

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Converting, Inc.		10/15/2007	CORPORATION: DELAWARE

RECEIVING PARTY DATA	
Name:	National City Bank
Street Address:	629 Euclid Ave.
City:	Cleveland
State/Country:	OHIO
Postal Code:	44114
Entity Type:	National Banking Association:

PROPERTY NUMBERS Total: 84

Property Type	Number	Word Mark
Registration Number:	2106890	H
Registration Number:	2758433	
Registration Number:	2896744	H
Registration Number:	1530906	AMERICAN
Registration Number:	0783224	AMERICAN
Registration Number:	0781586	AMERICAN
Registration Number:	2672114	BETTER THAN LINEN
Registration Number:	2669005	BETTER THAN LINEN
Registration Number:	2669004	BETTER THAN LINEN
Registration Number:	1503830	CATER CLOTH II
Registration Number:	2685897	CELEBRATE! BY SPECIAL OCCASION
Registration Number:	2685896	CELEBRATE! BY SPECIAL OCCASION
Registration Number:	2683008	CELEBRATE! BY SPECIAL OCCASION
Registration Number:	2718717	CELEBRATE! BY SPECIAL OCCASION

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Registration Number:	2404409	CELLUTEX
Registration Number:	3299737	CHANGING SPACES
Registration Number:	1962108	COLOR ME
Registration Number:	3021470	CRAFTMASTER
Registration Number:	0515474	CRAFTMASTER
Registration Number:	2796816	CREATIVE EXPRESSIONS
Registration Number:	2623757	DOLLAR-WISE
Registration Number:	2431207	EVERY OCCASION
Registration Number:	2128753	EVERY OCCASION
Registration Number:	1590958	EVERY OCCASION
Registration Number:	2112472	DOLLAR-WISE
Registration Number:	2967394	GALA
Registration Number:	0834744	GALA
Registration Number:	0782096	HOFFMASTER
Registration Number:	1462761	HOFFMASTER
Registration Number:	3029966	HOFFMASTER
Registration Number:	3280287	HOFFMASTER
Registration Number:	1534257	INDOOR OUTDOOR
Registration Number:	2595688	IRISH LINEN
Registration Number:	2722406	JUST FOR KIDS!
Registration Number:	2181124	LINEN LIKE
Registration Number:	0535180	LINEN-LIKE
Registration Number:	2439005	LINEN-LIKE SUPREME
Registration Number:	1526864	LINETTE
Registration Number:	0879095	MEDALLION
Registration Number:	1463475	MENUFOLD
Registration Number:	2019242	OCTY-ROUND
Registration Number:	3101215	OPALESSENCE
Registration Number:	3207060	OPALESSENCE
Registration Number:	1634124	PAPER ART
Registration Number:	1634813	PAPER ART
Registration Number:	2114460	PAPER ART
Registration Number:	1596350	PARTY CREATIONS
Registration Number:	2336764	PARTY OCCASION
Registration Number:	2227711	PARTY OCCASION

Registration Number:	2899047	PARTY PAK
Registration Number:	2278570	PARTY PAK
Registration Number:	2519592	PARTY PARTNER
Registration Number:	2395237	PATIO OCTY-ROUND
Registration Number:	1313488	PERMA-WIPES
Registration Number:	2482074	PICNIC PARTNER
Registration Number:	1381349	PIK-NIK KING
Registration Number:	1705845	QUICKSET
Registration Number:	2070556	SAVOY
Registration Number:	2150869	SAVOY
Registration Number:	1624798	SENSATIONS
Registration Number:	2163419	SENSATIONS
Registration Number:	1433808	SOFTTEES
Registration Number:	2927573	SPECIAL OCCASION
Registration Number:	2043597	SPECIAL OCCASION
Registration Number:	1762055	SPECIAL OCCASION
Registration Number:	1628366	SPECIAL OCCASION
Registration Number:	1627203	SPECIAL OCCASION
Registration Number:	1622100	SPLASH!
Registration Number:	1516379	SPRINGPRINT MEDALLION
Registration Number:	1499542	SPRINGPRINT MEDALLION
Registration Number:	3304786	STAY PUT
Registration Number:	2910222	SWANKIE
Registration Number:	3304638	SWEET STATION
Registration Number:	1648150	TOUCH OF COLOR
Registration Number:	1648876	TOUCH OF COLOR
Registration Number:	2864451	WINDSOR
Registration Number:	2795898	WRAP'N ROLL
Serial Number:	78721371	CATERWRAP
Serial Number:	78797164	CHANGING FACES
Serial Number:	78853124	CREATE-A-SCENE
Serial Number:	77060426	EARTH WISE
Serial Number:	76608250	GALA
Serial Number:	78914858	READY-SET-GO
Serial Number:	78903102	PHOTOCREATIONS

TRADEMARK

REEL: 003689 FRAME: 0635

CORRESPONDENCE DATA

Fax Number: (216)579-0212
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 216-586-1062
Email: aegagich@yahoo.com
Correspondent Name: Amy Gagich
Address Line 1: 901 Lakeside Avenue
Address Line 4: Cleveland, OHIO 44114

ATTORNEY DOCKET NUMBER:	497400-121081
NAME OF SUBMITTER:	Amy E. Gagich
Signature:	/Amy E. Gagich/
Date:	01/04/2008

Total Attachments: 9
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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT, dated as of October 15, 2007 (this "Agreement"), is made by and between CONVERTING, INC., a Delaware corporation (the "**Grantor**"), in favor of NATIONAL CITY BANK, as collateral agent (together with its successor(s) thereto in such capacity, the "**Collateral Agent**") for each of the Secured Creditors.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Grantor, as successor by merger to KHOF Acquisitions, Inc., a Delaware corporation, as the Borrower, KHOF Holdings, Inc., a Delaware corporation, the financial institutions named as lenders therein (herein, together with any other person that becomes a "Lender" under the Credit Agreement and the respective successors and assigns of such "Lenders", the "**Lenders**"), National City Bank, as a Lender, the Issuing Bank, the Swing Line Lender, and as the Administrative Agent and the Collateral Agent, the Lenders will provide certain loans or advances or other extensions of credit to or for the benefit of the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Security Agreement, dated as of the date hereof (as amended, restated supplemented or otherwise modified from time to time, the "**Security Agreement**"), whereby the Grantor has granted to the Collateral Agent a continuing security interest in, among other things, all of the Trademark Collateral (as defined below) to secure performance of the Secured Obligations;

WHEREAS, pursuant to the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Collateral Agent a continuing security interest in all of the Trademark Collateral (as defined below) to secure performance of the Secured Obligations;

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;
and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of each Secured Creditor, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the respective meanings provided in the Security Agreement and, to the extent not therein defined, the meaning assigned in the Credit Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Collateral Agent, for its benefit and the ratable benefit of each other Secured Creditor, a continuing security interest in all of the Grantor's right, title and interest throughout the world, whether now or hereafter existing or acquired by the Grantor, in, to and under the following ("**Trademark Collateral**"):

- (a) all Marks, including each Mark and Mark application set forth in Schedule I;
- (b) all of the goodwill of the business connected with the use of, and symbolized by the foregoing;
- (c) the right to sue third parties for past, present and future infringements of any of the foregoing; and
- (d) all proceeds of, and rights associated with, the foregoing (including proceeds, licenses, royalties, income, payments, claims, damages and proceeds of infringement suits).

Notwithstanding the foregoing, the Trademark Collateral shall not include all intent-to-use United States trademark applications for which an amendment to allege use or statement of use has not been filed under 15 U.S.C.

§ 1051(c) or 15 U.S.C. § 1051(d), respectively, or if filed, has not been deemed in conformance with 15 U.S.C. § 1051(a) or examined and accepted, respectively, by the PTO, provided that upon such filing and acceptance, such intent-to-use applications shall be included in the Trademark Collateral.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Collateral Agent in the Trademark Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent for its benefit and the ratable benefit of each other Secured Creditor under the Security Agreement. The Security Agreement (and all rights and remedies of the Collateral Agent and each Secured Creditor thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon the occurrence of an event pursuant to the Credit Agreement or Security Agreement that would result in the release of all or a portion of the Trademark Collateral from the security interest thereon, the security interests granted herein shall automatically terminate, as applicable, with respect to all or such applicable portion of the Trademark Collateral. Upon any such release, the Collateral Agent will, at the Grantor's sole expense, release without any representations, warranties or recourse of any kind whatsoever, all or such applicable portion of the Trademark Collateral held by the Collateral Agent hereunder, and execute and deliver to the Grantor such Documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the 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 (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Governing Law, Entire Agreement, etc. **THIS SUPPLEMENT WILL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

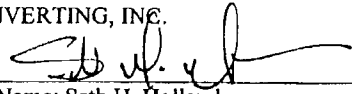
SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

* * * * *

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by their duly authorized officer as of the date first above written.

CONVERTING, INC.

By:



Name: Seth H. Hollander

Title: Vice President and Treasurer

NATIONAL CITY BANK,
as Collateral Agent

By:

Name:
Title:

Converting, Inc. - Trademark Security Agreement

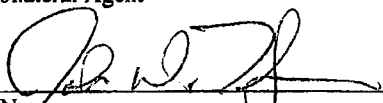
TRADEMARK
REEL: 003689 FRAME: 0639

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by their duly authorized officer as of the date first above written.

CONVERTING, INC.

By: _____
Name:
Title:

NATIONAL CITY BANK,
as Collateral Agent

By: 
Name: John W. Thompson
Title: Senior Vice President

Schedule I to Trademark Security Agreement

<u>Trademark</u>	<u>Country</u>	<u>Application No. and/or Registration No.</u>	<u>Application Filing Date and/or Registration Date</u>
"H Logo" and Design	U.S	Reg. No. 2,106,890	Issued: 10/26/2004
"Streamer Logo" (CEG)	U.S.	Reg. No. 2,758,433	Issued: 09/02/03
"H Logo"	U.S.	Reg. No. 2,896,744	Issued: 10/26/04
AMERICAN	CANADA	Reg. No. 668,880	Issued: 07/28/06
AMERICAN	MEXICO	Reg. No. 891440	Issued: 07/25/2005
AMERICAN	PUERTO RICO		
AMERICAN	U.S.	Reg. No. 1,530,906	Issued: 03/21/89
AMERICAN	U.S.	Reg. No. 783,224	Issued: 01/12/65
AMERICAN	U.S.	Reg. No. 781,586	Issued: 12/15/64
AMERICAN	CHILE	Chile Reg. No. 637,452	Issued: 07/26/02
HOFFMASTER	U.S.	Reg. No. 2,672,114	Issued: 01/07/03
BETTER THAN LINEN	U.S.	Reg. No. 2,669,005	Issued: 12/31/02
BETTER THAN LINEN	U.S.	Reg. No. 2,669,004	Issued: 12/31/02
BETTER THAN LINEN	U.S.	Reg. No. 2,669,004	Issued: 12/31/02
CATER CLOTH II	U.S.	Reg. No. 1,503,830	Issued: 09/13/88
CELEBRATE! BY SPECIAL OCCASION	U.S.	Reg. No. 2,685,897	Issued: 12/31/01
CELEBRATE! BY SPECIAL OCCASION	U.S.	Reg. No. 2,685,896	Issued: 02/11/03
CELEBRATE! BY SPECIAL OCCASION	U.S.	Reg. No. 2,683,008	Issued: 02/04/03
CELEBRATE! BY SPECIAL OCCASION	U.S.	Reg. No. 2,718,717	Issued: 12/18/03
CELLUTEX	U.S.	Reg. No. 2,404,409	Issued: 11/14/00
CHANGING SPACES	U.S.	Reg. No. 3,299,737	Issued: 09/25/07
COLOR ME	U.S.	Reg. No. 1,962,108	Issued: 03/12/96
CRAFTMASTER	U.S.	Reg. No. 3,021,470	Issued: 11/29/05

<u>Trademark</u>	<u>Country</u>	<u>Application No. and/or Registration No.</u>	<u>Application Filing Date and/or Registration Date</u>
CRAFTMASTER (Stylized)	U.S.	Reg. No. 515,474	Issued: 09/20/49
CREATIVE EXPRESSIONS	CANADA	Reg. No. 655,330	Issued: 12/16/05
CREATIVE EXPRESSIONS	CHILE	Reg. No. 701,254	Issued: 08/20/04
CREATIVE EXPRESSIONS	CHILE	Reg. No. 701,255	Issued: 08/20/04
CREATIVE EXPRESSIONS	UNITED KINGDOM	Reg. No. 2418429	Issued: 08/31/07
CREATIVE EXPRESSIONS	U.S.	Reg. No. 2,796,816	Issued: 12/23/03
DOLLAR-WISE	U.S.	Reg. No. 2,623,757	Issued: 09/04/02
EVERY OCCASION	U.S.	Reg. No. 2,431,207	Issued: 02/27/01
EVERY OCCASION	U.S.	Reg. No. 2,128,753	Issued: 01/13/98
EVERY OCCASION	U.S.	Reg. No. 1,590,958	Issued: 04/10/90
DOLLAR-WISE	U.S.	Reg. No. 2,112,472	Issued: 11/11/97
GALA	U.S.	Reg. No. 2,967,394	Issued: 07/12/05
GALA	U.S.	Reg. No. 834,744	Issued: 09/05/67
HOFFMASTER	CANADA	Reg. No. 668,887	Issued: 07/28/06
HOFFMASTER	CHILE	Reg. No. 624,730	Issued: 03/15/02
HOFFMASTER	EUROPEAN COMMUNITY	Reg. No. 4930384	Issued: 04/10/07
HOFFMASTER	MEXICO	Reg. No. 891438	Issued: 07/25/05
HOFFMASTER	MEXICO	Reg. No. 891439	Issued: 07/25/05
HOFFMASTER	U.S.	Reg. No. 782,096	Issued: 12/22/64
HOFFMASTER	U.S.	Reg. No. 1,462,761	Issued: 10/27/87
HOFFMASTER	U.S.	Reg. No. 3,029,966	Issued: 12/13/05
HOFFMASTER	U.S.	Reg. No. 3,280,287	Issued: 08/14/07
INDOOR OUTDOOR	U.S.	Reg. No. 1,534,257	Issued: 04/11/89
IRISH LINEN	CHILE	Reg. No. 649430	Issued: 11/20/02
IRISH LINEN	U.S.	Reg. No. 2,595,688	Issued: 07/16/02
JUST FOR KIDS! And Design	U.S.	Reg. No. 2,722,406	Issued: 06/03/03
LINEN-LIKE	CANADA	Reg. No. 668,886	Registered 07/28/06

<u>Trademark</u>	<u>Country</u>	<u>Application No. and/or Registration No.</u>	<u>Application Filing Date and/or Registration Date</u>
LINEN-LIKE	CHILE	Reg. No. 649,742	Issued: 11/22/02
LINEN-LIKE	MEXICO	Reg. No. 891437	Issued: 05/31/05
LINEN-LIKE	U.S.	Reg. No. 2,181,124	Issued: 08/11/98
LINEN-LIKE (Stylized)	U.S.	Reg. No. 535,180	Issued: 12/26/50
LINEN-LIKE SUPREME and Design	U.S.	Reg. No. 2,439,005	Issued: 03/27/01
LINETTE	U.S.	Reg. No. 1,526,864	Issued: 02/28/89
MEDALLION	U.S.	Reg. No. 879,095	Issued: 10/21/69
MENUFOLD	U.S.	Reg. No. 1,463,475	Issued: 11/03/87
OCTY-ROUND	U.S.	Reg. No. 2,019,242	Issued: 11/26/96
OPALESSENCE	U.S.	Reg. No. 3,101,215	Issued: 06/06/06
OPALESSENCE	U.S.	Reg. No. 3,207,060	Issued: 02/13/07
PAPER ART	U.S.	Reg. No. 1,634,124	Issued: 02/05/91
PAPER ART	U.S.	Reg. No. 1,634,813	Issued: 02/12/91
PAPER ART (Stylized)	U.S.	Reg. No. 2,114,460	Issued: 11/18/97
PARTY CREATIONS	U.S.	Reg. No. 1,596,350	Issued: 05/15/90
PARTY OCCASION	U.S.	Reg. No. 2,336,764	Issued: 03/28/00
PARTY OCCASION	U.S.	Reg. No. 2,227,711	Issued: 03/02/99
PARTY PAK	U.S.	Reg. No. 2,899,047	Issued: 11/02/04
PARTY PAK (Stylized)	U.S.	Reg. No. 2,278,570	Issued: 09/14/99 (Supplemental Reg.)
PARTY PARTNER	U.S.	Reg. No. 2,519,592	Issued 12/18/01
PATIO	U.S.	Reg. No. 2,395,237	Issued: 10/17/00
OCTY-ROUND	U.S.	Reg. No. 1,313,488	Issued: 01/08/85
PERMA-WIPES	U.S.	Reg. No. 1,313,488	Issued: 01/08/85
PICNIC	U.S.	Reg. No. 2,482,074	Issued: 08/28/01
PARTNER	U.S.	Reg. No. 1,381,349	Issued: 02/04/86
PIK-NIK KING	U.S.	Reg. No. 1,705,845	Issued: 08/04/92
QUICKSET	U.S.	Reg. No. 1,705,845	Issued: 08/04/92
SAVOY	U.S.	Reg. No. 2070556	Issued: 06/10/97
SAVOY	U.S.	Reg. No. 2,150,869	Issued: 04/14/98

<u>Trademark</u>	<u>Country</u>	<u>Application No. and/or Registration No.</u>	<u>Application Filing Date and/or Registration Date</u>
SENSATIONS	U.S.	Reg. No. 1,624,798	Issued: 11/27/90
SENSATIONS	U.S.	Reg. No. 2,163,419	Issued: 06/09/98
SOFTEES	U.S.	Reg. No. 1,433,808	Issued: 03/24/87
SPECIAL OCCASION	U.S.	Reg. No. 2,927,573	Issued: 02/22/05
SPECIAL OCCASION	U.S.	Reg. No. 2,043,597	Issued: 03/11/97
SPECIAL OCCASION	U.S.	Reg. No. 1,762,055	Issued: 03/30/93
SPECIAL OCCASION	U.S.	Reg. No. 1,628,366	Issued: 12/18/90
SPECIAL OCCASION	U.S.	Reg. No. 1,627,203	Issued: 12/11/90
SPECIAL OCCASION	U.S.	TMA684123	Issued: 03/20/07
SPECIAL OCCASION	U.S.	TMA395920	Issued: 03/20/92
SPLASH	U.S.	Reg. No. 1,622,100	Issued: 11/13/90
SPRINGPRINT MEDALLION	U.S.	Reg. No. 1,516,379	Issued: 12/13/88
SPRINGPRINT MEDALLION and Design	U.S.	Reg. No. 1,499,542	Issued: 08/09/88
STAY PUT	U.S.	Reg. No. 3,304,786	Issued: 10/2/07
SWANKIE	U.S.	Reg. No. 2,910,222	Issued: 12/14/04
SWEET STATION	U.S.	Reg. No. 3,304,638	Issued: 10/2/07
TOUCH OF COLOR	U.S.	Reg. No. 1,648,150	Issued: 06/18/91
TOUCH OF COLOR	U.S.	Reg. No. 1,648,876	Issued: 06/25/91
WINDSOR	U.S.	Reg. No. 2,864,451	Issued: 7/20/04
Wrap 'N Roll	U.S.	Reg. No. 2,795,898	Issued: 12/16/03
CATERWRAP	U.S.	Appl. No. 78/721,371	Filed: 9-27-2005
CHANGING FACES	U.S.	Appl. No. 78/797164	Filed: 01/23/06
CREATE-A- SCENE	U.S.	Appl. No. 78/853,214	Filed: 04/04/06
CREATE-A- SCENE	CANADA	Canadian Appl. No. 1,313,586	Filed: 08/18/06
CREATE-A- SCENE	UNITED KINGDOM	Appl No. 2434548	Filed: 04/10/06
CREATIVE EXPRESSIONS	AUSTRALIA	Australia Appl. No. 1105565	Filed: (tbd)

<u>Trademark</u>	<u>Country</u>	<u>Application No. and/or Registration No.</u>	<u>Application Filing Date and/or Registration Date</u>
CREATIVE EXPRESSIONS	CHILE	Chile Appl. No. 638801	Filed: 03/01/04
CREATIVE EXPRESSIONS	ITALY	Italy Appl. No. (tbd)	Filed: (tbd)
EARTHWISE	U.S.	Appl. No. 77/060426	Filed: (tbd)
GALA	U.S.	Appl. No. 76/608,250	Filed: 8-23-2004
HOFFMASTER	PUERTO RICO	Appl. No. 66725	Filed: (tbd)
HOFFMASTER	PUERTO RICO	Appl. No. 66726	Filed: (tbd)
READY-SET-GO	U.S.	Appl. No. 78914858	Filed: 6/22/06
LINEN-LIKE SELECT	U.S.	Appl. No. (tbd)	Filed: (tbd)
PHOTO CREATIONS	U.S.	Appl. No. 78/903,102	Filed: 06/07/06
HOFFMASTER	COMMUNITY TRADEMARK OFFICE	Appl. No. 4930384	Filed: (tbd)