crayola shall deliver such documents as are required or advisable to confirm its assumption of the Assumed Liabilities.

(b) Collection of Accounts. B&S agrees that, after the Effective Date, Crayola shall have the right and authority to collect, for the account of B&S, all receivables and other items which shall be transferred to Crayola as provided herein, to service accounts receivable under the Amended and Restated Receivables Purchase Agreement and the Amended and Restated Receivables Sale Agreement, each dated as of June 15, 2000, as amended, to which B&S, Crayola and others are parties, and to endorse with the name of B&S any checks received on account of any receivables or other items. B&S will cooperate, and will use its best efforts to have the officers, directors and other employees of B&S cooperate with Crayola, at the request of Crayola, on and after the Effective Date in endeavoring to effect the collection of all receivables and other items owing to B&S, in furnishing information, evidence, testimony and other assistance in connection with actions, proceedings, arrangements or disputes involving

B&S or Crayola based upon contracts, arrangements or acts of B&S which were in effect or occurred on or prior to the Effective Date and the liability for which is expressly assumed by Crayola pursuant to this Agreement.

(c) As of the Effective Date, the parties will enter into the leases attached hereto as Exhibit 1 and the Service Agreement attached hereto as Exhibit 2.

4. Indemnity.

(a) Excluded Liabilities. B&S shall indemnify Crayola and hold it harmless from and against any and all loss, liability, damage, costs and attorney's fees arising from or in connection with the Excluded Liabilities.

(b) Assumed Liabilities. Crayola shall indemnify B&S and hold it harmless from and against any and all loss, liability, damage, cost and attorney's fees arising from or in connection with the Assumed Liabilities.

(c) Breaches, etc. Each of the parties will indemnify the other party against any loss, liability, damage or cost arising from such party's breach of this Agreement.

5. Representations and Warranties

(a) B&S. B&S hereby represents and warrants to Crayola the following:

(i) It is organized and in good standing under the laws of Delaware. It has the power to own or lease its properties and to carry on its business now being conducted. It is duly qualified to do business and is in good standing in every jurisdiction in which it owns or leases real property, maintains an office or in which the nature of its business makes such qualification necessary.

(ii) It has good title to the Assigned Assets and will transfer good title to the Assigned Assets to Crayola as of the Effective Date.

(iii) It has full authority to enter and perform this Agreement and to transfer the Assigned Assets to Crayola in accordance with the terms of this Agreement.

(b) Crayola. Crayola hereby represents and warrants to B&S the following:

(i) It is organized and in good standing under the laws of Delaware. It has the power to carry on its business in every jurisdiction in which the Assigned Assets will make it necessary to be qualified.

(ii) It has full authority to enter and perform this Agreement and to assume and discharge the Assumed Liabilities in accordance with the terms of this Agreement.

6. Assignment. Neither this Agreement nor any of the rights hereunder shall be assignable by any of the parties hereto, and they cannot be altered or otherwise amended except pursuant to an instrument in writing signed by B&S and Crayola.


7. Notices. Any notice, request, instruction or other document to be given hereunder by either party to the other shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, if to Crayola, addressed to Crayola, attention of President, Crayola, LLC, 1100 Church Lane, Easton, Pennsylvania 18042, and if to B&S, addressed to B&S, attention General Counsel, Hallmark Cards, Incorporated, P.O. Box 419126, Kansas City, MO 64141-6126.

8. Entire Agreement; Binding Nature. This instrument contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and supersedes all previous written or oral negotiations, commitments, writings and representations. This Agreement binds and inure to the benefit of the parties hereto, their successors and assigns. The provisions of this Agreement shall survive the transactions herein and the Effective Date.

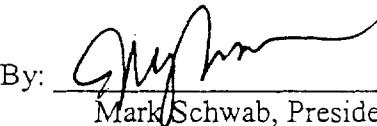
9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

10. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Missouri.

BINNEY & SMITH LLC

By:  _____
Brian E. Gardner, President

CRAYOLA LLC

By:  _____
Mark Schwab, President