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July 13, 2005

**VIA FACSIMILE**

Honorable Ronald E. Bookbinder  
Superior Court of New Jersey  
Chancery Division/Probate Part  
49 Rancocas Road  
Mt. Holly, NY 08060

Re: *Fleer/Skybox International LP and Fleer Collectibles LLC*  
Docket No.: P-2005-1394 and P-2005-1408  
Our File No.: 00553.66065

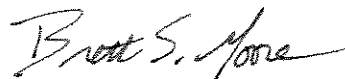
Dear Judge Bookbinder:

Enclosed for your review, please find the following documents:

- 1) Stipulation and Consent Regarding Proposed Sale of (1) Intellectual Property of Fleer/Skybox International, LP and (2) Substantially all of the Assets of Fleer Collectibles, LLC;
- 2) Proposed Order Approving Bid Procedures;
- 3) Supporting letter of consent of the Office of the Attorney General's Office;
- 4) Supporting letter of consent of the Internal Revenue Service.

Thank you for your consideration of the enclosed.

Respectfully submitted,



Brett S. Moore

**PORZIO, BROMBERG & NEWMAN, P.C.**

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Attorneys Appearing: John S. Mairo (JM-0670)  
Brett S. Moore (BM-0014)

Attorneys for Warren J. Martin Jr., Assignee for the  
Benefit of Creditors of Fleer/SkyBox International LP  
and Fleer Collectibles, LLC

In the Matter of the General Assignment for  
the Benefit of Creditors of FLEER/SKYBOX  
INTERNATIONAL, I.P,  
  
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

**STIPULATION AND CONSENT  
REGARDING PROPOSED SALE OF (1)  
INTELLECTUAL PROPERTY OF  
FLEER/SKYBOX INTERNATIONAL, LP  
AND (2) SUBSTANTIALLY ALL OF THE  
ASSETS OF FLEER COLLECTIBLES, LLC**

**STIPULATION AND CONSENT  
REGARDING PROPOSED SALE OF:  
(1) INTELLECTUAL PROPERTY OF FLEER/SKYBOX INTERNATIONAL, LP AND  
(2) SUBSTANTIALLY ALL OF THE ASSETS OF FLEER COLLECTIBLES, LLC**

Major League Baseball Properties, Inc. ("MLBP"), and 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, I.I.C. ("Fleer Collectibles") (collectively, both Fleer entities shall be referred to herein as "Fleer") hereby stipulate and agree as follows:

**STIPULATED FACTS**

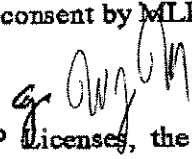
A. Fleer and MLBP entered into certain agreements (the "MLBP Licenses") granting Fleer a non-exclusive license to use certain specified names, word marks, logos, uniform designs, mascots, images, colors and color combinations, trade dress, characters, symbols, designs, likenesses and visual representations associated with various Major League Baseball-affiliated entities (the "MLB Entities") and their products and services (collectively, the "MLB Marks").

B. The MLBP Licenses consist of Contract Nos. ML-2120E, ML-3955A, and MLI-1161, and all amendments thereto and renewals therefor.

C. This non-exclusive license applied only to specified products to be designed and manufactured by Fleer, each subject to prior review, approval and consent by MLBP (the "Licensed Products"). See MLBP Licenses at ¶¶ 1, 10, Schedule B, as amended.

D. The MLBP Licenses included a license to distribute the Licensed Products to specified distributors and consumers, subject to prior review, approval and consent by MLBP. See MLBP Licenses at ¶¶ 11 A, as amended.

E. On May 24, 2005, pursuant to the terms of the MLBP Licenses, the MLB Entities terminated Fleer's non-exclusive license to use the MLB Marks due to Fleer's failure to pay the royalties and other compensation due under the MLBP Licenses, and due to Fleer's



failure to submit the periodic statements due under the MLBP Licenses. *See* termination letter dated May 24, 2005.

F. On June 29, 2005, the Assignee filed a motion in the Superior Court of New Jersey, Chancery Division, Probate Part, Burlington County, Case Nos. P-2005-1394 and P-2005-1408 (collectively, the "Assignment Action") to approve a sale of the intellectual property of Fleer/Skybox and of substantially all of the assets of Fleer Collectibles (the "Auction").

G. The assets to be sold at the Auction include certain Licensed Products of Fleer Collectibles.

#### CONSENT TO SALE OF LICENSED PRODUCTS IN CONNECTION WITH THE AUCTION

MLBP, on its own behalf and on behalf of the various MLB Entities identified in the MLBP Licenses hereby conditionally consents to the sale of Licensed Products in connection with the Auction (subject to the conditions noted below), and, in consideration therefor, the Assignee hereby acknowledges and agrees to, and will provide written and oral notice (the Auction proceedings will be transcribed by a Certified Shorthand Reporter) to all potential buyers at the Auction of, the following:

a) That the Licensed Products are sold subject to the existing intellectual property rights of the MLB Entities with respect to the MLB Marks and that the Buyer at Auction shall purchase the Licensed Product subject to all such rights.

b) That the Assignee is not transferring any license agreements or license rights, with respect to the use of the MLB Marks in connection with the Licensed Products, to any buyer of Licensed Products at the Auction.

c) That, if, a buyer of Licensed Products at the Auction desires to distribute or sell such Licensed Products, to use any of the MLB Marks in advertising or promotion of such Licensed Products, or to manufacture further products using any of the MLB Marks, the buyer must, after the sale, execute an appropriate license agreement with MLB.

d) That the Licensed Products that are subject to the existing intellectual property rights of the MLB Entities include: (i) unfinished products in the process of being manufactured by Fleer Collectibles, or a contractor of Fleer Collectibles, whose manufacture involves the use of any of the MLB Marks, which were not finished, or not ready for sale, at the time when all of Fleer's assets were assigned to the Assignee; and (i) finished products manufactured by Fleer Collectibles, or a contractor of Fleer Collectibles, whose manufacture involved the use of any of the MLB Marks, which were finished, ready for sale, or held in inventory by Fleer/Skybox or Fleer Collectibles, or a contractor of Fleer Collectibles, at the time when all of Fleer's assets were assigned to the Assignee.

e) That the Asset Purchase Agreement executed by and between the Assignee and any buyer of Licensed Products shall be amended to include the provisions set forth in subparagraphs 1(a), (b) and (c) above, which provisions shall also be included in any Court order approving the Auction sale.

#### GENERAL PROVISIONS

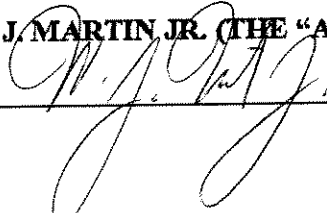
1. This Stipulation and Consent constitutes the entire understanding and agreement between the parties with respect to the Assets of Fleer Collectibles to be sold at Auction Sale scheduled for July 14, 2005.

2. The parties shall reserve all rights with respect to future sales, if any, by the Assignee, of assets of Fleer/Skybox.
3. This Agreement may not be changed or modified, except by a writing signed by the parties hereto.
4. If any provision of this Stipulation and Consent, as applied by either party, or to any circumstance, shall be either void or unenforceable, that shall in no way affect any other provision of this Stipulation and Consent or the validity or enforceability thereof.
5. The stipulated facts, terms and provisions of this Stipulation and Consent shall be binding on the parties, their creditors, interest holders, successors, and assigns, notwithstanding the subsequent appointment of any trustee under any chapter of the Bankruptcy Code, or of any receiver or assignee under applicable state law and, as to any such trustee, receiver or assignee, these terms and provisions likewise shall be binding.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts of law provision that would require the application of the law of any other jurisdiction.
7. In the event it shall become necessary for any party to take action of any type whatsoever to enforce the terms of this Stipulation and Consent, the prevailing party in any such action shall be entitled to recover all attorney's fees, costs and expenses, including all out-of-pocket expenses that are not taxable as costs, incurred in connection with any such action, including any negotiations, mediation, arbitration, litigation, and appeals.
8. The parties agree that each party has reviewed this Stipulation and Consent and that any rule of construction to the effect that ambiguities are to be resolved against the drafter shall not apply to the interpretation of this Stipulation and Consent.

9. This Stipulation and Consent may be executed in counterparts and a facsimile signature is binding.

AGREED TO AND ACCEPTED BY:

**WARREN J. MARTIN JR. (THE "ASSIGNEE")**

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

AGREED TO AND ACCEPTED BY:

**MAJOR LEAGUE BASEBALL PROPERTIES, INC. ("MLBP")**

By: 

Name: Ethan G. Orlinsky

Title: Corporate Secretary

**PORZIO, BROMBERG & NEWMAN, P.C.**

100 Southgate Parkway

Morristown, NJ 07962-1997

Telephone (973) 538-4006

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Attorneys Appearing: John S. Mairo (JM-0670)  
Brett S. Moore (BM-0014)

Attorneys for Warren J. Martin Jr., Assignee for the  
Benefit of Creditors of Fleer/SkyBox International LP  
and Fleer Collectibles, LLC

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: P-2005-1394

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

DOCKET NO: P-2005-1408

**ORDER APPROVING BID PROCEDURES**

This matter having been opened to the Court upon the Notice of Motion to 1) Establish bidding procedures (including break-up fee), 2) Scheduling auction, 3) Authorizing the sales of Fleer/Skybox Intellectual Property and substantially all of the assets of Fleer Collectibles (“the

Motion”) which Motion was filed with this Court on June 29, 2005, and the Court having held a preliminary Status Conference with respect to the Motion on Friday, July 1, 2005 with the Assignee, Warren J. Martin Jr., Esq., counsel to the Assignee, John S. Mairo, Esq., as well as with Perry J. Warren, Esq., counsel to PSS Warehouse, Leslie Cohen, Esq., of the Upper Deck Company, (by telephone), Joseph Threston, Esq., Department of Consumer Affairs, and the Court having requested at said status conference a further preliminary hearing to consider the propriety of the bid procedures and the Assignee’s expressed need to conduct an auction on July 14, 2005, and the Court having thereupon scheduled an evidentiary hearing on the issues for July 8, 2005 at 9:30 am, and Notice of said hearing having been provided to creditors, by virtue of the “[www.fleerabc.com](http://www.fleerabc.com)” website; and all creditors having been notified by mail on June 29, 2005 of existence of the website, and a summary of the expected testimony from Christopher Tobia, former Executive Vice President of the Fleer companies having been uploaded to the website on Wednesday, July 6, 2005 prior to the July 8, 2005 hearing, and the Court having conducted a lengthy hearing on July 8, 2005 in the presence of the Assignee, Warren J. Martin Jr. and his counsel, John S. Mairo, Esq., as well as Joseph Threston, Esq., Burlington County Division of Consumer Affairs, Ian Meklinsky, Esq., counsel to Chris Tobia and Golden Cards, LLC, to Leslie Cohen, Esq., counsel to the Upper Deck Company (by telephone), and Richard Rosenblat, Esq., Kay Scholor, LLP, counsel to 4-Kids Entertainment, (also by telephone) and the Assignee having met his burden of proof with respect to the propriety of his proposed bid procedures for the July 14<sup>th</sup> auction, and for good cause shown,

**IT IS ON THIS**        day of July, 2005

**ORDERED** as follows:

1) That the bid procedures contained in the Assignee's June 29, 2005 motion be and the same hereby are approved in all respects, including but not limited to the timing of the Auction and the adequacy and sufficiency of the Assignee's notice of same, in the time frame proposed by the Assignee;

2) That the break-up fee of \$60,000.00 to the proposed "stalking horse" bidder, Upper Deck, be and the same hereby is found to be reasonable and appropriate;

3) That a copy of this Order as entered shall be uploaded to the "www.fleerabc.com" website within one (1) day of receipt of the entered Order by the Assignee.

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*State of New Jersey*  
OFFICE OF THE ATTORNEY GENERAL  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF LAW  
25 MARKET STREET  
PO Box 093  
TRENTON, NJ 08625-0093

PETER C. HARVEY  
*Attorney General*

RICHARD J. CODEY  
*Acting Governor*

July 13, 2005

Honorable Ronald E. Bookbinder, J.S.C.  
Superior Court of New Jersey  
Surrogate's Office/Probate Part  
49 Rancocas Road  
Mt. Holly, New Jersey 08060

Re: Assignment for the Benefit of Creditors  
Fleer/Skybox International LP  
Docket No. P-2005-1394  
In re: Assignment for the Benefit of Creditors  
Fleer Collectibles LLC  
Docket No. P-2005-1408

Dear Judge Bookbinder:

Please accept this letter on behalf of the State of New Jersey, Department of Environmental Protection, in response to Your Honor's request that Mr. Martin, as Assignee for the Benefit of Creditors of the above-referenced entities, obtain the position of this office with respect to his proposed sale of certain assets of the estate, by way of auction, scheduled to take place at his office on July 14, 2005, with Court approval sought thereafter before Your Honor on July 15, 2005.

Please be advised that this office has received notice of the Assignment Proceeding and that I have had conversations with Mr. Martin about the progress of the case and his auction sale, and have also reviewed Mr. Martin's web-site, fleerabc.com.

Based on all the above, this office has no objection to the proposed auction sale on Thursday, July 14, 2005, nor to the



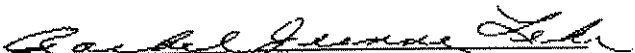
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Court's approval of the highest and best bidder on Friday, July 15, 2005.

The State of New Jersey, on behalf of all state agencies, does reserve any and all rights with respect to the enforcement of any relevant laws or regulations, and with respect to the filing of any Proofs of Claims with the Assignee and with respect to the distribution of proceeds of the auction sale in accordance with the relevant priorities of the State pursuant to the statutory scheme and the case law.

Respectfully submitted,

PETER C. HARVEY  
ATTORNEY GENERAL OF NEW JERSEY

By:   
Rachel Jeanne Lehr  
Deputy Attorney General



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
OFFICE OF CHIEF COUNSEL  
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**JUL 13 2005**

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Morristown, NJ 07962-1997

In re: Assignment for the Benefit of Creditors  
Fleer/Skybox International LP  
Docket No. P-2005-1394  
In re: Assignment for the Benefit of Creditors  
Fleer Collectibles LLC  
Docket No. P-2005-1408

Dear Mr. Martin:

This will confirm that you, as Assignee for the Benefit of Creditors of the above-referenced entities, have provided notice of the Assignment Proceedings to the Internal Revenue Service. Furthermore, you have sought the views of the Service with respect to the proposed sale of certain assets of the estate, by way of auction, scheduled to take place at your office on July 14, 2005, with Court approval sought thereafter before the Honorable Ronald E. Bookbinder on July 15, 2005.

We have reviewed your web-site, fleerabc.com, and have had conversations concerning the progress of the case and the auction sale.

Based on all of the above, the Internal Revenue Service has no objection to the proposed auction sale on Thursday, July 14, 2005, nor to the Court's approval of the highest and best bidder on Friday, July 15, 2005.

We do reserve any and all rights with respect to filing a Proof of Claim with the Assignee and with respect to the distribution of proceeds of the auction sale in accordance with the relevant priorities of the Internal Revenue Service pursuant to the statutory scheme and the case law.

Please contact me at (973) 645-6582 if you have any questions about the information in this letter.

Sincerely,

H. STEPHEN KESSELMAN  
Area Counsel

By: Patricia H. Delzotti  
PATRICIA H. DELZOTTI  
General Attorney