10 years? So, What have you done for me lately?

I have been told that after a business gets past the 3rd year or so, it’s ‘made it’ and you are somehow over the hump. I don’t know why, but I have never felt secure enough to feel that way. Every day I know we have to prove ourselves again and again to our clients. Even in success, I realize that the question will come... "What’s next?"

For the past 10 years we have spent most days trying to get things done for clients, always cognizant of delivering the “what's next.” You kind of string days along, not thinking about the issues of truly building your own business. I know this is a flaw, and I have advisors that tell me – no, yell at me – over this issue. Yet, when you are busy dealing with the issues that arise almost daily, the time flies, and before you know it you have to plan a 10th anniversary something. Wow.

Over the years, our constants have been that we have the passion to drive our clients businesses and the desire as a team to do things right. We care about and tend to our relationships – with clients, with licensors, with agents -- across the board. Our job as a company is to grow our clients’ businesses, that is a given – but our task as industry citizens is to help companies do the right thing so that the industry grows, both at the bottom line and professionally.

For 10 years we have taken these tasks to heart and tried our best – and all of a sudden, we are here – 5 people, 2 offices, a group of successful clients and more than a few licensors that respect our efforts.

What’s next? We intend to keep it going.
Thank you for your confidence, now and in the future.

Dear [Client’s Name],

We are pleased that several of our clients are included in the new Care Bears program. AD SUTTON and SONS is licensed for backpacks and bags. The company has pre-sold several customers and will have backpacks and bags featuring the lovable characters on shelf this fall. MODERN PUBLISHING is fast-tracking coloring and activity books to retail. All of Modern's book formats will be available at all mass-market outlets this summer.

Coming in 2003, Care Bears fans can collect all their favorite Care Bear characters as mini-bobble heads from COMIC IMAGES. Look for classics such as Goodnight Bear and Grumpy Bear, and proudly display your personal favorite with this new collectible line.

Carebears

American Greetings is returning a huggable, loveable classic property to the mainstream marketplace. The Care Bears are back, and The Joester/Loria Group has signed up an "A" list of licensees with products launching in the latter part of 2002, and rolling out all categories during the 1st quarter of 2003.

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Client Spotlight - Polyconcept USA

The celebration of a milestone anniversary, whether in professional or personal life, should serve as a springboard. These are markers that should encourage us to reflect back and acknowledge the people and organizations that have helped us to achieve the status currently enjoyed. At Building Q, we can honestly say, that our client Polyconcept USA has been an important factor in helping Building Q to reach its 10th anniversary in 2002.

When we began our relationship with Polyconcept in 1993, we were looking at single item opportunities. We secured deals for novelty items such as a Betty Boop telephone, Volkswagen Beetle telephones, and a few other "single item deals." A major breakthrough for both companies came in 1997 when we met with Binney and Smith regarding the Crayola Brand.

Our combined thinking was that a line of kids-orientated electronics featuring the vibrant colors of Crayola would work in the retail environment. Polyconcept wanted to broaden its distribution and find a program we could sell into Toys R Us and other mass merchandisers.

The line started out small, featuring items such as a musical keyboard, a guitar and clock. The initial success of the line paved the way to the 2002 Crayola line, which includes 30 SKU’s now encompassing electronic craft and activity items, electronics, toys and computer accessories.

Another major breakthrough came at the 1998 Licensing Show, when the M&M Mars licensing department visited the Building Q booth to see what our clients were working on at the time. They came across one of the Polyconcept items on display, and immediately said they wanted to meet with the team. In subsequent meetings, the Polyconcept design and development teams dazzled the M&M Mars staff, paving the way for a deal to be consummated. What started with just three items introduced at CES 1999 is now up to more than 20 SKUs covering multiple electronic categories.

"Woody and his team at Building Q have an excellent understanding of our industry," notes Rich Rahmlow VP of Licensing and Product Development at Polyconcept. "That, combined with their knowledge of marketing and the intricacies of licensing, has made this a great partnership for the last seven years." We are happy to be affiliated with Building Q and look forward to more success in the future.

Other programs currently in place for Polyconcept USA includes: Coca-Cola, Coleman, Ducks Unlimited, Lava, Nintendo, NFL, Nostalgic Barbie, and Philco.
I walk, down the street.

There is a deep hole in the sidewalk.
I fall in
I am lost.... I am helpless
It isn’t my fault.
It takes forever to find a way out.

I walk down the same street.
There is a deep hole in the sidewalk.
I pretend I don’t see it.
I fall in again.
I can’t believe I am in the same place.
but, it isn’t my fault.
It still takes a long time to get out.

I walk down the same street
There is a deep hole in the sidewalk.
I see it is there.
I still fall in…it’s a habit.
my eyes are open.
I know where I am.
It is my fault.
I get out immediately.

I walk down the same street.
There is a deep hole in the sidewalk.
I walk around it.

I walk down another street.
As we celebrate our 10th Anniversary, we thought it would be fun to share with you the songs that inspire the dealmaker in all of us.

**ARTIST** | **SONG** | **COMMENTS**
--- | --- | ---
Warren Zevon | Lawyers, Guns & Money | "The Building Q Theme Song...No, the part about the waitress."
The Eurithmics | Would I Lie To You | "Hey, it's gonna be huge, and if you get in early..."
Bare Naked Ladies | If I Had A Million Dollars | "...then I could cover the license and tooling."
Pink Floyd | Money | "It's how we keep score."
Dire Straits | Money For Nothing | "Jim Davis has his own jet airplane."
U2 | With Or Without You | "Sometimes you CAN live without a licensee, right Bono?"
Ragdoll/BBC WW | Teletubbies Say "Eh-Oh" | "You gotta dig this, technopop for all ages."
Joe Walsh | Life Has Been Good to Me So Far | "Rumors are that this was written by Mark Freedman or Al Kahn, but I checked and Joe Walsh's name is credited... probably a royalty thing."
Prince | 1999 | "In honor of all those hot millennium licenses." "You can't do a real licensing soundtrack without a song from the purple one... Oh? The other purple one?"
Jewel | Who Will Save Your Soul | "Haunting, but true."
Vince Giraldi | Linus and Lucy - The Peanuts Theme Song | "Sparky didn't invent licensing...he was just "determined" to make it work."
Steve Miller Band | Take the Money And Run | "You know you are in trouble when they ask for it all up front."
Randy Newman | I Love LA | "Hey... It's the attitude, the capital of merchandising."
Frank Sinatra | New York, New York | "Simply the best."
Jimmy Eats World | The Middle | "Could have been written by us. Just keep doing your best..."
Kiss | Rock and Roll All Night | "The band was made for licensing - gotta be here."
Rolling Stones | Satisfaction (I can't get no) | "Has its own meaning to every licensee/licensor, soundtrack would not be complete without Mick."

INSTRUCTIONS TO MAKE YOUR CD:
- Log on to your favorite website where you download music
- Look up each song, and burn them onto your CD.
- Cut and fold our really cool cover design and insert it in your jewel case.
- Enjoy hours of listening pleasure in your office, home or car.
- We always want to know what you think. Email us on your suggestions for our 20th anniversary edition.

Disclaimer–Always obey all copyright laws.
CD is engineered to sound best on a POLYCONCEPT USA CD Player.
<table>
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<tr>
<th>CLIENT</th>
<th>DISTRIBUTION</th>
<th>CORE PRODUCT LINE</th>
<th>CURRENT LICENSES INCLUDE (LISTED ALPHABETICALLY)</th>
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<tr>
<td>AD SUTTON &amp; SONS</td>
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<td>Carebears*, Clifford, Coca-Cola, Dragon Ball Z, Jackie Chan Adventures, Little Bear, Metabots, NASCAR</td>
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<tr>
<td>BRIEFLY STATED</td>
<td>Mass, Mid-Tier, Specialty</td>
<td>Boys and Girls Sleepwear, Boys and Men’s Boxer Shorts, Boys and Men’s Loungewear, Juniors Sleepwear</td>
<td>And 1, Austin Powers, Brittany Spears, DragonBall Z, Harry Potter, Invader Zim, Playboy, Popsicle*, Scooby Doo, Spongebob Squarepants, Tonka, The Osbournes*</td>
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<tr>
<td>BIO-DOMES</td>
<td>Specialty, Mid-Tier</td>
<td>Hats and Headwear</td>
<td>Brittany Spears, Budweiser, Fear Factor*, Metallica, Soprano’s, The Osbournes*</td>
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<td>Cartoon Network*, Coca-Cola, Coleman, Crayola, Justice League*, Lava, M&amp;Ms, Magnavox, Nintendo, NFL, Nostalgic Barbie, Philco, Scooby Doo*</td>
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<td>KOSMAKARE</td>
<td>Mass, Drug, Grocery</td>
<td>Adhesive Bandages</td>
<td>Bob the Builder, Jay-Jay the Jetplane*, Rescue Heroes*</td>
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<td>SHOWER FLOWER, INC.</td>
<td>Mass, Drug</td>
<td>Patented character decorated suction cup designed for bath and shower cleaning implements.</td>
<td>Blue’s Clues, Clifford, Dora the Explorer, Jimmy Neutron, Rugrats, Spongebob Squarepants</td>
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<td>HAPPY DOG TOYS, INC.</td>
<td>Mass, Pet Stores, Specialty</td>
<td>Dog and Cat Toys and Accessories, Aquariums, Aquarium Accessories</td>
<td>Spongebob Squarepants</td>
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<tr>
<td>MODERN PUBLISHING</td>
<td>Mass, Grocery, Drug</td>
<td>Coloring, Activity, and Sticker Books</td>
<td>Barbie, Carebears, Clifford, Hasbro Games, Jay Jay the Jetplane, Hot Wheels, Little People, Noah’s Park, Rescue Heroes, Teletubbies</td>
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<tr>
<td>CADACO INC.</td>
<td>Mass, Toy, Specialty</td>
<td>Board Games, Puzzles, Activity Sets, Chalk and Outdoors, Magic</td>
<td>Kipper, Lance Burton, Little Bear, Maggie and the Ferocious Beast, Marshall Brodien</td>
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<td>FUSION TOYS</td>
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<tr>
<td>JARU TOYS, INC.</td>
<td>Grocery, Mass, Toy, Drug</td>
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CHAPTER TWO I walk down the same street. There's a deep hole in the sidewalk. I pretend I don't see it. I fall in again. I can't believe I'm in the same place, but it isn't my fault. It still takes a long time to get out. CHAPTER THREE I walk down the same street. There's a deep hole in the sidewalk. I see it is there. I think I know why: Autobiography in Five Short Chapters, by Portia Nelson. Chapter 1: I walk down the street. There is a deep hole in the sidewalk. I fall in. Chapter 4: I walk down the same street. There is a deep hole in the sidewalk. I walk around it. Chapter 5: I walk down a different street. You are never stuck. Your brain is capable of great change!