

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**  
**BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**TTAB**

KRISTALL CLASSICS, INC., )  
)  
Petitioner, )  
)  
vs. )  
)  
THE DIAMONDS OF RUSSIA LTD., )  
)  
Registrant. )

Cancellation No.  
92/044,751

76275014

**CERTIFICATE OF MAILING**

The undersigned declares under the penalty of perjury the within PETITIONER'S MOTION FOR SUMMARY JUDGMENT AND DECLARATION OF CHAD HAGGAR were forwarded to BOX NO FEE - TTAB, Commissioner of Trademarks, P.O. Box 1451, Alexandria, Virginia 22313-1451, by depositing same with the United States Postal Service as first class mail, postage prepaid, this 7th day of September, 2005.

  
\_\_\_\_\_  
SHERYL R. CONAWAY

**PETITIONER'S MOTION FOR SUMMARY JUDGMENT:**

**DECLARATION OF CHAD HAGGAR**



09-09-2005

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #57

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**MOTION FOR SUMMARY JUDGMENT**

Pursuant to Rule 56, F.R.Civ.P., Applicant hereby moves the Board for order of summary judgment granting cancellation of Certificate of Registration No. 2,920,296 for the trademark KRISTALL THE DIAMONDS OF RUSSIA.

This Motion is based upon this Motion, Memorandum of Points and Authorities in Support Thereof and the Declaration of Chad Haggar and the exhibits attached hereto.

Respectfully submitted,

ISAACMAN, KAUFMAN & PAINTER  
A Professional Corporation

By: 

\_\_\_\_\_  
Michael A. Painter  
Attorneys for Petitioner

MAP:src  
Dated: 9/7/2005  
8484 Wilshire Boulevard, Suite 850  
Beverly Hills, California 90211  
(323) 782-7700

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I**

**ISSUES RAISED BY PLEADINGS**

**A. Petition for Cancellation.**

The Petition seeks cancellation of Registration No. 2,920,296 for the mark KRISTALL THE DIAMONDS OF RUSSIA on the basis that Registrant had unequivocally agreed to cancel the registration as part of a settlement to litigation between the parties in the United States District Court for the Central District of California. Registrant has now failed or refused to cancel the registration thereby resulting in alleged damage to Petitioner.

**B. Defense to Petition for Cancellation.**

The Answer to the Petition for Cancellation asserts only a single defense, i.e., the Petitioner named as Kristall Classics, Inc. is no longer a Nevada corporation.

**II**

**MATERIAL FACTS THAT ARE WITHOUT CONTROVERSY**

1. Kristall Classics, Inc. changed its corporate name to Kristall, Inc. All trademarks owned by Kristall Classics, Inc. have been assigned to Kristall, Inc., a copy of the Assignment having been forwarded to the United States Patent and Trademark Office.<sup>1</sup>

2. The Registrant is the successor-in-interest to Kristall Jewelers, Inc.<sup>2</sup>

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<sup>1</sup> Haggar Declaration, ¶1; Exhibits 1 and 2.

<sup>2</sup> Haggar Declaration, ¶2; Exhibit 3.

3. In 2003, Kristall Jewelers, Inc. asserted a judicial claim against Kristall Classics, Inc. in the United States District Court for the Central District of California, the case being identified as Case No. CV03-666-GAF(VBKx) by the Court.<sup>3</sup>

4. In August, 2004 the successors-in-interest to Petitioner and Registrant reached an agreement to settle all claims in Case No. CV03-666-GAF(VBKx) by entering into a Settlement Agreement<sup>4</sup> that resulted in a dismissal of the litigation between the parties.<sup>5</sup>

5. The litigation between the successors-in-interest to the parties to this cancellation proceeding involved a dispute regarding the respective rights of the parties in and to the trademarks KRISTALL and the phrase THE DIAMONDS OF RUSSIA.<sup>6</sup>

6. Pursuant to Paragraph 5(a) of the Agreement (Exhibit 4), the successor-in-interest to Registrant assigned to Kristall Classics, Inc. all rights, title and interest in and to the trademark KRISTALL & Design (Registration No. 2,676,728), a copy of the Assignment having been recorded with the United States Patent and Trademark Office.<sup>7</sup>

7. Pursuant to Paragraph 7 of the Settlement Agreement (Exhibit 4), the successor-in-interest to Registrant agreed that:

(i) It would change its corporate name from Kristall Jewelers, Inc. to that of the Registrant (i.e., The Diamonds of Russia, Ltd.; and

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<sup>3</sup> Haggar Declaration, ¶2.

<sup>4</sup> Haggar Declaration, ¶2; Exhibit 4.

<sup>5</sup> Haggar Declaration, ¶2; Exhibit 5.

<sup>6</sup> Haggar Declaration, ¶3.

<sup>7</sup> Haggar Declaration, ¶4(a); Exhibits 6, 7.

(ii) It would take all necessary steps to amend, or if necessary, to abandon or cancel Application Serial No. 76/275,016 for the trademark KRISTALL THE DIAMONDS OF RUSSIA, the application which Registration No. 2,920,296 was based.<sup>8</sup>

8. The Settlement Agreement (Exhibit 4) was signed by Leon Fingergut as an individual and as the President of the successor-in-interest to the Registrant.<sup>9</sup>

9. Leon Fingergut signed the Answer to the Petition for Cancellation filed with the Trademark Trial and Appeal Board.<sup>10</sup>

10. Neither Registrant nor its predecessor-in-interest took any action whatsoever to either abandon Application Serial No. 76/275,016 or cancel Registration No. 2,920,296 for the mark KRISTALL THE DIAMONDS OF RUSSIA.<sup>11</sup>

11. Unless Registration No. 2,920,296 is cancelled, Petitioner will continue to suffer damage because of the conflict between ownership of Registration No. 2,920,296 and Registrant's ownership of other registrations that include the word KRISTALL.<sup>12</sup>

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<sup>8</sup> Haggar Declaration, ¶4(b).

<sup>9</sup> Haggar Declaration, ¶4(b); Exhibit 4, p.\_\_\_\_.

<sup>10</sup> Haggar Declaration, ¶4(d).

<sup>11</sup> Haggar Declaration, ¶5.

<sup>12</sup> Haggar Declaration, ¶6.

### III

#### SUMMARY JUDGMENT IS AN APPROPRIATE PROCEDURE ONLY WHERE THERE IS NO GENUINE ISSUE OF A MATERIAL FACT

##### A. Standard.

Pursuant to Rule 56, F.R.Civ.P., summary judgment shall be rendered only if there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law.<sup>13</sup> As to materiality, the substantive law identifies which facts are material. Entry of summary judgment must be denied only if there is a genuine dispute over facts that will affect the outcome of the suit under governing law.<sup>14</sup>

##### B. Burden of Moving Party.

The initial burden is on a movant for summary judgment. In general, the movant must establish the absence of genuine issues of material fact and thereby establish entitlement to judgment as a matter of law.<sup>15</sup> The standard used to determine motions for summary judgment mirrors the standard for a directed verdict under Rule 50(a), F.R.Civ.P., which is that "the trial judge must direct the verdict if, under the governing law, there can be but one reasonable conclusion as to the verdict."<sup>16</sup> The moving party must make a showing sufficient for the Court to hold that no reasonable trier of fact could find other than for the moving party.<sup>17</sup>

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<sup>13</sup> British Airways Bd. v. Boeing Co., 585 F.2d 946, 951 (9th Cir., 1978), cert. den. 440 U.S. 981 (1979).

<sup>14</sup> Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 106 S.Ct. 2505, 2510, 91 L.Ed.2d 202 (1986).

<sup>15</sup> Rule 56(c), F.R.Civ.P.

<sup>16</sup> Anderson v. Liberty Lobby, Inc., supra, 477 U.S. at 250, 106 S.Ct. at 2511.

<sup>17</sup> Calderone v. United States, 799 F.2d 254, 259 (6th Cir., 1986).

C. **Shifting the Burden of Proof to Nonmoving Party.**

The burden imposed on a movant for summary judgment requires it to make a prima facie showing of the absence of genuine issues of material fact.<sup>18</sup> Only after the moving party has sustained its initial burden does the burden shift to the non-moving party which must then come forward with evidence. The quantum of proof the non-moving party must produce is not precisely measurable, but it must produce enough evidence so that a reasonable trier of fact could return a verdict or judgment for the non-movant.<sup>19</sup> A genuine issue of material fact exists only when the non-moving party makes a sufficient showing to establish an essential element to its case, and on which that party will bear the burden of proof at trial.<sup>20</sup> The evidence of the non-moving party is to be believed, and all justifiable inferences are to be drawn in its favor.<sup>21</sup>

IV

**THERE ARE NO FACTUAL CONTROVERSIES THAT  
REQUIRE A TRIAL OF THIS MATTER**

Summary judgment attacks the ability of the pleader to prove either the case alleged or the defenses raised.<sup>22</sup> A fact is material if it may affect the decision, whereby the finding of that fact is relevant and necessary to the proceedings.<sup>23</sup> The Answer to the Petition for Cancellation states only a single defense, i.e., the identity of Kristall Classics,

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<sup>18</sup> Drexel v. Union Prescription Centers, Inc., 582 F.2d 781, 790 (3rd Cir., 1978).

<sup>19</sup> Anderson v. Liberty Lobby, Inc., supra, 477 U.S. at 257.

<sup>20</sup> Celotex Corp. v. Catrett, supra, 477 U.S. at 322-23.

<sup>21</sup> Anderson v. Liberty Lobby, Inc., supra, 477 U.S. at 248; Griffeth v. Utah Power & Light Co., 226 F.2d 661, 669 (9th Cir., 1955).

<sup>22</sup> 5, McCarthy on Trademarks, 4th Edition, §32:113, p.32-183 (2004).

<sup>23</sup> TBMP, p.500-362.

Inc. is not identified as a corporate entity in the State of Nevada. As set forth herein, it is without controversy that Petitioner changed its corporate name from Kristall Classics, Inc. to Kristall, Inc., the change of name having been recorded by the Nevada Secretary of State.<sup>24</sup> In fact, all trademarks owned by Kristall Classics, Inc. have been assigned to Kristall, Inc.<sup>25</sup> Since the Answer to the Petition for Cancellation does not deny any allegation other than the alleged corporate status of Petitioner, it is submitted all other allegations have been admitted.

This Petition was brought on the basis Registrant's predecessor-in-interest unequivocally agreed to abandon the application to register the mark KRISTALL THE DIAMONDS OF RUSSIA or, if any registration issued, to voluntarily cancel the registration. The Answer to the Petition for Cancellation does not deny this allegation. It is therefore submitted there are no controversies over any material facts that would require a trial of this matter. It is therefore submitted Petitioner is entitled to judgment as a matter of law.

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<sup>24</sup> Haggar Declaration, ¶1; Exhibit 1.

<sup>25</sup> Haggar Declaration, ¶1; Exhibit 2.

V

CONCLUSION

Based on the foregoing, it is submitted Petitioner's Motion for Summary Judgment should be granted and Certificate of Registration 2,920,296 should be cancelled.

Respectfully submitted,

ISAACMAN, KAUFMAN & PAINTER  
A Professional Corporation

By:



Michael A. Painter  
Attorneys for Petitioner

MAP:src

Dated: 9/7/2005

8484 Wilshire Boulevard, Suite 850

Beverly Hills, California 90211

(323) 782-7700

**DECLARATION OF CHAD HAGGAR**

STATE OF CALIFORNIA            )  
  )        ss.  
COUNTY OF LOS ANGELES    )

I, CHAD HAGGAR, do declare and say that:

1. I am the President of Kristall, Inc., the Petitioner in this matter. The corporate name of the Petitioner was changed from Kristall Classics, Inc. to Kristall, Inc. A copy of the Assignment of all trademarks owned by Kristall Classics, Inc. to Kristall, Inc. has been forwarded to the United States Patent and Trademark Office for recordation, a copy of which is attached hereto as Exhibit 1.

2. The predecessor-in-interest to Registrant was Kristall Jewelers, Inc., a copy of the Trademark Assignment Abstract of Title being attached hereto as Exhibit 2. In 2003, Kristall Jewelers, Inc. asserted a judicial claim against Kristall Classics, Inc. in the United States District Court for the Central District of California, the case being identified as CV03-666-GAF(VBKx). In August, 2004, the parties reached an Agreement to settle all claims in Case No. CV03-666-GAF(VBKx), a copy of the Settlement Agreement being attached hereto as Exhibit 3. Based upon Paragraph 1 of Exhibit 3, Case No. CV03-666-GAF(VBKx) was dismissed, a copy of the Dismissal being attached hereto as Exhibit 4.

3. The litigation between Kristall Classics, Inc. and the predecessor-in-interest to Registrant was a dispute regarding the rights of the parties in and to trademarks that included the word KRISTALL and marks that included the phrase THE DIAMONDS

OF RUSSIA. The parties had been business affiliates, the Settlement Agreement setting forth the terms of the dissolution of that relationship.

4. The following are the terms of the Settlement Agreement relevant to this Motion:

(a) Pursuant to Paragraph 5(a), subject to a limited license, Kristall Jewelers, Inc., the predecessor-in-interest to Registrant, assigned to Kristall Classics, Inc., all rights, title and interest to the KRISTALL & Design trademark (Registration No. 2,676,728), a copy of the Assignment being attached hereto as Exhibit 5. The Assignment was recorded in the United States Patent & Trademark Office on June 30, 2005, a copy of the Office's Recordation of Assignment being attached hereto as Exhibit 6.

(b) Pursuant to Paragraph 7 of the Settlement Agreement, Kristall Jewelers, Inc., the predecessor-in-interest to Registrant agreed that:

(1) it would change its corporate name from Kristall Jewelers, Inc. to The Diamonds of Russia, Inc.;

(2) subject to a limited license, it "shall take all necessary steps to amend, or if necessary, to abandon or to cancel, Certificate of Registration No. 2,728,636 for the trademark CLEARLY SUPERIOR KRISTALL THE DIAMONDS OF RUSSIA (and Design) and Application Serial No. 76/275,016 for KRISTALL THE DIAMONDS OF RUSSIA to permanently delete or otherwise permanently remove the word 'KRISTALL' and Design therefor;" and

(3) it would cease all use of the trademark KRISTALL & Design and any variations thereof, or any word or mark likely to be confusingly similar to the trademark.

(c) Pursuant to Paragraph 8 of the Settlement Agreement, subject to a limited license, Kristall Classics, Inc. agreed that it would cease all use of the DIAMONDS OF RUSSIA trademark or any mark likely to be confusingly similar to the DIAMONDS OF RUSSIA trademark.

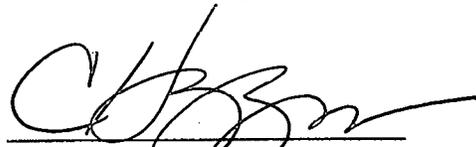
(d) The Settlement Agreement attached hereto as Exhibit 3 was signed by Leon Fingergut as an individual and as President of the predecessor-of-interest to Registrant. Mr. Fingergut is also the individual who signed the Answer to the Petition for Cancellation that was filed with the Trademark Trial and Appeal Board.

5. The registration for the mark KRISTALL THE DIAMONDS OF RUSSIA (and Design) which is sought to be cancelled in this proceeding was registered on January 25, 2005. Prior to the date of registration, neither the predecessor-in-interest to Registrant nor Mr. Fingergut took any action in compliance with the Settlement Agreement. Furthermore, subsequent to the date of registration, neither Registrant, the predecessor-in-interest to Registrant nor Mr. Fingergut voluntarily took any action to cancel the registration in accordance with their obligations under the Settlement Agreement.

6. Unless and until the registration that is the subject of this proceeding is cancelled, the Petitioner is being damaged in that the registration is being cited for the purpose of questioning the right of Petitioner to register trademarks used by Petitioner that include the word KRISTALL.

7. The undersigned being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. §1001, and that such willful false statements may jeopardize the validity of the application, any resulting registration or this opposition proceeding.

Executed this 1<sup>st</sup> day of September, 2005 at Los Angeles, California.

  
CHAD HAGGAR

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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):**

KRISTALL CLASSICS, INC.

- Individual(s)
- General Partnership
- Corporation- State: Nevada
- Other \_\_\_\_\_
- Association
- Limited Partnership

Citizenship (see guidelines) U.S.A.

Additional names of conveying parties attached?  Yes  No

**3. Nature of conveyance )/Execution Date(s) :**

Execution Date(s) August 31, 2005

- Assignment
- Security Agreement
- Other \_\_\_\_\_
- Merger
- Change of Name

**2. Name and address of receiving party(ies)**

Additional names, addresses, or citizenship attached?  Yes  No

Name: KRISTALL, INC.

Internal \_\_\_\_\_

Address: \_\_\_\_\_

Street Address: 611 W. Sixth St., Suite 1800

City: Los Angeles

State: CA

Country: USA Zip: 90017

- Association Citizenship \_\_\_\_\_
- General Partnership Citizenship \_\_\_\_\_
- Limited Partnership Citizenship \_\_\_\_\_
- Corporation Citizenship Nevada
- 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)

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See Attached Schedule

Additional sheet(s) attached?  Yes  No

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

**5. Name & address of party to whom correspondence concerning document should be mailed:**

Name: Michael A. Painter

Internal Address: Isaacman, Kaufman & Painter

Street Address: 8484 Wilshire Blvd., Suite 850

City: Beverly Hills

State: CA Zip: 90211

Phone Number: 323-782-7700

Fax Number: 323-782-7744

Email Address: painter@ikplaw.com

**6. Total number of applications and registrations involved:**

12

**7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 315.00**

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

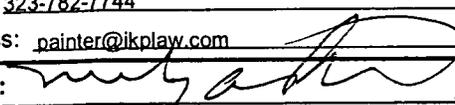
**8. Payment Information:**

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number 16-0070

Authorized User Name Michael A. Painter

**9. Signature:**



Signature

September 1, 2005

Date

Michael A. Painter  
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 5

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

SCHEDULE OF TRADEMARKS

1. Registration No. 2,676,728 dated January 21, 2003 for the mark KRISTALL & Crown Design;
2. Registration No. 2,748,605 dated August 5, 2003 for the mark STARLIGHT DIAMOND;
3. Registration No. 2,873,480 dated August 17, 2004 for the mark SETTING LIGHT TO DIAMONDS;
4. Application Serial No. 76/554,230 filed October 27, 2003 for the mark KRISTALL THE PERFECT TEN;
5. Application Serial No. 76/570,780 filed January 20, 2004 for the mark KRISTALL SMOLENSK;
6. Application Serial No. 76/570,781 filed January 20, 2004 for the mark NATURE'S RAREST EXPRESSION OF BEAUTY;
7. Application Serial No. 76/570,782 filed January 20, 2004 for the mark NATURE'S SYMPHONY;
8. Application Serial No. 76/570,783 filed January 20, 2004 for the mark KRISTALL SYMPHONY;
9. Application Serial No. 76/574,333 filed February 6, 2004 for L'ERMITAGE;
10. Application Serial No. 76/580,945 filed March 15, 2004 for the mark RUSSIAN DIAMOND COLLECTION;
11. Application Serial No. 76/583,607 filed March 29, 2004 fore BRILLIANCE UNSURPASSED;
12. Application Serial No. 76/581,937 filed March 19, 2004 for the mark KRISTALL RADIANT.

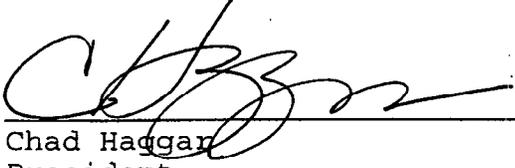
A S S I G N M E N T

WHEREAS, KRISTALL CLASSICS, INC., of 611 West Sixth Street, Suite 1800, Los Angeles, California 90017, is a corporation organized and existing under the laws of the State of Nevada, ("Assignor"), has adopted, filed applications for, used and registered the trademarks in the United States as listed in the attached Schedule;

WHEREAS, KRISTALL, INC., of 611 West Sixth Street, Suite 1800, Los Angeles, California 90017, a corporation organized under the laws of the State of Nevada, ("Assignee"), is desirous of acquiring said marks and the registrations thereof;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, KRISTALL CLASSICS, INC. does hereby assign unto the said KRISTALL, INC., all rights, title and interest in and to the said marks and registrations, together with the good will of the business symbolized by the marks.

KRISTALL CLASSICS, INC.

By: 

Chad Haggan  
President

Dated: August 31, 2005

POWER OF ATTORNEY

Assignee hereby appoints MICHAEL A. PAINTER, ESQ. of ISAACMAN, KAUFMAN & PAINTER, A Professional Corporation, with offices at 8484 Wilshire Boulevard, Suite 850, Beverly Hills, California 90211, (323) 782-7700, with full power of substitution, the power of appointment of an associate attorney, and the power of revocation, to record this Assignment, to transact all business in the Patent and Trademark Office in connection therewith and to receive all documents.

KRISTALL, INC.

By: 

Chad Haggar  
President

Dated: **August 31, 2005**

SCHEDULE OF TRADEMARKS

1. Registration No. 2,676,728 dated January 21, 2003 for the mark KRISTALL & Crown Design;

2. Registration No. 2,748,605 dated August 5, 2003 for the mark STARLIGHT DIAMOND;

3. Registration No. 2,873,480 dated August 17, 2004 for the mark SETTING LIGHT TO DIAMONDS;

4. Application Serial No. 76/554,230 filed October 27, 2003 for the mark KRISTALL THE PERFECT TEN;

5. Application Serial No. 76/570,780 filed January 20, 2004 for the mark KRISTALL SMOLENSK;

6. Application Serial No. 76/570,781 filed January 20, 2004 for the mark NATURE'S RAREST EXPRESSION OF BEAUTY;

7. Application Serial No. 76/570,782 filed January 20, 2004 for the mark NATURE'S SYMPHONY;

8. Application Serial No. 76/570,783 filed January 20, 2004 for the mark KRISTALL SYMPHONY;

9. Application Serial No. 76/574,333 filed February 6, 2004 for L'ERMITAGE;

10. Application Serial No. 76/580,945 filed March 15, 2004 for the mark RUSSIAN DIAMOND COLLECTION;

11. Application Serial No. 76/583,607 filed March 29, 2004 fore BRILLIANCE UNSURPASSED;

12. Application Serial No. 76/581,937 filed March 19, 2004 for the mark KRISTALL RADIANT.



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## Assignments on the Web > Trademark Query

### Trademark Assignment Abstract of Title

#### Total Assignments: 2

**Serial #:** 76275016    **Filing Dt:** 06/22/2001    **Reg #:** 2920296    **Reg. Dt:** 01/25/2005

**Registrant:** KRISTALL JEWELER, INC.

**Mark:** KRISTALL THE DIAMONDS OF RUSSIA.

#### Assignment: 1

**Reel/Frame:** 2471/0477    **Received:** 03/29/2002    **Recorded:** 03/22/2002    **Pages:** 3

**Conveyance:** ASSIGNS THE ENTIRE INTEREST

**Assignor:** GEMDIAM CORPORATION

**Exec Dt:** 03/20/2002

**Entity Type:** CORPORATION

**Citizenship:** CALIFORNIA

**Entity Type:** CORPORATION

**Citizenship:** NEW YORK

**Assignee:** KRISTALL JEWELER, INC.

9601 WILSHIRE BLVD., SUITE 730  
BEVERLY HILLS, CALIFORNIA 90212

**Correspondent:** MCKENNA & CUNEO, LLP

SHARI L. KLEVENS  
1900 K STREET, NW  
WASHINGTON, DC 20006

#### Assignment: 2

**Reel/Frame:** 3038/0030    **Received:** 01/03/2005    **Recorded:** 01/03/2005    **Pages:** 5

**Conveyance:** ASSIGNS THE ENTIRE INTEREST

**Assignor:** KRISTALL JEWELER INC

**Exec Dt:** 11/16/2004

**Entity Type:** CORPORATION

**Citizenship:** NEW YORK

**Entity Type:** CORPORATION

**Citizenship:** DELAWARE

**Assignee:** THE DIAMONDS OF RUSSIA LTD.

2029 CENTURY PARK EAST  
SUITE 1060  
LOS ANGELES, CALIFORNIA 90049

**Correspondent:** LEON FINGERGUT

2096 RIDGE POINT DRIVE  
LOS ANGELES, CA 90049

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## CONFIDENTIAL SETTLEMENT AGREEMENT

THIS CONFIDENTIAL SETTLEMENT AGREEMENT (the "Agreement") is made and entered as of the \_\_th day of August 2004 between Millennium Diamond USA, Inc., dba GemDiam Corporation, and GemDiam Corporation (collectively, "Millennium"), Leon Fingergut ("Fingergut"), Smolensk Diamond Israel, Ltd. ("SDI"), Vsevolod Bobovnikov ("Bobovnikov"), Kristall Classics, Inc. ("Kristall Classics"), Kristall Jeweler, Inc. ("Kristall Jeweler"), and Smolensk Unitary Company, Kristall Production Company ("Kristall Smolensk").

WHEREAS, there is now pending in the United States District Court for the Central District of California a civil action entitled *Kristall Jeweler, Inc. v. Kristall Classics, Inc., and related Counter-Claims*, C.D. Cal. Case No. CV 03-666 (GAF) (VBKx) (the "Kristall Federal Lawsuit").

WHEREAS, there is now pending in the Superior Court of the State of California for the County of Los Angeles a civil action entitled *Smolensk Diamond Israel, Ltd. v. Millennium Diamond USA, Inc., dba GemDiam Corp., GemDiam Corp., and Leon Fingergut aka Lev Fingergut, and Related Cross-Claims*, L.A.S.C. Case No. BC 287742 (the "SDI v. Millennium Lawsuit");

WHEREAS, the Kristall Federal Lawsuit involves claims by Kristall Jeweler against Kristall Classics and claims by Kristall Classics against Kristall Jeweler;

WHEREAS, the SDI v. Millennium Lawsuit involves claims by SDI against Millennium and Fingergut and claims by Millennium against SDI and against Bobovnikov;

WHEREAS, Kristall Classics denies any wrongdoing with respect to the claims asserted by Kristall Jeweler in the Kristall Federal Lawsuit;

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WHEREAS, Kristall Jeweler denies any wrongdoing with respect to the claims asserted by Kristall Classics in the Kristall Federal Lawsuit;

WHEREAS, Millennium denies any wrongdoing with respect to the claims asserted by SDI in the SDI v. Millennium Lawsuit;

WHEREAS, Fingergut denies any wrongdoing with respect to the claims asserted by SDI in the SDI v. Millennium Lawsuit;

WHEREAS, SDI denies any wrongdoing with respect to the claims asserted by Millennium in the SDI v. Millennium Lawsuit;

WHEREAS, Bobovnikov denies any wrongdoing with respect to the claims asserted by Millennium and Fingergut in the SDI v. Millennium Lawsuit;

WHEREAS, Millennium, Fingergut, SDI, Bobovnikov, Kristall Classics, and Kristall Jeweler (collectively, the "Parties") want to avoid further litigation risks and expenses and resolve the currently pending Kristall Federal Lawsuit and the SDI v. Millennium Lawsuit (collectively, the "Lawsuits") on the terms and conditions set forth below.

NOW, THEREFORE, in accordance with the foregoing recitals, and in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. **Dismissal of Kristall Federal Lawsuit.** The Kristall Federal Lawsuit shall be dismissed with prejudice as set forth in the Stipulated Dismissal With Prejudice attached hereto as Exhibit A, which shall be duly executed by Kristall Jeweler and Kristall Classics and filed with the Court by August \_\_, 2004.

2. **Dismissal of SDI v. Millennium Lawsuit.** The SDI v. Millennium Lawsuit shall be dismissed with prejudice, as set forth in the Stipulated Dismissal With Prejudice attached hereto as Exhibit B, which shall be duly executed by Millennium, Fingergut, SDI, and Bobovnikov and filed with the Court by August \_\_, 2004.

3. **Representations and Warranties.** Each of the Parties warrants and represents that is fully entitled and duly authorized to enter into this Agreement. Each of the Parties executes this Agreement freely and voluntarily and are not acting under any duress or in reliance upon any threat made by or on behalf of any other Party. In addition, each of the Parties warrants and represents that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement.

4. **Mutual General Releases.**

(a) Kristall Jeweler, on behalf of itself and its current officers, directors, employees, shareholders, attorneys, assigns, subsidiaries, and Leon Fingergut (the "Kristall Jeweler Parties") on the one hand and Kristall Classics, on behalf of itself and its current officers, directors, employees, shareholders, attorneys, assigns, affiliates, and subsidiaries (the "Kristall Classics Parties") on the other hand each hereby mutually releases and forever discharges each other from any and all liability and claims, debts, rights, actions, suits, damages, losses, costs, expenses, and demands whatsoever, in law or equity, of every kind, nature or description, whether known or unknown, fixed or contingent, which the Kristall Jeweler Parties, the Kristall Classics Parties, or any of them, ever had, now has, or may hereafter acquire, by reason of any matter, cause or thing whatsoever accruing, occurring, or arising at any time prior to the execution of this Agreement, including but not limited to any claims relating to the Kristall Federal Lawsuit.

(b) SDI, on behalf of itself and its current officers, directors, employees, shareholders, attorneys, assigns, subsidiaries, and Vsevolod Bobovnikov (the "SDI Parties") on the one hand and Millennium, on behalf of itself and its current officers, directors, employees, shareholders, attorneys, assigns, affiliates, subsidiaries, and Leon Fingergut (the "Millennium

Parties”) on the other hand each hereby mutually releases and forever discharges each other from any and all liability and claims, debts, rights, actions, suits, damages, losses, costs, expenses, and demands whatsoever, in law or equity, of every kind, nature or description, whether known or unknown, fixed or contingent, which the SDI Parties, the Millennium Parties, or any of them, ever had, now has, or may hereafter acquire, by reason of any matter, cause or thing whatsoever accruing, occurring, or arising at any time prior to the execution of this Agreement, including but not limited to any claims relating to the SDI v. Millennium Lawsuit.

(c) It is understood and agreed to by the Parties that the releases set forth in this Section 4 herein constitute a full, complete, and final general release of any and all claims described in Subparagraphs (a) and (b), and each Party agrees that it shall apply to all unknown, unanticipated, unsuspected and undisclosed claims, demands, liabilities, actions, or causes of action, in law, equity, or otherwise, as well as those that are now known, anticipated, suspected, or disclosed.

Notwithstanding the foregoing and any provisions of Agreement to the contrary, it is understood and agreed to by the Parties that the mutual general releases of this Section 4 do not release the Parties from their respective obligations going forward as set forth herein.

**5. Assignment of “KRISTALL” Trademark and “KRISTALL ELITE” Trademark Application.**

(a) Subject to rights retained by Kristall Jeweler as set forth in Section 6 below, Kristall Jeweler hereby assigns to Kristall Classics, with the consent and approval or Kristall Smolensk, all rights, title and interest in the composite trademark KRISTALL (and crown design), including but not limited to any and all rights recognized by a State of the United States at common law, and all good will associated with such composite trademark subject to and as set forth in Certificate of Registration No. 2,676,728 (hereinafter collectively referred to as the “KRISTALL Trademark”) pursuant to the Trademark Assignment Agreement attached hereto as Exhibit C for good and valuable consideration, receipt of which is hereby acknowledged.

(b) Subject to rights retained by Kristall Jeweler as set forth in Section 5

below, Kristall Jeweler hereby assigns to Kristall Classics, with the consent and approval or Kristall Smolensk, all rights, title and interest in the trademark KRISTALL ELITE and all good will associated therewith subject to and as set forth in Application No. 76/350,828 for good and valuable consideration, receipt of which is hereby acknowledged.

**6. Limited License of "KRISTALL" Trademark.**

Subject to the payment of royalties in a manner to be determined in accordance with Subparagraph (e) of this Section 6, Kristall Classics hereby grants to Kristall Jeweler a limited non-transferrable exclusive license to use the KRISTALL Trademark solely for the purpose of sales of goods and services, as defined and set forth in Certificate of Registration No. 2,676,728 (namely, any precious metals and their alloys and goods in precious metals or coated therewith, namely, jewelry, precious gemstones, rings, bracelets, earrings, necklaces, pendants, cuff links; horological and chronometrical instruments, namely, clocks, watches and chronometers; ashtrays and powder compacts made of precious metals) (collectively "Goods"), made by Kristall Jeweler to the Louis Vuitton Moët Hennessy ("LVMH") Group.

(a) The limited license of Kristall Jeweler to use the KRISTALL Trademark as set forth in this Section 6 is personal to Kristall Jeweler and shall not be conveyed, assigned, hypothecated or in any way transferred to any third party without the express written consent of Kristall Classics.

(b) The KRISTALL Trademark shall be used by Kristall Jeweler only with respect to Goods sold by Kristall Jeweler to LVMH. Kristall Jeweler agrees to maintain such quality standards as shall be prescribed by Kristall Classics for the Goods sold by Kristall Jeweler to LVMH. Kristall Jeweler agrees that it will display the KRISTALL Trademark in such form or manner as shall be approved by Kristall Classics. Kristall Jeweler also shall cause to appear on all materials on or in connection with which the KRISTALL Trademark is used in sales of Goods made by Kristall Jeweler to LVMH such legends, markings, and notices as Kristall Classics may request in order to assure appropriate notice any trademark rights therein. In addition, Kristall Classics shall have the right to inspect Kristall Jeweler's business operations

conducted under the KRISTALL Trademark and the limited license defined in Section 5 herein in order to assure Kristall Classics that the provisions of this agreement are being observed, subject to the terms and conditions in and as necessary pursuant to any subsequent royalty rate agreement between the Parties as described in Subparagraph (e) of this Section 6.

(c) Kristall Jeweler confirms Kristall Classics's ownership of the rights to the KRISTALL Trademark pursuant to the assignment of Section 5 herein and Kristall Jeweler agrees that all use by Kristall Jeweler of the KRISTALL Trademark shall inure to the Kristall Classics's benefit. Kristall Jeweler renounces any claim to any goodwill accrued by the use of the KRISTALL Trademark and any and all goodwill accrued by the use of the KRISTALL Trademark shall pass to Kristall Classics and not build in the mark for Kristall Jeweler. Kristall Jeweler also agrees not to take any action that could be detrimental to the goodwill associated with the KRISTALL Trademark.

(d) Kristall Jeweler shall at no time adopt or use, without Kristall Classics' prior written consent, the KRISTALL Trademark, or any variation thereof, or any word or mark likely to be confusingly similar to the KRISTALL Trademark. Kristall Jeweler further agrees that it shall not use, represent, or otherwise employ the KRISTALL Trademark to indicate that it is the owner of the KRISTALL Trademark or to create customer confusion as to the source of its products.

(e) In the event Kristall Jeweler makes sales of Goods to LVMH or its affiliates in accordance with the limited license specified above, Kristall Jeweler shall pay a royalty to Kristall Classics in an amount to be agreed upon by the parties or, if no agreement can be reached, Kristall Jeweler shall pay a royalty rate that is determined to be reasonable in accordance with industry standards by an arbitrator from the Commercial Arbitration Panel of the American Arbitration Association (*see* [www.adr.org](http://www.adr.org)) in Los Angeles, California under such reasonable industry standards. Such an arbitration will be instituted under and pursuant to the Commercial Rules of the American Arbitration Association. The Parties agree that the prevailing party shall be awarded attorneys' fees, costs and expenses of the arbitration.

**7. Discontinuance of Use of KRISTALL Trademark by Kristall Jeweler.**

Within ninety (90) days from the date of execution of this Agreement, Kristall Jeweler, shall take all necessary steps to change its corporate name from Kristall Jeweler, Inc. to "The Diamonds of Russia, Inc." pursuant to Article 10 of the New York Business Corporation Law, or if not permissible under applicable law, then to some other name not including the term "Kristall."

With the exception of the limited license set forth in Section 6 of this Agreement, Kristall Jeweler, Fingergut, or any entity in which Kristall Jeweler or Fingergut has or claims to have a controlling or an ownership interest, including but not limited to Millennium Diamond USA, Inc., shall cease all use of the KRISTALL Trademark or any variation thereof, or any word or mark likely to be confusingly similar to the KRISTALL Trademark. In addition, Kristall Jeweler shall take all necessary steps to amend, or if necessary to abandon or to cancel, Certificate of Registration No. 2,728,636 for the trademark CLEARLY SUPERIOR KRISTALL THE DIAMONDS OF RUSSIA (and design), and Application Serial No. 76/275,016 for KRISTALL THE DIAMONDS OF RUSSIA to permanently delete or otherwise permanently remove the word "Kristall" and design therefrom. Fingergut and/or Kristall Jeweler shall also take all necessary steps to cancel its registration to the Internet addresses or domain names www.kristalljeweler.com, www.kristallclassics.com, and www.kristalljeweler.tv or assign such registrations to Kristall Classics. Fingergut and/or Kristall Jeweler shall cease using such Internet addresses or domain names and any other Internet addresses or domain names that are confusingly similar to such Internet addresses or domain names.

Notwithstanding any provisions of Agreement to the contrary, it is understood and agreed to by the Parties that Kristall Jeweler is entitled to identify its products as diamonds and to identify the type and/or source of its diamonds so long as such identifying language is not used as a trademark that are confusingly similar to the trademarks set forth in Sections 5 and 7 (subject to Sections 5 and 7).

It is understood and agreed to by the Parties that such agreement to cease all use

of the KRISTALL Trademark applies from the date of this Agreement going forward and does not apply to any future use by third parties (not including any entity in which Kristall Jeweler or Fingergut has or claims to have a controlling or an ownership interest, including but not limited to Millennium Diamond USA, Inc.) of the KRISTALL Trademark found on or displayed in materials, displays, videos, products, or brochures previously used by the Parties and now in the possession and control of such third parties over which the Parties have no control.

**8. Limited License of "DIAMONDS OF RUSSIA" Trademarks.**

The Parties agree that by the adoption and continual use by Kristall Jeweler of the mark "THE DIAMONDS IN RUSSIA" in connection with certain goods, Kristall Jeweler owns any and all rights recognized by a State of the United States at common law to the mark "THE DIAMONDS OF RUSSIA" and all good will associated therewith subject to and as set forth in Application No. 76/309,019 (hereinafter referred to as the "THE DIAMONDS OR RUSSIA Trademark").

Subject to the payment of royalties in a manner to be determined in accordance with Subparagraph (b) of this Section 8, Kristall Classics shall have a limited non-transferrable exclusive license to use THE DIAMONDS OF RUSSIA Trademark solely for the purpose of sales of goods and services, as defined and set forth in Application No. 76/309,019 (namely, any precious metals and their alloys and goods in precious metals or coated therewith, namely, jewelry, precious gemstones, rings, bracelets, earrings, necklaces, pendants, cuff links; horological and chronometrical instruments, namely, clocks, watches and chronometers; ashtrays and powder compacts made of precious metals) (collectively "Goods"), made by Kristall Classics to one major retail chain selected by Kristall Classics (the "Selected Major Retail Chain").

(a) The limited license of Kristall Classics to use the DIAMONDS OF RUSSIA Trademark as set forth in this Section 8 is personal to Kristall Classics and shall not be conveyed, assigned, hypothecated or in any way transferred to any third party without the express written consent of Kristall Jeweler.

(b) The THE DIAMONDS OF RUSSIA Trademark shall be used by Kristall Classics only with respect to Goods sold by Kristall Classics to the Selected Major Retail Chain. Kristall Classics agrees to maintain such quality standards as shall be prescribed by for the Goods sold by Kristall Classics to the Selected Major Retail Chain. Kristall Classics agrees that it will display the THE DIAMONDS OF RUSSIA Trademark in such form or manner as shall be approved by Kristall Jeweler. Kristall Classics also shall cause to appear on all materials on or in connection with which the THE DIAMONDS OF RUSSIA Trademark is used in sales of Goods made by Kristall Classics to the Selected Major Retail Chain such legends, markings, and notices as Kristall Jeweler may request in order to assure appropriate notice any trademark rights therein. In addition, Kristall Jeweler shall have the right to inspect Kristall Classics' business operations conducted under the THE DIAMONDS OF RUSSIA Trademark and the limited license defined in Section 8 herein in order to assure Kristall Jeweler that the provisions of this agreement are being observed, subject to the terms and conditions in and as necessary pursuant to any subsequent royalty rate agreement between the Parties as described in Subparagraph (e) of this Section 8.

(c) Kristall Classics confirms Kristall Jeweler's ownership of the rights to the THE DIAMONDS OF RUSSIA Trademark as described in this Section 8 herein and Kristall Classics agrees that all use by Kristall Classics of the THE DIAMONDS OF RUSSIA Trademark shall inure to Kristall Jeweler's benefit. Kristall Classics renounces any claim to any goodwill accrued by the use of the THE DIAMONDS OF RUSSIA Trademark and any and all goodwill accrued by the use of the THE DIAMONDS OF RUSSIA Trademark shall pass to Kristall Jeweler and not build in the mark for Kristall Classics. Kristall Classics also agrees not to take any action that could be detrimental to the goodwill associated with the THE DIAMONDS OF RUSSIA Trademark.

(d) With the exception of the limited license set forth in this Section 8, Kristall Classics, Kristall Smolensk, and Bobovnikov or any entity in which Kristall Classics, Kristall Smolensk, or Bobovnikov has or claims to have a controlling or an ownership interest,

including but not limited to SDI, shall cease all use of the THE DIAMONDS OF RUSSIA Trademark, or any variation thereof, or any word or mark likely to be confusingly similar with the THE DIAMONDS OF RUSSIA Trademark. Kristall Classics shall take all necessary steps to cancel its registration to the Internet address and domain name www.diamondsofrussia.com or assign such registration to Kristal Jeweler. Kristall Classics shall cease using such Internet address or domain name and any other Internet addresses or domain names that are confusingly similar to such Internet address or domain name.

It is understood and agreed to by the Parties that such agreement to cease all use of the THE DIAMONDS OF RUSSIA Trademark applies from the date of this Agreement going forward and does not apply to any future use by third parties (not including any Kristall Classics' affiliated entities, Kristall Smolensk's affiliated entities, and any entity in which Bobovnikov has or claims to have a controlling or an ownership interest, including but not limited to SDI) of the THE DIAMONDS OF RUSSIA Trademark found on or displayed in materials, displays, videos, products, or brochures previously used by the Parties and now in the possession and control of such third parties over which the Parties have no control.

In addition, Kristall Classics shall at no time adopt or use, without Kristall Jeweler's prior written consent, any variation of the THE DIAMONDS OF RUSSIA Trademark or any word or mark likely to be confusingly similar with the THE DIAMONDS OF RUSSIA Trademark. Kristall Classics further agrees that it shall not represent or otherwise employ the THE DIAMONDS OF RUSSIA Trademark to indicate, that it is the owner of the common law rights to the THE DIAMONDS OF RUSSIA Trademark.

Notwithstanding any provisions of Agreement to the contrary, it is understood and agreed to by the Parties that Kristall Classics is entitled to identify its products as diamonds and to identify the type and/or source of its diamonds so long as such identifying language is not used as a trademark that are confusingly similar to the trademarks set forth in Section 8(f) (subject to Sections 7 and 8 (f)).

(e) In the event Kristall Classics uses the THE DIAMONDS OF RUSSIA

Trademark in accordance with this Section 8, Kristall Classics shall pay to Kristall Jeweler a royalty in an amount to be agreed upon by the parties or, if no agreement can be reached, Kristall Classics shall pay a royalty rate that is determined to be reasonable in accordance with industry standards or by an arbitrator from the Commercial Arbitration Panel of the American Arbitration Association (*see* www.adr.org) in Los Angeles, California under such reasonable industry standards. Such an arbitration will be instituted under and pursuant to the Commercial Rules of the American Arbitration Association. The Parties agree that the prevailing party shall be awarded attorneys' fees, costs and expenses of the arbitration.

(f) The Parties agree that any and all forms of the following trademarks and all good will associated therewith are owned solely by Kristall Jeweler subject to the provisions of Section 7 above and this Section 8:

- (i) THE DIAMONDS OF RUSSIA, Application No. 76/309,019;
- (ii) KRISTALL THE DIAMONDS OF RUSSIA (and design), Application No. 76/275,016 (subject to Kristall Jeweler's amendment, or if necessary abandonment or cancellation of such application pursuant to Section 7 above);
- (iii) CLEARLY SUPERIOR KRISTALL THE DIAMONDS OF RUSSIA (and design), Application No. 76/275,014 (Registration No. 2,728,636) (subject to Kristall Jeweler's amendment, or if necessary abandonment or cancellation of such application pursuant to Section 7 above);
- (iv) FOREVER RUSSIAN , Application No. 76/309,010; and
- (v) THE JEWEL OF RUSSIA , Application No. 78,145,152.

**9. Ownership Of Kristall Jeweler.**

(a) By entering into this agreement, the SDI Parties, Bobovnikov, the Kristall Classics Parties, and Kristall Smolensk assign, quitclaim, and otherwise transfer any claim, if any, to an ownership interest in Kristall Jeweler. The SDI Parties, Bobovnikov, the Kristall

Classics Parties, and Kristall Smolensk further agree that Fingergut is the sole shareholder of and owns all interest in Kristall Jeweler.

(b) By entering into this agreement, Fingergut does not admit that there is any validity or merit of any such claims, if any, to an ownership interest in Kristall Jeweler by SDI Parties, Bobovnikov, the Kristall Classics Parties, and/or Kristall Smolensk.

**10. Ownership Of Millennium (and GemDiam).**

(a) By entering into this agreement, the SDI Parties, Bobovnikov, and the Kristall Classics Parties assign, quitclaim, and otherwise transfer any claim, if any, to an ownership interest in Millennium Diamond USA, Inc., including GemDiam Corporation. The SDI Parties, Bobovnikov, and the Kristall Classics Parties further agree that Fingergut is the sole shareholder of and owns all interest in Millennium Diamond USA, Inc., including GemDiam Corporation.

(b) By entering into this agreement, Fingergut does not admit that there is any validity or merit of any claims, if any, to an ownership interest in Millennium Diamond USA, Inc., including GemDiam Corporation by the SDI Parties, Bobovnikov, and/or the Kristall Classics Parties.

**11. "Grace Period" With Respect to Internet Addresses and Domain Names.** In consideration of the fact that the respective Parties are currently using Internet web sites with Internet addresses and domain names that they will be canceling or assigning and no longer using as set forth in Sections 7 and 8(d) herein, the Parties agree that there shall be a "grace period" up to and including December 31, 2004, during which the respective Parties may continue to use the Internet addresses and domain names identified and described in Sections 7 and 8(d). All cancellations, assignments, and discontinuance of use of such Internet addresses and domain names under Sections 7 and 8(d) must be completed by the respective Parties by December 31, 2004.

**12. Public Disclosure of Agreement Prior To Dismissal Date.** After execution of this Settlement Agreement, but prior to the date(s) on which the Lawsuits are dismissed, and

except to the extent set forth in the script attached as Exhibit D as permitted in this Paragraph below, the Parties agree not to disclose to anyone, publicly or privately, including, but not limited to, the press or news media, the terms or substance of any part of the Agreement or the discussions between the Parties; provided, however, that such disclosure is permitted: (a) to officers or necessary employees of the Parties or of parent or subsidiary entities of the Parties; (b) to professional individuals or entities providing the Parties specific advice (such as accountants or lawyers) who reasonably must be informed of its terms; (c) as required by law; or (d) as may be required to enforce the terms of the Agreement. Notwithstanding the foregoing provisions of this Paragraph, however, in response to inquiries from customers or potential customers about the Lawsuits, the Parties may inform such customers or potential customers (but may not issue any written press release or otherwise take steps to publicize such matters to the press or news media) solely of the specific points set forth in the script attached as Exhibit D.

**13. Public Disclosure of Agreement Following Dismissal Date.** Following the date(s) on which the Lawsuits are dismissed in accordance with Paragraphs 1 and 2 herein, and except to the extent set forth in the script attached as Exhibit E as permitted in this Paragraph below, the Parties agree not to disclose to anyone, publicly or privately, including, but not limited to, the press or news media, the terms or substance of any part of the Agreement or the discussions between the Parties; provided, however, that such disclosure is permitted: (a) to officers or necessary employees of the Parties or of parent or subsidiary entities of the Parties; (b) to professional individuals or entities providing the Parties specific advice (such as accountants or lawyers) who reasonably must be informed of its terms; (c) as required by law; or (d) as may be required to enforce the terms of the Agreement. Notwithstanding the foregoing provisions of this Paragraph, however, in response to inquiries from customers or potential customers about the Lawsuit, the Parties may inform such customers or potential customers (but may not issue any written press release or otherwise take steps to publicize such matters to the press or news media) solely of the specific points set forth in the script attached as Exhibit E.

**14. Assignment of Lawsuit Claims.** The Parties hereby represent that no claims

arising from, referring to, or in any manner related to the Lawsuit have been assigned or otherwise transferred to any third party.

**15. Waiver of Section 1542.** It is understood and agreed that this Agreement is intended to cover and does cover all claims or possible claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, or hereafter discovered or ascertained, and all rights under Section 1542 of the Civil Code of California are hereby expressly waived. The Parties hereto acknowledge that they are familiar with Section 1542, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The Parties hereto expressly, knowingly, and intentionally waive and relinquish any and all rights which they have under Section 1542, as well as under any other similar state or federal statute or common law principle.

**16. Agreement Not An Admission.** This Agreement reflects a compromise of disputed claims. It does not constitute, and may not be construed as, an admission of the merit or lack of merit as to any claim or defense by any of the Parties.

**17. Entire Agreement.** This Agreement represents the entire understanding and agreement among the Parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous negotiations, representations and agreements made by and between such Parties with respect thereto, including but not limited to the ten-point settlement agreement dated June 8, 2004 and signed by Chad Haggar on behalf of the Kristall Classics Parties, Leon Fingergut on behalf of himself and the Millennium Parties, and Maksim Shkadov on behalf of SDI on June 9, 2004. The Parties acknowledge that they have not relied upon any representation whatsoever of the other which is not contained in the Agreement and that there are no understandings, obligations, representations or warranties except as provided for herein. This Agreement may not be modified except by a writing signed by all Parties.

18. **Binding Effect.** The Parties agree and warrant that this Agreement shall be binding upon and inure to the benefit of the Parties and their licensees, agents and assigns.

19. **Construing Agreement.** Ambiguities, inconsistencies, or conflicts in this Agreement shall not be strictly construed against the drafter of the language but will be resolved by applying the most reasonable interpretation under the circumstances, giving full consideration to the Parties' intentions at the time this Agreement is entered into. Where the context of this Agreement requires, singular terms shall be considered plural, and plural terms shall be considered singular.

20. **Fees and Expenses.** Each Party shall bear its own attorneys' fees, costs and expenses in connection with the Lawsuits.

21. **Severability.** If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, that provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

22. **Counterparts.** This Agreement may be signed in counterparts and, as fully executed, shall have the efficacy of a signed original and shall constitute one Agreement, binding upon all parties.

23. **Headings.** The underlined headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

24. **Applicable Law.** This Agreement and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed in all respects and exclusively by the laws of the State of California.

WHEREFORE, the Parties hereby acknowledge their agreement and consent to the terms and conditions set forth above through their respective signatures contained below:

MILLENNIUM DIAMOND USA, INC., dba  
GEMDIAM CORPORATION

By: [Signature]  
Leon Fingergut  
President

Date: 8-12-04

GEMDIAM CORPORATION

By: [Signature]  
Leon Fingergut  
President

Date: 8-12-04

LEON FINGERGUT

By: [Signature]  
Leon Fingergut

Date: 8-12-04

KRISTALL JEWELER, INC.

By: [Signature]  
Leon Fingergut  
President

Date: 8-12-04

SMOLENSK DIAMOND ISRAEL, LTD.

By: \_\_\_\_\_  
Vsevolod Bobovnikov  
President

Date: \_\_\_\_\_

VSEVOLOD BOBOVNIKOV

By: \_\_\_\_\_  
Vsevolod Bobovnikov

Date: \_\_\_\_\_

SMOLENSK UNITARY COMPANY,  
KRISTALL PRODUCTION COMPANY

By: \_\_\_\_\_  
Maksim Shkadov  
First Deputy Director General

Date: \_\_\_\_\_

KRISTALL CLASSICS, INC.

By: \_\_\_\_\_  
Chad Haggar  
President

Date: \_\_\_\_\_

MILLENNIUM DIAMOND USA, INC., dba  
GEMDIAM CORPORATION

By: \_\_\_\_\_  
Leon Fingergut  
President

Date: \_\_\_\_\_

GEMDIAM CORPORATION

By: \_\_\_\_\_  
Leon Fingergut  
President

Date: \_\_\_\_\_

LEON FINGERGUT

By: \_\_\_\_\_  
Leon Fingergut

Date: \_\_\_\_\_

KRISTALL JEWELER, INC.

By: \_\_\_\_\_  
Leon Fingergut  
President

Date: \_\_\_\_\_

SMOLENSK DIAMOND ISRAEL, LTD.

By: \_\_\_\_\_  
Vsevolod Bobovnikov  
President

Date: 16/08/2004

VSEVOLOD BOBOVNIKOV

By: \_\_\_\_\_  
Vsevolod Bobovnikov

Date: 16/08/2004

SMOLENSK UNITARY COMPANY,  
KRISTALL PRODUCTION COMPANY

By: \_\_\_\_\_  
Maksim Shkadov  
First Deputy Director General

Date: \_\_\_\_\_

KRISTALL CLASSICS, INC.

By: \_\_\_\_\_  
Chad Haggar  
President

Date: \_\_\_\_\_

MILLENNIUM DIAMOND USA, INC., dba  
GEMDIAM CORPORATION

SMOLENSK DIAMOND ISRAEL, LTD.

By: \_\_\_\_\_  
Leon Fingergut  
President

By: \_\_\_\_\_  
Vsevolod Bobovnikov  
President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

GEMDIAM CORPORATION

VSEVOLOD BOBOVNIKOV

By: \_\_\_\_\_  
Leon Fingergut  
President

By: \_\_\_\_\_  
Vsevolod Bobovnikov

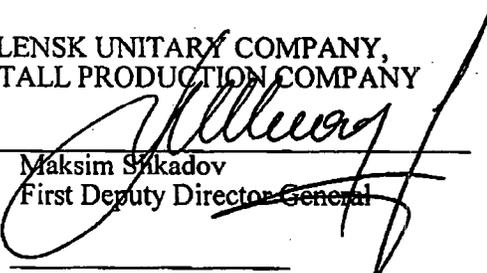
Date: \_\_\_\_\_

Date: \_\_\_\_\_

LEON FINGERGUT

SMOLENSK UNITARY COMPANY,  
KRISTALL PRODUCTION COMPANY

By: \_\_\_\_\_  
Leon Fingergut

By: \_\_\_\_\_  
  
Maksim Shtadov  
First Deputy Director General

Date: \_\_\_\_\_

Date: \_\_\_\_\_

KRISTALL JEWELER, INC.

KRISTALL CLASSICS, INC.

By: \_\_\_\_\_  
Leon Fingergut  
President

By: \_\_\_\_\_  
Chad Haggar  
President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

MILLENNIUM DIAMOND USA, INC., dba  
GEMDIAM CORPORATION

SMOLENSK DIAMOND ISRAEL, LTD.

By: \_\_\_\_\_  
Leon Fingergut  
President

By: \_\_\_\_\_  
Vsevolod Bobovnikov  
President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

GEMDIAM CORPORATION

VSEVOLOD BOBOVNIKOV

By: \_\_\_\_\_  
Leon Fingergut  
President

By: \_\_\_\_\_  
Vsevolod Bobovnikov

Date: \_\_\_\_\_

Date: \_\_\_\_\_

LEON FINGERGUT

SMOLENSK UNITARY COMPANY,  
KRISTALL PRODUCTION COMPANY

By: \_\_\_\_\_  
Leon Fingergut

By: \_\_\_\_\_  
Maksim Shkadov  
First Deputy Director General

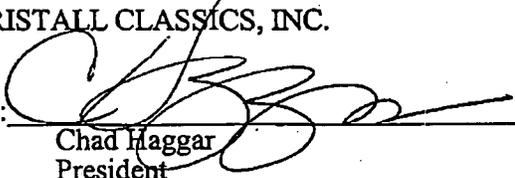
Date: \_\_\_\_\_

Date: \_\_\_\_\_

KRISTALL JEWELER, INC.

KRISTALL CLASSICS, INC.

By: \_\_\_\_\_  
Leon Fingergut  
President

By: \_\_\_\_\_  
  
Chad Hagggar  
President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

(Stipulated Dismissal of Kristall Federal Lawsuit)

**EXHIBIT B**

(Stipulated Dismissal of *SDI v. Millennium* Lawsuit)

**EXHIBIT C**

(Trademark Assignment Agreement re: KRISTALL Trademark)

A S S I G N M E N T

WHEREAS, KRISTALL JEWELER, INC., of 9601 Wilshire Boulevard, Suite 730, Beverly Hills, California, 90212 is a corporation organized and existing under the laws of the State of New York ("Assignor"), has adopted, used and registered the trademark KRISTALL & Design, Registration No. 2,676,728;

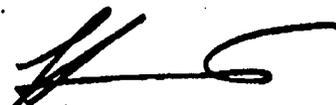
WHEREAS, KRISTALL CLASSICS, INC., of 611 West Sixth Street, Suite 1800, Los Angeles, California 90017, a corporation organized under the laws of the State of Nevada, ("Assignee"), is desirous of acquiring said mark and the registration thereof;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, KRISTALL JEWELER, INC. does hereby assign unto the said KRISTALL CLASSICS, INC., all rights, title and interest in and to the said mark and registration, together with the good will of the business symbolized by the mark.

KRISTALL JEWELER, INC.

By:

Title:

  
*PRESIDENT.*

Dated: 26 AUGUST 2004

MAP-TM-5266

## EXHIBIT D

The following is the script that should be utilized regarding the resolution of the disputes between Millennium Diamond USA, Inc., dba GemDiam Corporation, and GemDiam Corporation, Leon Fingergut, Smolensk Diamond Israel, Ltd., Vsevolod Bobovnikov, Kristall Classics, Inc., Kristall Jeweler, Inc., and Smolensk Unitary Company, Kristall Production Company (collectively the "Parties") after execution of this Settlement Agreement, but prior to the date(s) on which the Lawsuits are dismissed:

1. The disputes between the Parties have been resolved amicably.
2. Pursuant to a confidential settlement agreement, the Parties have agreed to dismiss with prejudice all claims asserted in the two cases captioned (i) *Smolensk Diamond Israel, Ltd. v. Millennium Diamond USA, Inc., dba GemDiam Corp., GemDiam Corp., and Leon Fingergut aka Lev Fingergut, and Related Cross-Claims*, L.A.S.C. Case No. BC 287742 and (ii) *Kristall Jeweler, Inc. v. Kristall Classics, Inc., and related Counter-Claims*, C.D. Cal. Case No. CV 03-666 (GAF) (VBKx).
3. Pursuant to a confidential settlement agreement, the Parties have also agreed that Leon Fingergut is the sole owner of Kristall Jeweler, Inc., which in turn is the sole owner of the rights to the THE DIAMONDS OF RUSSIA trademark.
4. Pursuant to a confidential settlement agreement, the Parties have also agreed that Kristall Classics, Inc. is the sole owner of the rights to the KRISTALL trademark.
5. The details and other terms of the settlement agreement are confidential.

## EXHIBIT E

The following is the script that should be utilized regarding the resolution of the disputes between Millennium Diamond USA, Inc., dba GemDiam Corporation, and GemDiam Corporation, Leon Fingergut, Smolensk Diamond Israel, Ltd., Vsevolod Bobovnikov, Kristall Classics, Inc., Kristall Jeweler, Inc., and Smolensk Unitary Company, Kristall Production Company (collectively the "Parties") following the date(s) on which the Lawsuits are dismissed in accordance with Paragraphs 1 and 2 of the Settlement Agreement:

1. The disputes between the Parties have been resolved amicably.
2. Pursuant to a confidential settlement agreement, the Parties have dismissed with prejudice all claims asserted in the two cases captioned (i) *Smolensk Diamond Israel, Ltd. v. Millennium Diamond USA, Inc., dba GemDiam Corp., GemDiam Corp., and Leon Fingergut aka Lev Fingergut, and Related Cross-Claims*, L.A.S.C. Case No. BC 287742 and (ii) *Kristall Jeweler, Inc. v. Kristall Classics, Inc., and related Counter-Claims*, C.D. Cal. Case No. CV 03-666 (GAF) (VBKx).
3. Pursuant to a confidential settlement agreement, the Parties have also agreed that Leon Fingergut is the sole owner of Kristall Jeweler, Inc., which in turn is the sole owner of the rights to the THE DIAMONDS OF RUSSIA trademark.
4. Pursuant to a confidential settlement agreement, the Parties have also agreed that Kristall Classics, Inc. is the sole owner of the KRISTALL trademark.
5. The details and other terms of the settlement agreement are confidential.

SEP 09 2004

ORIGINAL

1 QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP  
2 William G. Berry (Bar No. 206348)  
3 Steven G. Madison (Bar No. 101006)  
4 865 South Figueroa Street, 10th Floor  
5 Los Angeles, California 90017-2543  
6 (213) 624-7707

7 Attorneys for Plaintiff  
8 Kristall Jeweler, Inc.

9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

sum 150  
FILED  
SEP - 3 2004  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION AT SANTA ANA  
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11 KRISTALL JEWELER, INC., a New  
12 York corporation,

13 Plaintiff,

14 vs.

15 KRISTALL CLASSICS, INC., a  
16 Nevada corporation, and DOES 1 to  
17 100, Inclusive,

18 Defendants.

19 KRISTALL CLASSICS, INC.,

20 Counterclaimant,

21 vs.

22 KRISTALL JEWELER, INC.,

23 Counterdefendant.

(JC)  
CASE NO. CV 03-666 (GAT)  
(VBKx)

SA W03-870 (JC)  
(VBKx)

STIPULATED DISMISSAL AND  
[PROPOSED] ORDER

Date: June 28, 2002  
Time:  
Courtroom: 10D  
Judge: Hon. Gary A. Fees

DOCKETED ON GM  
SEP - 7 2004  
BY [Signature] D24

49

LODGED

548347v1

STIPULATED DISMISSAL AND [PROPOSED] ORDER

1 Pursuant to Federal Rule of Civil Procedure 41(a), Plaintiff and  
 2 Counterdefendant Kristall Jeweler, Inc. and Defendant and Counterclaimant  
 3 Kristall Classics, Inc., by and through their respective attorneys of record, hereby  
 4 stipulate and agree, subject to the approval of the Court, that Kristall Jeweler, Inc.  
 5 v. Kristall Classics, Inc., CV 03-666, including all claims and counterclaims, shall  
 6 be dismissed with prejudice.

7  
 8 DATED: August 27 2004

9  
 10 QUINN EMANUEL UROUHART  
 11 OLIVER & HEDGES, LLP

12  
 13 By William G. Berry  
 14 William G. Berry  
 15 Attorneys for Plaintiff and  
 Counterdefendant  
 Kristall Jeweler, Inc.

16 DATED: August 26 2004

17 HERZOG, FISHER, GRAYSON & WOLFE

18  
 19 By Jerry R. Sparks  
 20 Jerry R. Sparks  
 21 Attorneys for Defendant and  
 Counterclaimant  
 Kristall Classics, Inc.

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ORDER

The parties having so stipulated above and good cause appearing therefore, IT IS ORDERED that Kristall Jeweler, Inc. v. Kristall Classics, Inc., CV 03-666, including all claims and counterclaims, is hereby dismissed with prejudice.

DATED: 9/1/04

  
CORMAC J. CARNEY ~~Gary A. Keese~~  
United States District Judge

**PROOF OF SERVICE**

1013A(3) CCP Revised 5/1/98

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES.

I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 865 S. Figueroa Street, 10th Floor, Los Angeles, California 90017.

On August 27, 2004, I served the foregoing document(s) described as: **Stipulation Dismissal and [Proposed] Order** the interested party(ies) in this action by placing a true copy thereof enclosed in a sealed envelope, addressed as follows:

<p>Jerry Sparks, Esq.  <i>Hertzog, Fisher, Grayson &amp; Wolfe</i>            9401 Wilshire Boulevard            Eleventh Floor            Beverly Hills, CA 90212            Tel: (310) 278-4300            Fax: (310) 278-5430</p>	<p>Craig Fields  <i>Glickfield, Fields, Grayson &amp; Jacobson LLP</i>            9401 Wilshire Blvd., Fifth Floor            Beverly Hills, California 90212            Tel: 310/550-7222            Fax: 310/550-6222</p>
--	---

BY MAIL

\*I deposited such envelope in the mail at \_\_\_\_\_, California. The envelope was mailed with postage thereon fully prepaid.

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

BY PERSONAL SERVICE I delivered such envelope by hand to the offices of the addressee.

BY TELECOPIER By transmitting the above listed document(s) to the fax number(s) set forth on this date.

BY FEDERAL EXPRESS by placing the document(s) listed above in such envelope for deposit with FEDERAL EXPRESS to be delivered via priority overnight service to the persons at the addresses set forth above.

Executed on August 27, 2004, at Los Angeles, California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Sandra Alcalá  
Type or Print Name

  
Signature

A S S I G N M E N T

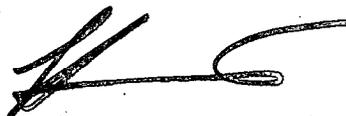
WHEREAS, KRISTALL JEWELER, INC., of 9601 Wilshire Boulevard, Suite 730, Beverly Hills, California, 90212 is a corporation organized and existing under the laws of the State of New York ("Assignor"), has adopted, used and registered the trademark KRISTALL & Design, Registration No. 2,676,728;

WHEREAS, KRISTALL CLASSICS, INC., of 611 West Sixth Street, Suite 1800, Los Angeles, California 90017, a corporation organized under the laws of the State of Nevada, ("Assignee"), is desirous of acquiring said mark and the registration thereof;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, KRISTALL JEWELER, INC. does hereby assign unto the said KRISTALL CLASSICS, INC., all rights, title and interest in and to the said mark and registration, together with the good will of the business symbolized by the mark.

KRISTALL JEWELER, INC.

By:



Title:

*President.*

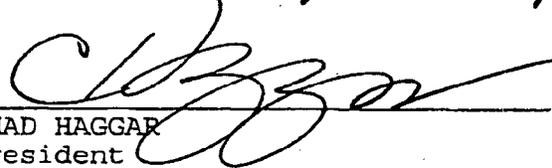
Dated: 26 AUGUST 2004

POWER OF ATTORNEY

Assignee hereby appoints MICHAEL A. PAINTER, ESQ. of ISAACMAN, KAUFMAN & PAINTER, A Professional Corporation, with offices at 8484 Wilshire Boulevard, Suite 850, Beverly Hills, California 90211, (323)782-7700, with full power of substitution, the power of appointment of an associate attorney, and the power of revocation, to record this Assignment, to transact all business in the Patent and Trademark Office in connection therewith and to receive all documents.

KRISTALL CLASSICS, INC. ; KRISTALL, INC

By:

  
CHAD HAGGAR  
President

Dated: *Dec 19, 2004*

MAP-TM-5266

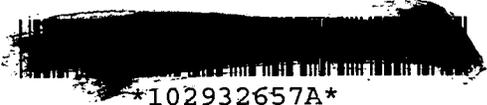


UNITED STATES PATENT AND TRADEMARK OFFICE

UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

JUNE 30, 2005

PTAS



\*102932657A\*

ISAACMAN, KAUFMAN & PAINTER  
MICHAEL A. PAINTER  
8484 WILSHIRE BLVD., SUITE 850  
BEVERLY HILLS, MI 90211

UNITED STATES PATENT AND TRADEMARK OFFICE  
NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENT

THE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER REFERENCED BELOW.

PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 703-308-9723. PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE, MAIL STOP: ASSIGNMENT SERVICES DIVISION, P.O. BOX 1450, ALEXANDRIA, VA 22313.

RECORDATION DATE: 12/20/2004

REEL/FRAME: 003113/0795  
NUMBER OF PAGES: 3

BRIEF: ASSIGNMENT OF AN UNDIVIDED PART OF ASSIGNOR'S INTEREST

ASSIGNOR:

KIRSTALL JEWELER, INC.

DOC DATE: 08/26/2004  
CITIZENSHIP: NEW YORK  
ENTITY: CORPORATION

ASSIGNEE:

KRISTALL CLASSICS, INC.  
611 W 6TH STREET  
LOS ANGELES, CALIFORNIA 90017

CITIZENSHIP: NEVADA  
ENTITY: CORPORATION

APPLICATION NUMBER: 76275015  
REGISTRATION NUMBER: 2676728

FILING DATE: 06/22/2001  
ISSUE DATE: 01/21/2003

MARK: KRISTALL

DRAWING TYPE: WORDS, LETTERS, OR NUMBERS AND DESIGN

**RECEIVED**

JUL 12 2005

ISAACMAN, KAUFMAN & PAINTER

Exhibit " 6 " - Page 1

003113/0795 PAGE 2

SHARON LATIMER, EXAMINER  
ASSIGNMENT DIVISION  
OFFICE OF PUBLIC RECORDS

12/20/04

02-03-2005

F COMMERCE  
Trademark Office

**RECORDATION FOR  
TRADEMARK**

102932657

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents (see below).

**1. Name of conveying party(ies)/Execution Date(s):**

**KRISTALL JEWELER, INC.**

Individual(s)       Association  
 General Partnership       Limited Partnership  
 Corporation-State  
 Other \_\_\_\_\_

Citizenship (see guidelines) New York Corp.

Execution Date(s) August 26, 2004

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: KRISTALL CLASSICS, INC.

Internal Address: \_\_\_\_\_

Street Address: 611 W 6th Street

City: Los Angeles

State: CA

Country: U.S.A. Zip: 90017

Association Citizenship \_\_\_\_\_  
 General Partnership Citizenship \_\_\_\_\_  
 Limited Partnership Citizenship \_\_\_\_\_  
 Corporation Citizenship Nevada  
 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:**

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) \_\_\_\_\_

B. Trademark Registration No.(s) 2,676,728

Additional sheet(s) attached?  Yes  No

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

**KRISTALL & Design**

**5. Name & address of party to whom correspondence concerning document should be mailed:**

Name: Michael A. Painter

Internal Address: \_\_\_\_\_

Isaacman, Kaufman & Painter

Street Address: 8484 Wilshire Blvd.  
Suite 850

City: Beverly Hills

State: CA Zip: 90211

Phone Number: 323-782-7700

Fax Number: 323-782-7744

Email Address: painter@ikplaw.com

**6. Total number of applications and registrations involved:** 1

**7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00**

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 16-0070  
Authorized User Name Michael Painter

**9. Signature:** Michael A. Painter December 20, 2004

Signature Date

Michael A. Painter

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 3

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22304-1450

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02/02/2005 6TON11 00000020 160070 2676728  
01 FC:8521 40.00 DA

Exhibit "6" - Page 3

12-23-2004

**CERTIFICATE OF SERVICE**

The undersigned declares under the penalty of perjury the within  
PETITIONER'S MOTION FOR SUMMARY JUDGMENT; DECLARATION OF CHAD  
HAGGAR was forwarded to Registrant, Mr. Leon Fingergut, The Diamonds of Russia Ltd.,  
848 North Rainbow Boulevard, Suite 1052, Las Vegas, Nevada 89107, via first class mail,  
postage prepaid, this 7th day of September, 2005.

  
SHERYL R. CONAWAY