

Marie Osmond Collection™

Marketing Policy

Last Revision: May 3, 2008

Dear Retailer,

This letter is intended to provide you with an understanding of our philosophy for marketing Marie Osmond Collection™ collectible dolls as well as our policy toward those Retailers who do not share our philosophy.

We greatly value the co-operation and support we receive from Retailers of the Marie Osmond Collection™. We are providing this letter in the hope of strengthening those relationships and maintaining a strong and respected position for the Marie Osmond Collection™ in the marketplace.

Background

- The Marie Osmond Collection™ is a range of high quality, proprietary dolls (with unique sculpting, painting, costuming and accessories) – many of which are made in one-time limited editions.
- The nature and value of our collectible dolls lies in the fact that they are desirable, exclusive and command a premium price in the marketplace.
- Marie Osmond Collection™ dolls and the way in which they are marketed also reflect the image and values of Marie Osmond, who is the founder and creative director of the line.
- Charisma selects Retailers who are dedicated to our brand and committed to providing purchasers of our products – many of whom are discriminating collectors – with appropriate information about our products as well as any services required after the sale.
- All Charisma and Marie Osmond Collection™ Retailers have acknowledged this background in their Retail Distribution Agreement, which states in clause 5 Conduct of Business:

“By executing this Agreement, you acknowledge that the Products are high quality, premium branded products which principally are sold to collectors who purchase the Products expecting that Marian/Charisma will continue to maintain the high quality standards and image associated with the Products. You agree, at your sole cost and expense, to use your best

efforts to promote, market, distribute and sell the Products and enhance the reputation of, and goodwill associated with, the Products. Further, you agree to conduct your business and affairs with integrity and in an ethical, fair and honest manner which reflects favorably on the Products and the high quality image associated therewith and consistent with the provisions of this Agreement and all applicable laws which may in any way relate to the sale and distribution of the Products.”

Philosophy

- Charisma believes that the long-term interests of the Marie Osmond Collection™ doll business and related retail sales are best served when the exclusivity, premium value and perceived quality of the brand are maintained consistently within the marketplace. In particular, Charisma believes that persistent deep discounting, even by a small number of Retailers, is harmful to the brand and its retail distribution network.
- Charisma also believes that deep discounting lowers the level of service a Retailer can provide the consumer by reducing the Retailer’s incentive to carry a full range of our products, display those products, inform consumers and provide the after-sale service necessary for products like ours. Hence this practice ultimately harms both our products’ image and our consumers.
- Because of the competitive nature of the collectible doll market and the need to win new collectors for the Marie Osmond Collection™ brand, it is necessary to support the brand with marketing materials and programs, including promotions, from time to time. However, such marketing programs should support and not undermine the premium image and value of the products.

Guidelines/Policies

- This policy applies only to the Marie Osmond Collection™ line offered by Charisma. It is not intended to apply to any of our other product lines
- To be consistent with our marketing philosophy described above, any promotion of Marie Osmond Collection™ products by Retailers should fall within the following guidelines :
 - No Marie Osmond Collection™ doll should be discounted at any level within the first 180 days of its launch (defined as the first air-date on QVC or first shipments to retail by Charisma).
 - Marie Osmond Collection™ dolls should never be offered at a permanent or fixed discount from suggested retail prices.
 - Any discounts offered should be selective (i.e. not more than one third of the line carried at any one time), time-limited (i.e. for not more than 30

days in duration) and value-sensitive (i.e. never more than the generally prevailing discount levels of similar competitive premium, collectible brands – notably Madame Alexander and Lee Middleton).

- In all cases Charisma prefers that any promotional offers from Retailers should focus on the concept of “value-added” (e.g., free gift with purchase, free shipping etc.) rather than straight cash discounting.
- Charisma recognizes the needs of Retailers to promote their business and to compete with other Retailers for customers. To this end, Charisma will offer a regular schedule of promotion events and offers for its Retailers throughout the year. In addition, Retailers may run their own promotional activity on Marie Osmond Collection™ dolls provided they are consistent with our Marketing Policy.
- In our view there is a wide range of Retailer promotional offers consistent with our Policy that focus on adding value, rather than pure discounting, which can be used in the first 180 days after a product’s release. Terms frequently used in such value-added offers include: free gift with purchase, buy now/pay later, contests/sweepstakes, special events or other similar terms. Conversely, promotional offers that focus on price discounting, auctions or price matching are not in compliance with the letter or spirit of the Policy. Terms that might be used in such inappropriate offers include, “clearance, liquidation, call or e-mail for special prices, meet or beat any price” and similar terms. (Note that we are not intending to provide an exhaustive catalog of appropriate and inappropriate promotional techniques here, but rather to share our philosophy on the best way to develop and maintain the premium image and market position of the Marie Osmond Collection™ of collectible dolls.)
- Our Marketing Policy does not preclude Loyalty Programs offered by Retailers that focus on special services rather than price discounting. Such programs are fully consistent with the Policy and may include marketing offers, continuity offers, “points” similar to frequent flyer programs and other special services consistent with the Policy.
- Retailers are reminded that each Retail Distribution Agreement is terminable immediately, with or without cause. Charisma may feel compelled to discontinue sales to any Retailer whom it learns has materially deviated from the foregoing philosophy and guidelines, whether in discount dollar amount, percentage, frequency or otherwise. Our sales representatives and employees will monitor Retailer marketing practices for such material deviations.
- This Marketing Policy applies to any sales by Retailers, direct or indirect for the purposes of resale. This includes on-line auctions and sales to relatives or business associates. We view any such sales to related or other entities as wholesale sales in violation of the Retail Distribution Agreement. Pursuant to our rights under intellectual property laws and the Retail Distribution Agreement in

effect between Marian/Charisma and our retailers, we regularly act to remove from eBay and similar sites the following categories of product sales:

1. Items launched within the last six months, where the seller use any of our photos images;
 2. Items launched within the last six months, where the seller uses any of our print ads; and
 3. Items launched within the last six months, where the seller uses our trademark or logo.
- We encourage our Retailers to use auction sites with caution and ask that they always market our products responsibly, in a manner consistent with the Retail Distribution Agreement and this Marketing Philosophy.
 - We do not seek, and cannot comment upon, complaints from any Retailer about the discounting or other marketing practices of another Retailer. Furthermore, for our philosophy and guidelines to be legally effective, we cannot discuss them with our Retailers. We may properly state our philosophy and guidelines, which we have done above, but in order to comply with applicable law, and to avoid any appearance of coercion, we cannot, discuss or qualify them with Retailers. Nor may we warn Retailers about any apparent noncompliance.

We trust that you understand our position. We believe that the philosophy and guidelines which we have outlined will assist in preserving the quality and image of our products and brand, and will insure that our products are sold only through Retailers who provide an environment and level of service consistent with our brand.

Sincerely yours,

A handwritten signature in black ink that reads "Tracy Stobaugh". The signature is written in a cursive, flowing style.

Tracy Stobaugh
Director of Retail Sales