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July 8, 2005

VIA HAND DELIVERY

THOMAS MCKAY, III
ATTORNEY RESPONSIBLE
FOR NJ PRACTICE
Debbie Reyes
Paralegal
Direct Phone 856.910.5016
Direct Fax 877.728.1392
dreyes@cozen.com

Burlington County Surrogates Office
49 Rancocas Road
Mount Holly, NJ 08060

Re: In the Matter of the General Assignment for the Benefit of Creditors of Fleer/Skybox
International LP, Assignor to Warren J. Martin, Jr., Assignee, Docket No. 2005-1394

In the Matter of the General Assignment for the Benefit of Creditors of Fleer
Collectibles, LLC, Assignor to Warren J. Martin, Jr., Assignee, Docket No. 2005-1408

Dear Sir or Madam:

Enclosed for filing, please find an original plus one (1) copy of the following documents:

1. Entry of Appearance;
2. Motion for Pro Hac Vice Appearance, with supporting documents; and
3. Objection to Motion for Order (1) Establishing Bidding Procedures, Including Approval of Break-Up Fee; (2) Scheduling Auction; and (3) Authorizing Sale of (A) Fleer/Skybox's Intellectual Property and (B) Substantially All of the Assets of Fleer Collectibles.

Please file the originals and return stamped "filed" copies, of each document, to the awaiting messenger. A check in the amount of \$15 is also enclosed to cover the filing costs of the pro hac motion.

Burlington County Surrogates Office

July 8, 2005

Page 2

Thank you for your assistance with this matter.

Sincerely,

COZEN O'CONNOR



By: Debbie Reyes
Paralegal to Arthur J. Abramowitz

DLR

Enclosures

cc: John S. Mairo, Esq. (w/encl.)
Hal L. Baume, Esq. (w/encl.)

COZEN O'CONNOR
Arthur J. Abramowitz, Esquire
Liberty View Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5000(856) 910-5075(fax)

Attorneys for Major League Baseball Players Association

In the Matter of the General Assignment for
the Benefit of Creditors of FLEER/SKYBOX
INTERNATIONAL LP,

Assignor,

to

WARREN J. MARTIN JR.,

Assignee.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, PROBATE PART
BURLINGTON COUNTY

DOCKET NO. 2005-1394

In the Matter of the General Assignment for
the Benefit of Creditors of FLEER
COLLECTIBLES, LLC,

Assignor,

to

WARREN J. MARTIN JR.,

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SUPERIOR COURT OF NEW JERSEY
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BURLINGTON COUNTY

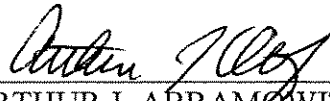
DOCKET NO. 2005-1408

ENTRY OF APPEARANCE

The undersigned attorney, Arthur J. Abramowitz, hereby enter his Appearance on behalf of Major League Baseball Players Association in the above-captioned matters to serve as co-counsel with Neal D. Colton, Esq., Cozen O'Connor, 1900 Market Street, Philadelphia, Pennsylvania, 19103.

COZEN O'CONNOR

BY:


ARTHUR J. ABRAMOWITZ, ESQUIRE
Attorneys for Major League Baseball Players
Association

COZEN O'CONNOR
Arthur J. Abramowitz, Esquire
Liberty View Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5000; (856) 910-5075(fax)

Attorneys for Major League Baseball Players Association

In the Matter of the General Assignment for
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: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION, PROBATE PART
: BURLINGTON COUNTY

: DOCKET NO. 2005-1394

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION, PROBATE PART
: BURLINGTON COUNTY

: DOCKET NO. 2005-1408

: **NOTICE OF MOTION FOR PRO HAC**
: **VICE APPEARANCE**

TO: John S. Mairo, Esq.
Brett S. Moore, Esq.
Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway
Morristown, NJ 07962-1997

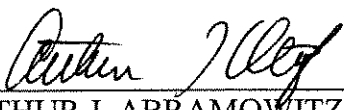
PLEASE TAKE NOTICE that the undersigned, New Jersey counsel for Major League
Baseball Players Association ("MLBPA") will apply to the Honorable Ronald E. Bookbinder
J.S.C., or before such other judge of the Superior Court that may be assigned to hear this Motion

at the Superior Court of New Jersey, Chancery Division, Burlington County, on July 29, 2005, at 9:00 A.M. at the Burlington County Courthouse, 49 Rancocas Road, Sixth Floor, Courtroom 6D, Mount Holly, New Jersey, 08060 for an Order granting admission to practice pro hac vice on behalf of MLBPA and in favor of counsel, Neal D. Colton, Esquire of the firm of Cozen O'Connor, 1900 Market Street, Philadelphia, PA 19103 pursuant to R.1:21-2.

In support of this application, the undersigned shall rely upon the attached Certification of undersigned counsel and the Affidavit of Neal D. Colton, Esquire.

A proposed form of Order is annexed hereto.

COZEN O'CONNOR

BY: 
ARTHUR J. ABRAMOWITZ, ESQUIRE
Attorney for Major League Baseball Players
Association

DATED: July 8, 2005

COZEN O'CONNOR
Arthur J. Abramowitz, Esquire
Liberty View Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5000; (856) 910-5075(fax)

Attorneys for Major League Baseball Players Association

In the Matter of the General Assignment for
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Assignor,

to

WARREN J. MARTIN JR.,

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: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION, PROBATE PART
: BURLINGTON COUNTY

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: SUPERIOR COURT OF NEW JERSEY
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: BURLINGTON COUNTY

: DOCKET NO. 2005-1408

: **CERTIFICATION OF ARTHUR J.
: ABRAMOWITZ**

Arthur J. Abramowitz, Esquire, an attorney at law of the State of New Jersey, does hereby certify to all the following facts upon his personal knowledge:

1. I am attorney admitted to practice before the Courts of the State of New Jersey and, as an attorney so licensed, I am a member in good standing of the New Jersey Bar.
2. I am a member of the law firm of Cozen O'Connor, LibertyView, Suite 300, 457 Haddonfield Road, Cherry Hill, NJ 08002.

3. I am New Jersey counsel of record for Major League Baseball Players Association (“MLBPA”) in the above-captioned action.

4. This case involves an Assignment for the Benefit of Creditors of Fleer/Skybox International (the “Assignor”) to Warren J. Martin, Jr. (the “Assignee”) including the rights, if any, of the Assignee to sell property in the Assignee’s possession that is subject to certain possessory and license rights of MLBPA.

5. Neal D. Colton, Esquire is a member of the firm of Cozen O’Connor and is a member in good standing of the Bar of the Commonwealth of Pennsylvania.

6. I have worked at Cozen O’Connor since January 2000 and know that Neal D. Colton’s practice involves a broad range of corporate and litigation matters with special emphasis in international and domestic insolvency, creditors’ rights, bankruptcy, restructuring, and reorganization, and that he has a prior relationship with MLBPA.

7. It is respectfully submitted that there is good cause for the admission of Neal D. Colton *pro hac vice* in this matter based upon attorney Colton’s insolvency experience and relationship with MLBPA; and the request by MLBPA that they be specially represented by Neal D. Colton in this matter.

8. Attorney Colton has reviewed the Local Rules of Court and will comply with said rules, including all disciplinary rules.


9. An Affidavit of attorney Colton has been annexed hereto as Exhibit “A”.

10. This office has contacted the Assignee advising him of my intent to file this Motion for Pro Hac Vice Admission of Neal Colton and Mr. Martin advised that he had no objection to Mr. Colton’s admission.

11. I respectfully request that Neal D. Colton, Esquire be specially admitted to the bar of the State of New Jersey solely for the purposes of participation in this action.

I certify that the foregoing statements made by me are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

COZEN O'CONNOR

BY: 
ARTHUR J. ABRAMOWITZ, ESQUIRE
Attorney for Major League Baseball Players
Association

Dated: July 8, 2005

COZEN O'CONNOR
Arthur J. Abramowitz, Esquire
Liberty View Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5000; (856) 910-5075(fax)

Attorneys for Major League Baseball Players Association

In the Matter of the General Assignment for
the Benefit of Creditors of FLEER/SKYBOX
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to

WARREN J. MARTIN JR.,

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: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION, PROBATE PART
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In the Matter of the General Assignment for
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COLLECTIBLES, LLC,

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to

WARREN J. MARTIN JR.,

Assignee.

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION, PROBATE PART
: BURLINGTON COUNTY

: DOCKET NO. 2005-1408

: **AFFIDAVIT IN SUPPORT OF MOTION
: FOR PRO HAC VICE APPEARANCE**

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF PHILADELPHIA

:
: ss
:

Neal D. Colton, Esquire being of full age and being duly sworn according to law, upon
his oath, deposes and states as follows:

1. I am a Shareholder in the law firm of Cozen O'Connor, located at 1900 Market Street, Philadelphia, Pennsylvania and am seeking to represent Major League Baseball Players Association ("MLBPA") in this proceeding.

2. I was admitted to practice before the Pennsylvania Supreme Court in March of 1971 and I am a member in good standing at the aforesaid court. No disciplinary proceedings are pending against me in any jurisdiction and no discipline has previously been imposed in any jurisdiction. At the present time, I am not admitted to practice law in the State of New Jersey.

3. Good cause for my admission exists based upon the fact that I concentrate my practice in insolvency, reorganization and bankruptcy matters, including assignment for the benefit of creditors proceedings, am very knowledgeable in the sports memorabilia licensing business and applicable law based upon prior client engagements involving this type of business and have worked previously with MLBPA on matters such as the Fleer/Skybox International proceedings. It is for these reasons that MLBPA is now seeking to have me represent it in this proceeding.

4. I have associated in this matter with New Jersey counsel of record, Arthur J. Abramowitz, Esquire of this firm as required by R. 1:21-2(a)(2).

5. I agree to:

- a. Pay all fees required by the Supreme Court Ethics Financial Committee pursuant to R.1:20-1(b) and the Client's Security Fund of the Bar of New Jersey pursuant to R.1:28-1;
- b. abide by the New Jersey Court Rules;

- c. notify this Court immediately of any matter affecting my standing at the Bar of the Commonwealth of Pennsylvania or any other Court to which I am admitted; and
- d. have all pleadings, briefs and other papers filed with the Court signed by the attorney of record authorized to practice in New Jersey.

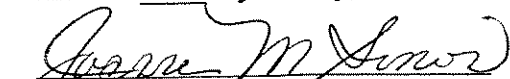
6. I consent to the appointment of the Clerk of the Supreme Court as an agent upon whom service of process may be made for all actions against me that may arise out of my participation in the within matter.

7. This Affidavit is submitted in support of a motion seeking pro hac vice admission in the within matter.



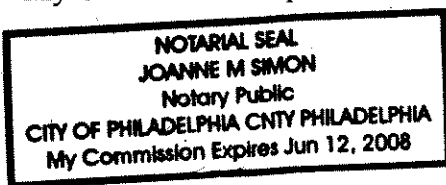
Neal D. Colton, Esquire

Sworn to and subscribed before
me this 8th day of July, 2005



NOTARY PUBLIC

My Commission Expires:



COZEN O'CONNOR
Arthur J. Abramowitz, Esquire
Liberty View Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5000; (856) 910-5075(fax)

Attorneys for Major League Baseball Players Association

In the Matter of the General Assignment for
the Benefit of Creditors of FLEER/SKYBOX
INTERNATIONAL LP,

Assignor,

to

WARREN J. MARTIN JR.,

Assignee.

In the Matter of the General Assignment for
the Benefit of Creditors of FLEER
COLLECTIBLES, LLC,

Assignor,

to

WARREN J. MARTIN JR.,

Assignee.

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION, PROBATE PART
: BURLINGTON COUNTY

: DOCKET NO. 2005-1394

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION, PROBATE PART
: BURLINGTON COUNTY

: DOCKET NO. 2005-1408

: **ORDER FOR ADMISSION PRO HAC**
: **VICE**

This matter having been submitted to the Court, by way of Motion, supported by Affidavit of Neal D. Colton, Esquire and Certification of Arthur J. Abramowitz, Esquire, New Jersey counsel for Major League Baseball Players Associations ("MLBPA") in the above-captioned matter, seeking an entry of an Order granting the admission pro hac vice of Neal D. Colton, Esquire of Cozen O'Connor, 1900 Market Street, Philadelphia, PA 19103 on behalf of MLBPA; and the Court having reviewed the moving papers; and the Court having confirmed that

the requirements of R.1:21-2 have been met and that good and sufficient cause exists for the entry of this Order;

It is the _____ day of July, 2005, ORDERED that Neal D. Colton, Esquire shall be and hereby is admitted to practice *pro hac vice* and is authorized to appear and participate with other counsel for MLBPA subject to the following conditions:

1. Neal D. Colton shall abide by the *New Jersey Court Rules* including all disciplinary rules, R. 1:20-1 and R. 1:28-2.
2. Neal D. Colton shall and hereby does consent to the appointment of the Clerk of the Supreme Court of New Jersey as his agent upon whom service of process may be made for all actions against him that may arise out of his participation in this matter.
3. Neal D. Colton shall notify the Court immediately of any matter affecting his standing at the bar of any other jurisdiction.
4. Neal D. Colton shall have all pleadings, briefs and other papers filed with the Court signed by an attorney of record authorized to practice in New Jersey, who shall be held responsible for them, the conduct of the litigation and the attorney admitted herein.
5. Neal D. Colton cannot be designated as trial counsel.
6. No discovery, motion, trial or any other proceeding delay shall occur or be requested by reason of the inability of Neal D. Colton to be in attendance.
7. Neal D. Colton has previously paid the fee required by R. 1:20-1(b) and R. 1:28-2 and will submit an affidavit of compliance.
8. *Pro hac vice* admission will automatically terminate for failure to make the initial and any annual payment required by R. 1:20-1(b) and R. 1:28-2.
9. Non-compliance with any terms of this order shall constitute grounds for removal.

10. A copy of this order shall be served on all parties within seven (7) days of the date hereof.

BY THE COURT:

BY: _____ J.S.C.

COZEN O'CONNOR

LibertyView, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
Telephone: (856) 910-5004
Facsimile: (877) 286-4534
Attorney Appearing:

Arthur J. Abramowitz (AA3724)

Attorneys for The Major League Baseball Players Association

In the Matter of the General Assignment for
the Benefit of Creditors of Fleer/SkyBox
International LP

Assignor,

to

WARREN J. MARTIN JR.,

Assignee.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, PROBATE PART
BURLINGTON COUNTY

DOCKET NO: P-2005-1394

In the Matter of the General Assignment for
the Benefit of Creditors of FLEER
COLLECTIBLES, LLC,

Assignor,

to

WARREN J. MARTIN JR.,

Assignee.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, PROBATE PART
BURLINGTON COUNTY

DOCKET NO.: P-2005-1408

**OBJECTION TO MOTION FOR ORDER (1) ESTABLISHING BIDDING
PROCEDURES, INCLUDING APPROVAL OF BREAK-UP FEE;
(2) SCHEDULING AUCTION; AND (3) AUTHORIZING SALE OF
(A) FLEER/SKYBOX'S INTELLECTUAL PROPERTY AND
(B) SUBSTANTIALLY ALL OF THE ASSETS OF FLEER COLLECTIBLES**

The Major League Baseball Players Association (the "MLBPA"), through its undersigned counsel, hereby files its objection to the Verified Application of Warren J. Martin Jr. (the "Assignee"), Assignee for the Benefit of Creditors of Fleer/SkyBox International LP

("Fleer/SkyBox"), and Assignee for the Benefit of Creditors of Fleer Collectibles, LLC ("Fleer Collectibles"), for Order (1) Establishing Bidding Procedures, Including Approval of Break-Up Fee; (2) Scheduling Auction; and (3) Authorizing Sale of (A) Fleer/SkyBox's Intellectual Property and (B) Substantially All of the Assets of Fleer Collectibles (the "Motion"), and respectfully represents as follows:

1. MLBPA is the collective bargaining representative for all current Major League Baseball players. MLBPA also serves as the group licensing agent on behalf of the players. Until May 23, 2005, MLBPA licensed certain rights and trademarks (as described more fully below) to Fleer/Skybox and Fleer Collectibles (collectively, "Fleer" or the "Licensee") for use by Fleer/Skybox in its business of producing and selling trading cards, autographs, game-used equipment, and photographs of players, and by Fleer Collectibles in its business of producing and selling die-cast miniature replica vehicles.

2. Pursuant to an Asset Purchase Agreement dated June 29, 2005 (the "Purchase Agreement"), the Assignee intends to sell to FSB Acquisition Company, LLC (the "Buyer") (a) all of the U.S. and foreign trademarks and goodwill associated therewith, copyrights and other intellectual property assigned to the Assignee by Fleer/SkyBox (the "Fleer/SkyBox Intellectual Property") and (b) substantially all of the assets assigned to the Assignee by Fleer Collectibles (the "Fleer Collectibles Assets").

3. While the Purchase Agreement acknowledges that Fleer is in default under various license agreements (the "Prior License Agreements") and that other parties to the Prior License Agreements have already exercised rights of termination under the Prior License

Agreements, the Agreement does not adequately address the serious risk that the Assignee will convey merchandise to the Buyer in violation of such other parties' rights.

4. MLBPA is concerned that the Assignee will sell merchandise that utilizes MLBPA's intellectual property rights, which were the subject of an expired license agreement between MLBPA and Fler. MLBPA cannot determine this with certainty, however, because neither the Motion nor the Purchase Agreement includes a clear description or a specific list of the inventory to be sold.

The Assignee Does Not Have Authority to Sell Merchandise Bearing MLBPA Trademarks, as Fler's License to Use Such Rights Terminated Prior to His Appointment

5. Pursuant to the terms and conditions set forth in the License Agreement, dated January 1, 2003, between Fler and MLBPA (the "License Agreement"), MLBPA granted to Fler a non-exclusive, non-transferable, non-assignable license to use the names, numbers, nicknames, likenesses, signatures, pictures, playing records, and/or biographical data of Major League Baseball players (the "Rights") and certain logos, names and symbols of MLBPA (the "Trademarks") in association with the manufacture, offering for sale, sale, advertising, promotion, shipment and distribution of certain licensed products including, *inter alia*, trading cards, autographs, game-used equipment, photographs, die-cast model vehicles, and puzzle cards (the "Licensed Products."). License Agreement, Section 1(A).

6. Fler only received a license to use the Rights and Trademarks; ownership of these rights remained vested at all times in MLBPA:

It is understood and agreed that MLBPA is the sole and exclusive holder of all right, title and interest in and to the Rights and/or the Trademarks for the duration of this Agreement. Nothing contained

in this Agreement shall be construed as an assignment to Licensee of any right, title and/or interest in or to the Rights and/or the Trademarks, it being understood that all right, title and interest relating thereto are expressly reserved by MLBPA except for the rights being licensed hereunder.”

License Agreement, Sections 8(A)-(B).

7. Similarly, MLBPA retained sole ownership of the goodwill associated with use of the Rights and/or the Trademarks:

Licensee recognizes the value of the goodwill associated with the Rights and/or the Trademarks and acknowledges that the Rights and/or the Trademarks, and all rights therein and the goodwill pertaining thereto, belong exclusively to MLBPA....Licensee agrees that its use of the Rights and/or the Trademarks shall inure to the benefit of MLBPA and that Licensee shall not, at any time, acquire any rights in the Rights and/or the Trademarks by virtue of any use it may make of the Rights and/or the Trademarks. Licensee hereby assigns to MLBPA any and all trademarks and trademark rights in the Trademarks and/or Rights created by such use, together with the goodwill of the business in connection with which such trademarks are used.”

License Agreement, Sections 9(A)-(B).

8. On May 23, 2005, MLBPA sent a written termination notice (the “Termination Notice”) to Fler, a copy of which is attached as Exhibit “A” hereto. The Termination Notice set forth multiple independent grounds upon which MLBPA was authorized to terminate the License Agreement immediately.

9. First, in violation of Section 6 of the License Agreement, Fler failed to submit to MLBPA for approval redemption cards contained within several 2005 products, and distributed such products without having obtained the required approval of MLBPA. Such failure triggered Section 18(A)(i)(a), which provided that MLBPA shall immediately have the right to terminate the License Agreement where Fler “[m]anufactures, offers for sale, sells, advertises, promotes,

ships, distributes, and/or uses in any way Licensed Products and/or Promotional and Packaging Material without having the prior written approval of MLBPA.”

10. Second, Fleer willfully distributed products containing redemption cards at a time when Fleer knew or should have known that it was unlikely to fulfill its redemption obligations. This willful action by Fleer resulted in significant customer dissatisfaction, which, in turn, damaged the goodwill associated with the Rights and Trademarks and reflected adversely on MLBPA as licensor of those products, thereby triggering Section 18(A)(i)(e) of the License Agreement, which authorized immediate termination by MLBPA where Fleer “directly or indirectly...takes any action in connection with the manufacture, offering for sale, sale, advertising, promotion, shipment and/or distribution of the Licensed Products and/or the Promotional or Packaging Material which damages or reflects adversely upon MLBPA, the Rights and/or the Trademarks.”

11. Third, on at least five (5) separate occasions during the past twelve (12) months, Fleer failed to make timely payments of royalties and/or submit royalty statements due to MLBPA, as required by Sections 3 and 4 of the License Agreement. Such delinquencies triggered Section 18(a)(1)(g) of the License Agreement, which authorized immediate termination where Fleer “[t]wo or more times during a twelve-month period fails to make timely payment of royalties when due or fails to make timely submission of royalty statements when due.”

12. In addition to the three aforementioned bases for immediate termination, MLBPA also cited the following material breaches by Fleer: (i) failure to pay a \$100,000 co-op marketing payment by February 15, 2005 as required pursuant to Section 10(b)(iii) of the License Agreement; (ii) failure to remit \$1,750,206 to MLBPA in unspent promotional contribution

funds for the years 2002, 2003, and 2004, as is required by Section 10(A) of the License Agreement; and (iii) failure to make payments, totaling over \$550,000, due to numerous players pursuant to Highlight Agreements executed on their behalf by MLBPA pursuant to Section 1(D) of the License Agreement. Pursuant to Section 18(a)(ii) of the License Agreement, if Fler commits a material breach of any other terms of the License Agreement, and Fler fails to cure such default and furnish reasonable proof of its cure to MLBPA within fifteen (15) days after receiving written notice of breach and a demand to cure from MLBPA, MLBPA has the right to terminate the License Agreement by giving written notice to Fler.

13. Section 18(a)(ii) of the License Agreement sets forth two additional grounds for termination which, although not cited by MLBPA in the Termination Notice, are applicable. This Section authorized termination in the event that Fler makes an assignment for the benefit of creditors or discontinues its business, both of which have indisputably occurred. As neither of these defects will be cured, they add to the myriad of bases upon which the License Agreement was properly terminated.

14. Following the termination of the License Agreement, Fler and its assigns are prohibited from selling assets which make use of the Rights and/or the Trademarks. Pursuant to Section 19(A) of the License Agreement, "upon termination of this Agreement, Licensee and its receivers, representatives, trustees, agents, administrators, successors and/or permitted assigns shall have no right to manufacture, offer for sale, sell, ship, advertise, promote and/or distribute Licensed Products or to use in any way the Rights, the Trademarks, or any Promotional and Packaging Material relating to the Licensed Products."

15. Additionally, pursuant to Section 19(D) of the License Agreement, Fler and its assigns must, after expiration or termination of the License Agreement, “refrain from further use of the Rights and/or the Trademarks or any further claim to the use thereof, either directly or indirectly, in connection with the manufacture, offering for sale, sale, advertising, promotion, shipment and/or distribution of any products, Promotional Material or otherwise.”

16. Pursuant to these provisions of the License Agreement, as of May 23, 2005, Fler had no right to sell or assign to others the right to sell any merchandise utilizing the Rights and Trademarks of MLBPA. Accordingly, the Assignee, who was assigned the rights and interests of Fler on June 10, 2005, is similarly barred from selling merchandise which makes use of the Rights and the Trademarks. According to the relevant New Jersey statute: “Every assignee shall have as [sic] full power and authority to dispose of all of the assignor's property, except as otherwise may be provided, as the assignor had at the time of the general assignment.” N.J. Stat. § 2A:19-13.

17. The Assignee has provided MLBPA with an inventory list he received from Fler at the time of the commencement of the Assignment for the Benefit of Creditors proceedings. However, the Assignee has advised MLBPA that it will be several weeks before the independent physical inventory that he is conducting will be completed. As a result, MLBPA does not know whether the Assignee intends to sell assets which make unlicensed use of the Rights and Trademarks. MLBPA therefore objects to the proposed sale to the extent that the Assignee intends to disregard the intellectual property rights of MLBPA by selling merchandise such as trading cards, die-cast model vehicles, autographs, and game-used equipment that make use of MLBPA’s Rights and Trademarks.

Creditors Have Not Been Given Information Necessary to Evaluate Whether the Proposed Sale is in their Best Interests

18. The purchase price for Fleer's assets is allocated under the Purchase Agreement so that \$600,000 is designated for the purchase of the Fleer/SkyBox Intellectual Property and reserved for creditors of Fleer/SkyBox, and \$1,400,000 is designated for the purchase of the Fleer Collectibles Assets and reserved for creditors of Fleer Collectibles. The Motion does not provide an explanation for this allocation, which works to the disadvantage of the creditors of Fleer/SkyBox. Before any creditor of Fleer/SkyBox can be expected to consent to the proposed sale, the Assignee must present his basis for the purchase price allocation. Similarly, the Motion does not describe the marketing efforts, if any, which led to the Assignee's identification of the Buyer. Creditors therefore do not have the means to evaluate whether \$2,000,000 is a reasonable starting price for an auction of the assets. done

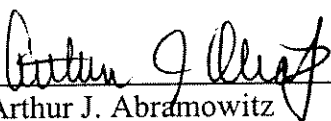
19. In light of the disparity between the proposed treatment of claims of Fleer/SkyBox and Fleer Collectibles, creditors also should be afforded an opportunity to investigate whether there is reason to substantively consolidate the two estates.

20. Finally, the Assignee asks this Court to order that the sale be "free and clear" of all claims, liens, and encumbrances (other than License Claims). As Section 363 of the United States Bankruptcy Code does not apply to these proceedings, the Assignee should be required to cite the authority on which he bases this request.

21. MLBPA may or may not ultimately take issue with the sale of Fleer's assets to the Buyer, once the Assignee provides the type of information described above. At this time, however, MLBPA does not have sufficient information to determine whether its own intellectual property rights are being respected by the Assignee, and whether the interests of creditors in general are being served by the proposed sale. For all of the foregoing reasons, MLBPA respectfully submits that the Motion should be denied.

Dated: July 8, 2005

COZEN O'CONNOR

By: 
Arthur J. Abramowitz

Attorneys for The Major League Baseball
Players Association



EVIE C. GOLDSTEIN
ASSISTANT GENERAL COUNSEL, LICENSING

May 23, 2005

VIA FACSIMILE & U.S. MAIL

Fleer/Skybox International LP
Fleer Collectibles LLC
1120 Route 73, Suite 300
Mt. Laurel, NJ 08054
Attention: Roger Grass

Gentlemen:

This shall serve as formal notice that, pursuant to Sections 18(A)(i)(a), 18(A)(i)(c), 18(A)(i)(g), and 18(B) of the License Agreement between Fleer/Skybox International LP ("Fleer") and the Major League Baseball Players Association ("MLBPA") dated as of January 1, 2003 (the "Agreement"), MLBPA hereby terminates Fleer as a licensee of the MLBPA effective immediately.

Section 18(A)(i)(a) provides that MLBPA shall have the right immediately to terminate the Agreement where Licensee "manufactures, offers for sale, sells, advertises, promotes, ships, distributes and/or uses in any way Licensed Products and/or Promotional and Packaging Material without having the prior written approval of MLBPA." Paragraph 18(A)(i)(c) also authorizes immediate termination where Licensee "directly or indirectly . . . takes any action in connection with the manufacture, offering for sale, sale, advertising, promotion, shipment and/or distribution of the Licensed Products . . . which damages or reflects adversely upon MLBPA, the Rights and/or the Trademarks." Section 18(A)(i)(g) authorizes immediate termination where Licensee "two or more times during a twelve-month period fails to make timely payment of royalties when due or fails to make timely submission of royalty statements when due."

MLBPA invokes its right to terminate the License Agreement based on three separate provisions, each of which independently warrants immediate termination. First, in violation of Section 6 of the Agreement, Fleer failed to submit to the MLBPA for approval redemption cards contained within several 2005 products, including without limitation Flair Baseball, and distributed such products containing redemption cards without having obtained the required approval of the MLBPA. Moreover, it is apparent that Fleer willfully distributed these products containing redemption cards at a time when Fleer knew or should have known that it was unlikely to fulfill its redemption obligations. This willful action by Fleer has resulted in significant customer dissatisfaction which, in turn, has damaged the goodwill associated with the Rights and Trademarks and reflects adversely on the MLBPA as licensor of those products.



MAJOR LEAGUE BASEBALL PLAYERS ASSOCIATION
12 E. 49th St. • New York, NY 10017
(212) 826-0809 (212) 752-4378 fax

Further, on at least five (5) separate occasions during the past twelve (12) months, Fleer has failed to make timely payments of royalties and/or submit royalty statements due to the MLBPA, as required by Sections 3 and 4 of the License Agreement.

In addition to the foregoing violations, Fleer has defaulted on payments owed both to the MLBPA and to numerous Major League baseball players with whom Fleer has entered into Highlight Agreements, specifically as follows:

1. Pursuant to Paragraph 10(B)(iii) of the Agreement, Fleer owes the MLBPA One Hundred Thousand Dollars (\$100,000) for its coop marketing commitment, which payment was due on February 15, 2005, and which Fleer has failed to pay notwithstanding multiple requests for payment.
2. Pursuant to Paragraph 10(A), any portion of the required annual promotional contribution not spent by Fleer in conformity with the Agreement is to be paid directly to the MLBPA at the end of the year. Fleer owes the MLBPA \$1,750,206 in unspent promotional contribution funds for the years 2002, 2003 and 2004 collectively, as revealed by audit conducted on behalf of the MLBPA on April 6-7, 2005. Fleer has failed to pay this obligation notwithstanding multiple requests by the MLBPA and demand therefore pursuant to correspondence from Chad Hansen dated May 16, 2005.
3. Fleer is in default of its obligations to numerous Major League baseball players with respect to payments due such players under Highlight Agreements executed on their behalf by the MLBPA pursuant to Section 1(D) of the License Agreement. It is our understanding that Fleer is delinquent in making payments totaling over \$550,000 in the aggregate, notwithstanding repeated demands for payment made by the MLBPA as well as representatives of the individual players.

Each of the foregoing defaults constitutes a material breach of the License Agreement which Fleer has failed to cure as required, and with respect to which the MLBPA is entitled to terminate the License Agreement pursuant to Section 18(A)(ii) thereof.

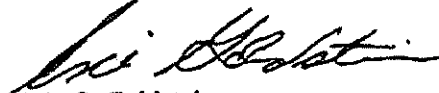
In light of MLBPA's termination of the Agreement, we draw your attention to Fleer's obligations under the provisions of Section 19 of the License Agreement, which deals with post-termination rights and obligations. Specifically, as provided in Section 19(A), **effective immediately**, Fleer "shall have no right to manufacture, offer for sale, sell, ship, advertise, promote and/or distribute Licensed Products or to use in any way the Rights, the Trademarks, or any Promotional and Packaging Material relating to the Licensed Products."

Additionally, Fleer must "refrain from further use of the Rights and/or the Trademarks or any further claim to the use thereof, either directly or indirectly, in connection with the manufacture, offering for sale, sale, advertising, promotion, shipment and/or distribution of any products, Promotional Material or otherwise." (See Section 19(D))

Finally, pursuant to the provisions of Section 19(B), all royalties on sales, shipments and/or distributions made by Fleer prior to its receipt of this notice, and all Guaranteed Minimum Royalties due pursuant to the License Agreement are now immediately due and payable to

MLBPA. The MLBPA hereby makes demand for immediate payment of such amounts, and other amounts referenced herein (including without limitation all sums due pursuant to Highlight Agreements with Major League baseball players).

Sincerely,



Evie C. Goldstein

cc: Don Fehr
Judy Heeter
Richard White
Evan Kaplan
Alex Grass
Chris Tobia