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You're different, Just like everyone else.

Saw this on a T-shirt the other day, and it made me consider how many of us in the licensing business feel that we operate in a unique environment. We often have the attitude that our "industry" is different than almost any other traditional business.

I don't think so.

I have a friend in the construction business, and when we sit down and chat over an iced tea or other cold drink, it is amazing the similarities of our problems. Another friend has a chiropractic practice, and amazingly, problems are comparable. I never really thought much about it until I came across this passage in a book about Silverton, Colorado mining

"It seems incredible that so few people connected with mining are capable of telling the truth." The problem, as he saw it, was "they either lie deliberately or they kid themselves or what is often worse, they are perfectly honest individuals who are unable to make reliable observations and draw conclusions there from." While he felt at the moment "it is a hell of a business," he continued; "Mining – Once it gets in your blood, finding a cure is hard."

Substitute "licensing" for "mining" and it could apply to our industry. Now it is true that I often take things too personally. Misrepresentations, failures, and the like hit me hard. I often find myself asking, "what is

wrong with the truth? Why does it have to be so complicated?"

Years ago, in a meeting a client passed on a property. Not a big deal. We made a recommendation, the client said "No" and we move on. I called the licensor, who said, "Thanks for the call."

When I informed my client that the licensor thanked us for the quick decision, he was appalled. He responded, "Why did you call? We should have told them that we were thinking about it so they wouldn't think bad about us!" I told my client, you don't get "points" for thinking about it, then passing – and wasting everyone's time. You get "points" for making good business decisions. If a licensor knows you will be fair in evaluating an opportunity, and then get back to them with your call, you will become someone they go to first.

It is a fact that we cannot control the world around us. Our willing it won't make others more responsible, nor more honest. Yet every day we are faced with decisions that we can make responsibly, honestly and with good intent. It is our choice how to make them.

Knowing we are not alone – that our industry is not an anomaly – should make the choice seem evident, and less lonely. We are different. Just like everyone else.

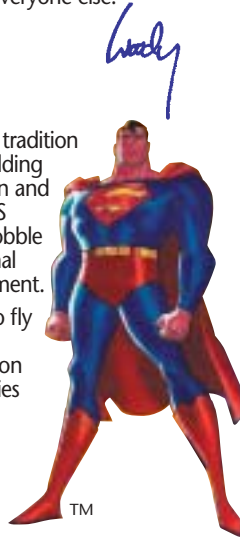
Look Up in the Sky!!!

Not only is it Superman, but the licensing industry is seeing a complete revival of the Superhero genre. Along with the classic's – Batman, Hulk, Spiderman and Superman – everyone's favorite Superheroes are being pitched by a wide variety of licensors. These include – WBCP's Justice League, Mattel's He-Man, 4-Kids' Teenage Mutant Ninja Turtles, along with Underdog and Mighty Mouse.

Building Q and its clients are soaring with this revival. FUSION TOYS will bring The Justice League group to life with their Flying Toys, and BRIEFLY STATED will showcase The Justice League, Superman, Hulk and Batman boxer shorts, loungewear and sleepwear this

fall and winter. BASIC FUN continues tradition of innovative functional key chains, adding Teenage Mutant Ninja Turtles, He-Man and Spiderman for 2003. COMIC IMAGES refreshes its line of Spiderman mini-bobble heads while adding Hulk and additional Marvel characters to this year's assortment.

We expect Superheroes to continue to fly high for some time. Look for more announcements throughout the year on additional Superhero licensed properties from other Building Q clients.



Frankford Candy & Chocolate Co.

It all started with molded chocolate Easter bunnies. Founded in 1947 by Sam Himmelstein, Frankford Candy and Chocolate Company (named for the Frankford section of Philadelphia where it was established) began as a seasonal confectioner riding the post-war manufacturing wave. Just one taste was enough, however, to leave customers wanting more, and the company quickly expanded to include year-round sales.

By the 1970's Frankford had become a key supplier to all the major mass market accounts and most national grocery retailers, and from the mid-1980's through the early-1990's seasonal candy sales continued to grow. However, everyday candy sales remained flat and price points became compressed. As a seasonal leader, Frankford found itself in a bittersweet position.

Then, in 1996 Frankford established their business plan for the 21st century. The company's goal: to level the competitive playing field with confectionery national brands by licensing and co-branding with "world class" brand equities.

Knowing what one should do is one thing; getting it done another. Acknowledging that the company had little experience dealing with licensors, management hired Building Q in June 1998.

"When we partnered with Woody Browne and his team at Building Q, we quickly became immersed in the licensing game," noted Harry Hoffman, Vice President, Product Development and Licensing at Frankford.

"There was a lot to learn but by working together Frankford has become an "A" list partner in the candy category in a relatively short period of time."

Frankford Candy's licensed portfolio began with a few small deals for snack and candy tins in 1998. Then came the real breakthrough: in 1999 Frankford was granted the license for Nickelodeon food-filled containers. By 2000, the company had decided to grow its product line into the day-to-day market utilizing Nick licenses, and eventually the Nickelodeon product line grew to include everyday chocolates and candies featuring the entire stable of Nick characters.

Next came the counterpunch: later in 2000, the debut of Barbie confections solidified Frankford's standing within the licensing community. Soon to follow were other world class licenses such as Hot Wheels and Beatrix Potter. High quality and innovative products has kept the company growth on an upswing. In 2002, the company added a new category within the candy segment to its licensed product line – Character Shaped Jelly Pops. The jelly pop line includes all of Frankford's current properties plus Bob the Builder, The Simpsons, Scooby Doo, Powerpuff Girls, Care Bears, and Hello Kitty.

In just over a decade Frankford has taken a marketing objective and succeeded in changing its business and its industry. For Frankford Candy – a partner that licensors look to first as the leader in the mass market candy industry – success never tasted so sweet.



Building Q™

Licensing / Marketing

The Dumbest Person In the World

How dumb?
Very dumb.
It's the
American
Who knocks
what he's got.
Here's what
he's got:
A country of
unbounded beauty.
Almost unlimited
natural resources.
A judicial system
that is the envy
of the rest of
the world.
Food so plentiful
overeating is a
major problem.
A press
nobody can dominate.
A ballot box
nobody can stuff.
Churches of your choice.
One hundred million jobs.
Freedom to go anywhere
you want, with the
planes, cars and highways
to get you there.
Social Security.
Medicare.
Unemployment insurance.
Public schools and
plentiful scholarships.
Opportunity to become a
millionaire.
O.K., Complainer,
what's your
second
choice?
Go.

A message as published in the *Wall Street Journal*
by United Technologies Corporation, Hartford, Connecticut 06101

NEWS & NOTES

NEW BUSINESS – These manufacturers joined the growing list of Building Q clients during 2002.

- **ALOHA WORLDWIDE** – A new player in the licensed products arena, Aloha Worldwide manufactures portable fans, heaters, air conditioners, lighting and lighting systems. Aloha is looking to expand their already substantial non-branded business via licensing.
- **COMMONWEALTH TOY COMPANY** – The well known manufacturer of traditional plush products joined the Building Q roster this past summer. In addition to its line of mass-market plush, Commonwealth is seeking to build its "Little Loungers" and other new plush categories.
- **FIBRECRAFT CORPORATION** – A 50-year old manufacturer of craft and activities products ranging from everyday crafts and activities to floral and doll products, Fibrecraft is the basic crafts category manager at some of the nation's largest retailers. Look for exciting new product announcements during the coming year.
- **SUNWISE SWIMWEAR** – This Florida-based company produces a product that every parent needs — a line of UV protected swim/sun suits that protects children from the sun's potential harm. The Sunwise motto: "Block the Sun, Not the Fun."

UPCOMING TRADE SHOWS -

Mark your calendar now for early 2003:

- International Housewares Show @ Chicago, Jan. 12-14
- The Supershow @ Las Vegas, Jan. 20-22
- International Gift Fair @ New York City, Feb 1-6
- Toy Fair @ New York City, Feb. 16-20
- Winter MAGIC @ Las Vegas, Feb. 18-21

PARTING COMPANY: Sometimes its is hard to say goodbye to friends, even when the timing is right. After a great seven-year partnership, Polyconcepts USA will take its licensing business in-house at the start of 2003. Building Q is extremely proud of the work we did with Polyconcepts, helping to take it from a company who manufactured "items" to one that now develops the most comprehensive line of licensed products within the consumer electronics industry. We leave on the best of terms, and wish Rick, Rich, Christine and the entire team at Polyconcepts nothing but the best in 2003 and beyond.

LIFE

THE GAME

Inlaws say "YOU'RE GOING TO DO WHAT?"

AUGUST -92

Woody takes the plunge! Building Q opens its doors at "Building Q" in the Executive Mews complex in Cherry Hill.

SEPTEMBER -92

MOVE AHEAD 2 SPACES

First Marketing Project - "AutoGrafix" - Static cling car graphics that fly off at 60 MPH!

Modern Publishing becomes first client

First 10.5. 3-year strategic plan written. We could not see further than that.

JUNE 93

Woody survives 3rd Term as President of LIMA.



Woody orchestrates first "major" deal - Power Rangers and Modern Publishing.

Building Q receives first commission check - Woody says "This may be a business yet!"

Woody finishes Boston Marathon. "Licensing is easy compared to this."

JUNE 94

SNAPI! The genesis of PDQ - Building Q puts Concord/Crayola Camera deal together - Concord ask for Product Development help.



PDQ Product Development is Born.



Building Q becomes first licensee consulting company to exhibit at the annual Licensing Show.

Giant signs on as T-Shirt Client. Woody learns many interesting ways "to use the F-Word".



Polyconcept joins the Building Q client roster.

Building Q client base grows. Company staffs up to keep up with demand.

DECEMBER 94



We get Goosebumps! Giant signs first license outside the music world.

JULY 95

Building Q moves its world headquarters to Voorhees, NJ. The licensing community exclaims "where?"



MOVE AHEAD 5 SPACES

Frankford Candy enlists Building Q's assistance with licensing.

Sweet deal! Frankford Candy signs Nickelodeon license.

NOVEMBER 98

Briefly Stated and Giant Merchandise ship product for the highly awaited film Star Wars: Episode I

WHERE?

OCTOBER 95

Woody completes the Ironman World Championships in Hawaii. "Licensing is REALLY easy compared to this."

The staff goes from briefs to boxers as Briefly Stated joins the Building Q family.

Gary Schneider joins Woody and the team.

MARCH 98



Building Q organizes first "Fun Run" during Licensing Show Week - benefitting the Hole in the Wall Gang Camp.

Polyconcept ships M&M consumer electronics products. The M&M products cements Poly's standing as a major player in the licensed CE industry.



MOVE AHEAD 4 SPACES

JULY 99

Woody and Gary meet with fashion industry guru Oleg Cassini. Oleg attends the meeting in leather pants and talks about his relationship with Jackie O. Gary then talks about his relationship with Deion Sanders.

Briefly Stated lands Sponge Bob Squarepants license for sleepwear and boxer shorts.

MOVE AHEAD 2 SPACES

Building Q NYC opens on Broadway with fashion industry vet Terry Hess.

AUGUST 01



ODM sign on for T-Shirts

MOVE AHEAD 2 SPACES

FEBRUARY 02

Frankford Candy wins Mattel's Rookie of the Year Award for Barbie confections.

Briefly Stated nominated as Soft Goods Licensee of the Year for their Sponge Bob Squarepants execution.

Building Q celebrates 10th anniversary with outing to the US Open Golf Tournament.



Happy Dog Toys ships Sponge Bob Aquarium. Retailers can't keep product on shelves.

MINI COOPER ARRIVES WOODY MISSING

MOVE AHEAD 2 SPACES

Aloha Worldwide Commonwealth Toy Company and Fibrecraft join the Building Q team.

JANUARY 03

MOVE AHEAD FOR THE REST OF YOUR LIFE





News & Previews

For more information on Building Q or our clients contact us at:

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CLIENT	DISTRIBUTION	CORE PRODUCT LINE	CURRENT LICENSES INCLUDE (LISTED ALPHABETICALLY)
APPAREL & ACCESSORIES			
AD SUTTON & SONS	Mass, Mid-Tier, Specialty	Backpacks, Travel Bags, Lunch Bags, Fannie Packs, Cooler Bags	Care Bears, Clifford, Coca-Cola, DragonBall Z, Hello Kitty, Little Bear, NASCAR, Strawberry Shortcake
BIO-DOMES	Specialty, Mass, Mid-Tier	Hats and Headwear	Brittany Spears, Budweiser, Bruce Lee, Chevrolet, Corona, The Doors, Fear Factor, Metallica, Rolling Stones, The Simpsons, The Soprano's
BRIEFLY STATED	Mass, Midtier, Specialty	Boys and Girls Sleepwear & Underwear (packaged & hanging); Boys and Men's Boxer Shorts (packaged & hanging); Boys and Men's Loungewear; Juniors Sleepwear, Daywear & Underwear (packaged & hanging)	And 1, Batman, Brittany Spears, Buzz Lightyear, Cat in the Hat Movie, DragonBall Z, Fairly Odd Parents, Hamtaro, Harry Potter, Hulk, Invader Zim, Justice League, Looney Tunes, The Osbourne Family, Popsicle, Power Rangers, Playboy, Scooby Doo, South Park, Superman, Spongebob Squarepants, Spiderman, Tonka, X-Men
ODM	Mass, Mid-Tier, Specialty, Dept. Store	Men's, Ladies, Juniors and Kids T-Shirts and Fleece	Alf, Blue Gender, Bob Ross Art, Budweiser, Cadillac, Chevrolet, Corona, Cowboy Bebop, DragonBall Z, Fear Factor, Gundam, Guinness, Initial D, Man Show, Pontiac, Samurai X, Yu-Yu Hakishu, Zoom Speed
PACESETTER	Mass, Mid-Tier, Specialty, Dept. Store	Bibs, Diaper Bags, Gift Sets	Baby Snoopy, Blue Jean Teddy, Boyd's Bears, Flavia, Hello Kitty, Kolcraft, Little Tikes, Noah's Park, Sonia Manzano
SUNWISE SWIMWEAR	Drug, Grocery, Mass, Mid-Tier	UV Protective Swimwear	Coppertone*
COLLECTIBLES			
COMIC IMAGES	Mass, Drug, Convenience Stores, Hobby	Trading Cards, Trading Card Collectible Games, Mini Bobble Head Clip Ons	Cat in the Hat Movie*, Dragonball Z, Marvel Universe, Terminator III, World Wrestling Entertainment
HOUSEWARES			
ALOHA WORLDWIDE	Mass, Mid-Tier, Home Stores, Commercial/Industrial	Portable Heaters, Air Conditioners, Fans, Lighting & Lighting Systems	"Hot" Brand Program To Be Announced Soon
FOOD			
FRANKFORD CANDY COMPANY	Mass, Drug, Grocery, Specialty, C-Stores	Seasonal & Everyday Chocolate, Seasonal & Everyday Non-Chocolate Confections, Jelly Pops & Novelities, Retentative Value Food Filled Containers, Novelty Lollipops, Dispensers	Barbie, Beatrix Potter, Blue's Clues, Bob the Builder, Care Bears*, Dora the Explorer, Hello Kitty, Hot Wheels, Jimmy Neutron, Peter Pan Peanut Butter, Powerpuff Girls, Rocket Power, Rugrats, Scooby Doo, Spongebob Squarepants, The Simpsons"
HEALTH AND BEAUTY AIDS			
KOSMAKARE	Mass, Drug, Grocery	Adhesive Bandages	Bob the Builder, Jay-Jay the Jetplane, Rescue Heroes, Strawberry Shortcake
SHOWER FLOWER, INC.	Mass, Drug	Patented Bath Sponge with Suction Cup Base	Blue's Clues, Dora the Explorer, Jimmy Neutron, Spongebob Squarepants
PET PRODUCTS			
HAPPY DOG TOYS, INC.	Mass, Specialty, Pet Stores	Dog and Cat Toys & Accessories, Aquariums & Aquarium Accessories	Spongebob Squarepants
PUBLISHING			
MODERN PUBLISHING	Mass, Grocery, Drug	Coloring, Activity, and Sticker Books, 6x6 Story Books, Paint with Water, Workbooks, Board Books	Barbie, Care Bears, Caillou, Clifford, Hasbro Games, Jay Jay the Jetplane, Kelloggs, Hot Wheels, Little People, Noah's Park, Rescue Heroes, Teletubbies, The Wiggles
TOYS AND GAMES			
BASIC FUN	Mass, Toy, Specialty, Drug, Grocery, Craft"	Functional Keychains, Windup Toys, Impulse Toys, Clip Crafts, Tiny Totes	Barbie, Blues Clues, Bubble Tape, Cabbage Patch Kids, Dora the Explorer, Dubble Bubble, Duncan, Dymo, Fairly Odd Parents, Finding Nemo, He-Man, Hot Wheels, Kirby, Lava Lamp, Lord of the Rings, Mad Libs, Magnetic Poetry, Mr. Potato Head, Muppets, Pez, Rat Fink, Rugrats, Rocket Power, The Simpsons, Slinky Dog, Super Soaker, Teenage Mutant Ninja Turtles, Thomas the Tank Engine, Tootsie Pop, Vortex, Wild Thornberrys
CADACO GAMES	Mass, Toy, Specialty	Board Games, Puzzles, Activity Sets, Chalk and Outdoors, Magic	Care Bears, Lance Burton, Marshall Brodien
COMMONWEALTH TOY	Mass, Specialty, Toy, Drug	Plush Toys, Plush Room Décor	American Greetings, Animal Planet, Discovery Kids, Cherished Teddies, Hallmark, Head First, Lots-a-Lots-a-Leggs, M&Ms, Mary Englebreit Studios, Rubba Ducks
FIBRECRAFT	Mass, Specialty, Toy, Drug, Craft	Craft & Activities	Look for announcements at Toy Fair 2003
FUSION TOYS	Mass, Toy, Specialty, Drug	Tethered Flying Toys & Outdoor Inflatables	Disney Standard Characters, Disney Princesses, Finding Nemo, Jay-Jay the Jetplane, Justice League*, Pooh, Peter Pan, Toy Story
JARU TOYS, INC.	Grocery, Mass, Toy, Drug	Impulse Toys	Jackie Chan Adventures

* - Contract Pending