
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 27, 2010

Crown Crafts, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-7604

(Commission File Number)

58-0678148

(IRS Employer Identification No.)

916 South Burnside Avenue, Gonzales, LA

(Address of principal executive offices)

70737

(Zip Code)

Registrant's telephone number, including area code: **(225) 647-9100**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01. Entry into a Material Definitive Agreement.

(a) Purchase Agreement

On May 27, 2010 (the “Closing Date”), Hamco, Inc. (“Hamco”), a wholly-owned subsidiary of Crown Crafts, Inc. (the “Company”), entered into a Purchase Agreement for Bibsters Intellectual Property (the “Purchase Agreement”) with The Procter & Gamble Company (“P&G”), pursuant to which Hamco purchased the Bibsters product, including related intellectual property, from P&G. On the Closing Date, Hamco paid P&G \$1.8 million. In connection with closing, Hamco also acquired the inventory associated with the Bibsters product line from the previous licensee of Bibsters.

The description contained herein of the Purchase Agreement is qualified in its entirety by reference to the terms of such document, which is attached hereto as an exhibit and incorporated herein by this reference.

(b) Financing Agreement

On the Closing Date, the Company and its wholly-owned subsidiaries, Crown Crafts Infant Products, Inc., Churchill Weavers, Inc. and Hamco (together with the Company, the “Borrowers”), entered into a Seventh Amendment to Financing Agreement (the “Seventh Amendment”) with The CIT Group/Commercial Services, Inc. (“CIT”) to amend that certain Financing Agreement between the Borrowers and CIT dated July 11, 2006 (the “Financing Agreement”) to permit the consummation of the transactions contemplated by the Purchase Agreement.

The description contained herein of the Seventh Amendment is qualified in its entirety by reference to the terms of such document, which is attached hereto as an exhibit and incorporated herein by this reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth in part (b) of Item 1.01 is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 2.1 Purchase Agreement for Bibsters Intellectual Property dated as of May 27, 2010 by and between Hamco, Inc. and The Procter & Gamble Company.
 - 10.1 Seventh Amendment to Financing Agreement dated as of May 27, 2010 by and among Crown Crafts, Inc., Churchill Weavers, Inc., Hamco, Inc., Crown Crafts Infant Products, Inc. and The CIT Group/Commercial Services, Inc.
 - 99.1 Press Release dated May 27, 2010.
-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CROWN CRAFTS, INC.

By: /s/ Olivia W. Elliott
Olivia W. Elliott,
Vice President and Chief Financial Officer

Dated: May 27, 2010

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
2.1	Purchase Agreement for Bibsters Intellectual Property dated as of May 27, 2010 by and between Hamco, Inc. and The Procter & Gamble Company.
10.1	Seventh Amendment to Financing Agreement dated as of May 27, 2010 by and among Crown Crafts, Inc., Churchill Weavers, Inc., Hamco, Inc., Crown Crafts Infant Products, Inc. and The CIT Group/Commercial Services, Inc.
99.1	Press Release dated May 27, 2010.

FINAL EXECUTION COPY

PURCHASE AGREEMENT FOR BIBSTERS INTELLECTUAL PROPERTY

This Purchase Agreement for Bibsters Intellectual Property, including its Attachments (altogether, the "Agreement"), is by and between The Procter & Gamble Company, a corporation of the state of Ohio, with offices located at One Procter & Gamble Plaza, Cincinnati, Ohio 45202, United States (hereinafter referred to along with its Affiliates (as hereinafter defined) as "P&G"), and Hamco, Inc., a corporation of the state of Louisiana, with offices located at 916 S. Burnside Avenue, Gonzales, Louisiana 70737, United States (hereinafter referred to along with its Affiliates as "Hamco"), each individually referred to herein as "Party" and collectively referred to herein as "Parties".

WHEREAS, P&G is the owner of certain patents specific to disposable bibs as set forth in Attachment 2 (the "Bibsters Patents") and certain BIBSTERS trademarks set forth in Attachment 4 (the "Bibsters Trademarks") (altogether, the "Bibsters Intellectual Property");

WHEREAS, Hamco wishes to purchase the Bibsters Intellectual Property from P&G; and

WHEREAS, P&G wishes to sell the Bibsters Intellectual Property to Hamco;

NOW, THEREFORE, in light of the recitals provided above, and in consideration of the mutual promises contained herein, the Parties hereby agree to be bound as follows:

1. **Limitations.** The Parties agree that this Agreement is limited to P&G's sale of the Bibsters Intellectual Property to Hamco. Each Party agrees that this Agreement does not carry with it any express or implied license to any other intellectual property rights of either Party.
 2. **Representations by P&G.** P&G represents to Hamco that, as of the Effective Date (as hereinafter defined):
 - a. P&G has full power and authority to enter into and perform this Agreement;
 - b. The Bibsters Patents are all of the active United States and foreign patents and patent applications owned by P&G that claim disposable bibs;
 - c. All of the original inventors of the Bibsters Patents have assigned to P&G all of their right, title and interest in and to the Bibsters Patents;
 - d. The Bibsters Trademarks are all of the active United States and foreign trademark applications and registrations owned by P&G that relate to disposable bibs;
 - e. P&G is the sole owner of all right, title and interest in and to all of the Bibsters Intellectual Property;
 - f. P&G has good and marketable title to all of the Bibsters Intellectual Property, free and clear of any encumbrances;
 - g. P&G will have paid all annuity and maintenance fees for the Bibsters Intellectual Property that were due, are due, or will be due through September 30, 2010;
-

- h. To the knowledge of P&G, none of the Bibsters Patents are currently being re-examined;
 - i. None of the Bibsters Intellectual Property will be subject to any license, royalty, or other obligation to any third party, and P&G has rightfully terminated (or allowed to expire by its terms) any license with The oneCARE Company relating to any Bibsters Intellectual Property;
 - j. None of the Bibsters Intellectual Property is currently the subject of any pending or, to the knowledge of P&G, threatened litigation; and
 - k. P&G has no current plans to file any additional patent applications that would claim disposable bibs.
3. **Representation by Hamco.** Hamco represents to P&G that, as of the Effective Date, it has full power and authority to enter into and perform this Agreement.
4. **Covenants by P&G.** P&G agrees:
- a. To execute the General Patent Assignment in Attachment 1 and the General Trademark Assignment in Attachment 3 on or before the Effective Date;
 - b. To hold in confidence, with at least reasonable care, the existence of this Agreement, the terms and conditions of this Agreement, and the proprietary information shared by Hamco in relation to this Agreement, unless P&G receives prior written approval for disclosure from an authorized representative of Hamco;
 - c. To deliver to Hamco's designated representative(s), within the 45 days following the Effective Date, originals or copies of all documentation related to the filing, prosecuting, and granting of the Bibsters Intellectual Property that is in P&G's possession or control;
 - d. To deliver to Hamco's designated representative(s), within the one-month period following the Effective Date, originals or copies of all business and technical documentation related to P&G's current Bibsters products that is in P&G's possession or control; and
 - e. Upon request, to cooperate with Hamco after the Effective Date to execute other documents and/or take other actions reasonably necessary or desirable for Hamco to establish Hamco's ownership of the Bibsters Intellectual Property.
5. **Covenants by Hamco.** Hamco agrees:
- a. To fully pay the Bibsters Intellectual Property Purchase Price (as hereinafter defined) on the Effective Date;
 - b. To execute the General Patent Assignment in Attachment 1 and the General Trademark Assignment in Attachment 3 on or before the Effective Date;

- c. At Hamco's expense, to promptly comply with all applicable laws and regulations to record the General Patent Assignment and General Trademark Assignment in all geographies;
- d. To timely pay all applicable taxes related to Hamco's purchase of the Bibsters Intellectual Property;
- e. To be solely responsible for all annuity and maintenance fees for the Bibsters Intellectual Property that will be due on or after September 30, 2010;
- f. To be solely responsible for all costs for any and all of Hamco's activities associated with the Bibsters Intellectual Property from and after the Effective Date;
- g. To comply in all material respects with all applicable laws and regulations in marking any product with any patent or trademark number of any of the Bibsters Intellectual Property;
- h. To hold in confidence, with at least reasonable care, the existence of this Agreement, the terms and conditions of this Agreement, and the proprietary information shared by P&G in relation to this Agreement, unless Hamco receives prior written approval for disclosure from an authorized representative of P&G or unless otherwise required by law or regulation. Notwithstanding the foregoing, the Parties acknowledge and agree that Hamco will be required to, and will, issue a press release promptly following the execution of this Agreement that discloses that the Parties have entered into this Agreement; and
- i. To reasonably determine the allocation of the Bibsters Intellectual Property Purchase Price between the two categories Bibsters Patents and Bibsters Trademarks, and to communicate that allocation to P&G in writing, within the three-month period following the Effective Date.

6. **Disclaimers.**

- a. **Freedom to Practice.** P&G does not warrant Hamco's freedom to practice the inventions claimed in the Bibsters Patents or trademarks listed in the Bibsters Trademarks. In the event that any Bibsters Trademark or any Hamco Bibsters product is subject to the intellectual property rights of a third party, there will be no refund to Hamco of any portion of the Bibsters Intellectual Property Purchase Price.
- b. **Implied Warranties.** P&G is not providing any implied warranties in this Agreement.
- c. **Practicing the Inventions.** P&G is not responsible or liable for any injury, loss, damage, or other liability incurred by Hamco in practicing any of the inventions claimed in the Bibsters Patents or using any of the Bibsters Trademarks.
- d. **Validity of the Intellectual Property.** P&G does not warrant the validity or enforceability of any of the Bibsters Intellectual Property. In the event that a

government agency or authority declares any of the Bibsters Intellectual Property to be invalid or unenforceable, there will be no refund to Hamco of any portion of the Bibsters Intellectual Property Purchase Price.

7. **Effective Date.** The “Effective Date” shall be last date of signing of this Agreement.
8. **Purchase and Sale of Bibsters Intellectual Property.** Subject to the terms and conditions set forth herein, on the Effective Date, P&G shall sell the Bibsters Intellectual Property and Hamco shall purchase the Bibsters Intellectual Property by the Parties’ full execution of the General Patent Assignment in Attachment 1 and General Trademark Assignment in Attachment 3, and by Hamco’s full payment of the Bibsters Intellectual Property Purchase Price, as described herein.
9. **Purchase Price for Bibsters Intellectual Property.** The “Bibsters Intellectual Property Purchase Price” shall be \$1,800,000.
10. **Payment of Purchase Price.** Hamco shall pay the Bibsters Intellectual Property Purchase Price in United States dollars, by wire transfer to P&G’s account as designated below:

Citibank, New York
US Dollar Account #0000-1986
ABA #021000089.
Swift Code CITIUS33

With a fax confirmation sent to:

The Procter & Gamble Company
ATTN: Contract Administration
P.O. Box 330176
West Hartford, CT 06133-0176
Ph: (860) 236-8002
Fax: (860) 570-2444
Email: bcallis@pg-compl.com

11. **No Further Rights.** Subsequent to the Effective Date, P&G shall have no further right, title or interest in any of the Bibsters Intellectual Property and P&G shall not have any license from Hamco to practice any of the inventions claimed in any of the Bibsters Patents or use of any of the Bibsters Trademarks.
12. **Miscellaneous.**
 - a. **Affiliates.** As used herein, the term “Affiliates” refers to any corporation, association, or other entity that directly or indirectly owns, is owned by, or is under common ownership with The Procter & Gamble Company or Hamco, Inc., respectively, either currently or during the term of this Agreement. As used in this definition, the terms “owns,” “owned,” or “ownership” mean the direct or indirect possession of more than fifty percent (50%) of the voting securities, income interest or a comparable equity in such business entity.

- b. **Notices.** All notices, authorizations, etc., relevant to this Agreement will be in writing and personally served or sent by first class mail, postage pre-paid, to the respective Party at the following addresses:

P&G: Michael K. Lynch
The Procter & Gamble Company
GO — Tower Building — East
Two Procter & Gamble Plaza
Cincinnati, OH 45202-0000
United States

CC: The Procter & Gamble Company
Central Contracts
Global Intellectual Property Division
299 E. Sixth St., Floor 9
Cincinnati, OH 45202
United States

Hamco: E. Randall Chestnut
Hamco, Inc.
916 S. Burnside Avenue
Gonzales, LA 70737
United States

CC: Steven E. Fox, Esq.
Rogers & Hardin LLP
2700 International Tower
229 Peachtree Street, NE
Atlanta, GA 30303
United States

- c. **Severability.** If any term or provision of this Agreement is held invalid or unenforceable, the remaining terms hereof will not be affected but will be valid and enforced.
- d. **Force Majeure.** No Party will be liable for a delay in performance or failure to perform its obligations under this Agreement if such delay or failure is due to acts of God or any other event beyond the control of the Parties, including, without limitations, fire, explosion, weather, disease, war, insurrection, civil strife, riots, government action or power failure, provided, however, that the Party who is unable to perform resumes performance as soon as possible following the end of the event causing delay or failure.
- e. **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with respect to the sale of the Bibsters Intellectual Property and supersedes all prior agreements, understandings and arrangements whether oral or written between the Parties relating to the subject matter hereof, except as expressly set forth herein.
- f. **No Third Party Beneficiaries.** This Agreement is for the exclusive benefit of the Parties and is not intended to confer upon any other person any rights or remedies hereunder.

- g. **No Oral Modification.** Nothing in this Agreement may be changed or modified, nor may anything be added to this Agreement, except as may be specifically agreed to in a subsequent writing executed with the same formalities as this Agreement.
- h. **Governing Law.** This Agreement will be governed and construed in accordance with the laws of the State of Ohio, United States of America.
- i. **Headings.** The headings or titles of sections or paragraphs appearing in this Agreement are provided for convenience and are not to be used in construing this Agreement.

IN WITNESS WHEREOF, The Parties by their duly authorized representatives, hereby execute this Purchase Agreement for Bibsters Intellectual Property in duplicate; with each Party receiving one (1) of the executed originals hereof.

For P&G:

By: /s/ Jeffrey D. Weedman State of)
Name: Jeffrey D. Weedman County of) SS
Title: Vice President,
Global Business Development)

On this 26th day of May, 2010, before me personally appeared Jeffrey D. Weedman, to me known to be the person named in and who executed the above instrument, and acknowledged to me that he executed the same for the uses and purposes therein set forth.

By: /s/ Susan S. Felder
Name: Susan S. Felder
Notary Public, State of Ohio
My Commission Expires 09-26-10

For Hamco:

By: /s/ Olivia Elliott State of Louisiana)
Name: Olivia Elliott County of Ascension) SS
Title: Vice President & CFO)

On this 27th day of May, 2010, before me personally appeared Olivia Elliott, to me known to be the person named in and who executed the above instrument, and acknowledged to me that she executed the same for the uses and purposes therein set forth.

By: /s/ Neal R. Elliott, Jr.
Name: Neal R. Elliott, Jr.
Bar Roll #24084
Notary Public, State of Louisiana
My Commission is for Life

ATTACHMENT 1
GENERAL PATENT ASSIGNMENT
FOR PURCHASE AGREEMENT FOR BIBSTERS PATENTS

WHEREAS, The Procter & Gamble Company, a corporation of the State of Ohio, having its principal place of business at One Procter & Gamble Plaza, Cincinnati, OH, USA (hereinafter, together with its Affiliates (as defined in the Purchase Agreement for Bibsters Intellectual Property between ASSIGNOR and ASSIGNEE), referred to as "ASSIGNOR"), owns, by assignment, all right, title, and interest in and to the Patents and Patent Applications contained in ATTACHMENT 2, which is attached and hereby incorporated into and forms a part of this Assignment, and any inventions claimed therein; and Hamco, Inc., a corporation of the state of Louisiana having offices at 916 S. Burnside Avenue, Gonzales, LA 70737, United States (hereinafter, together with its Affiliates, referred to as "ASSIGNEE"), desires to own ASSIGNOR's entire right, title, and interest in and to the Patents and Patent Applications contained in ATTACHMENT 2 and to the inventions claimed therein.

NOW THEREFORE, be it known that, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, ASSIGNOR hereby sells, assigns, transfers, and sets over to ASSIGNEE, its lawful successors and assigns, ASSIGNOR's entire right, title, and interest in and to the Patents and Patent Applications contained in ATTACHMENT 2, and the inventions claimed therein. ASSIGNOR hereby authorizes and requests the Commissioner of Patents and Trademarks of the United States, and any official of any foreign country whose duty it is to issue patents on applications as described above, to issue all Letters Patent for such inventions to ASSIGNEE, its successors and assigns, in accordance with the terms of this Assignment;

This Assignment is effective as of the date of execution shown below.

ASSIGNOR, The Procter & Gamble Co.

By: /s/ Jeffrey D. Weedman State of)
Name: Jeffrey D. Weedman County of) SS
Title: Vice President,
Global Business Development

On this 26th day of May, 2010, before me personally appeared Jeffrey D. Weedman, to me known to be the person named in and who executed the above instrument, and acknowledged to me that he executed the same for the uses and purposes therein set forth.

By: /s/ Susan S. Felder
Name: Susan S. Felder
Notary Public, State of Ohio
My Commission Expires 09-26-10

ASSIGNEE, Hamco, Inc.

By: /s/ Olivia Elliott State of Louisiana)
Name: Olivia Elliott County of Ascension) SS
Title: Vice President & CFO

On this 27th day of May, 2010, before me personally appeared Olivia Elliott, to me known to be the person named in and who executed the above instrument, and acknowledged to me that she executed the same for the uses and purposes therein set forth.

By: /s/ Neal R. Elliott, Jr.
Name: Neal R. Elliott, Jr.
Bar Roll #24084
Notary Public, State of Louisiana
My Commission is for Life

ATTACHMENT 2
LIST OF BIBSTERS PATENTS

P&G Case	Co.	Status	Appln. #	Appln. Dt.	Patent #	Grant Dt.
—05789CL	US	Granted	08/877734	06/17/1997	6058506	05/09/2000
—05790L	MX	Granted	981096	07/30/1996	227813	05/16/2005
—05790CL	US	Granted	08/902864	07/30/1997	5822792	10/20/1998
—05791L	DE	Granted	96926188.2	07/30/1996	69631590.4	02/18/2004
—05791L	FR	Granted	96926188.2	07/30/1996	0843521	02/18/2004
—05791L	GB	Granted	96926188.2	07/30/1996	0843521	02/18/2004
—05791L	US	Granted	08/667155	06/20/1996	5715542	02/10/1998
—06306CL	US	Granted	08/963228	11/03/1997	5819314	10/13/1998
—06471L	US	Granted	08/948572	10/10/1997	6363530	04/02/2002
—06503L	US	Granted	08/792332	01/31/1997	5887278	03/30/1999
—06742L	US	Granted	08/884374	06/27/1997	5918311	07/06/1999
—06927L	DE	Granted	98959458.5	11/16/1998	69816869.0	07/30/2003
—06927L	FR	Granted	98959458.5	11/16/1998	1052913	07/30/2003
—06927L	GB	Granted	98959458.5	11/16/1998	1052913	07/30/2003
—06927L	MX	Granted	004728	11/16/1998	216809	10/08/2003
—06927L	US	Granted	08/969868	11/14/1997	6128780	10/10/2000
—07050L	US	Granted	09/036562	03/09/1998	6061827	05/16/2000
—07092L	US	Granted	09/060133	04/14/1998	6125471	10/03/2000
—07093L	US	Granted	09/059884	04/14/1998	6266820	07/31/2001
—08678RL	DE	Granted	02761378.5	08/14/2002	60218862.8	03/14/2007
—08678RL	FR	Granted	02761378.5	08/14/2002	1416816	03/14/2007
—08678RL	GB	Granted	02761378.5	08/14/2002	1416816	03/14/2007
—08678RL	JP	Granted	2003/520315	08/14/2002	4118806	05/02/2008
—08678L	US	Granted	09/932348	08/17/2001	6381751	05/07/2002
—08678RL	US	Granted	10/085286	02/28/2002	6499140	12/31/2002
D-00698L	US	Granted	29/127449	08/04/2000	D442352	05/22/2001

ATTACHMENT 3
GENERAL TRADEMARK ASSIGNMENT
FOR PURCHASE AGREEMENT FOR BIBSTERS TRADEMARKS

WHEREAS, The Procter & Gamble Company, a corporation of the State of Ohio, having its principal place of business at One Procter & Gamble Plaza, Cincinnati, OH, USA (hereinafter, together with its Affiliates (as defined in the Purchase Agreement for Bibsters Intellectual Property between ASSIGNOR and ASSIGNEE), referred to as "ASSIGNOR"), owns, by assignment, all right, title, and interest in and to the Trademark Applications and Registrations contained in ATTACHMENT 4, which is attached and hereby incorporated into and forms a part of this Assignment; and Hamco, Inc., a corporation of the state of Louisiana having offices at 916 S. Burnside Avenue, Gonzales, LA 70737, United States (hereinafter, together with its Affiliates, referred to as "ASSIGNEE"), desires to own ASSIGNOR's entire right, title, and interest, and the goodwill associated therewith, in and to the Trademark Applications and Registrations contained in ATTACHMENT 4.

NOW THEREFORE, be it known that, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, ASSIGNOR hereby sells, assigns, transfers, and sets over to ASSIGNEE, its lawful successors and assigns, ASSIGNOR's entire right, title, and interest, and the goodwill associated therewith, in and to the Trademark Applications and Registrations contained in ATTACHMENT 4. ASSIGNOR hereby authorizes and requests the Commissioner of Patents and Trademarks of the United States, and any official of any foreign country whose duty it is to issue trademarks as described above, to issue all trademark registrations to ASSIGNEE, its successors and assigns, in accordance with the terms of this Assignment;

This Assignment is effective as of the date of execution shown below.

ASSIGNOR, The Procter & Gamble Co.

By: /s/ Jeffrey D. Weedman State of)
Name: Jeffrey D. Weedman County of) SS
Title: Vice President,
Global Business Development)

On this 26th day of May, 2010, before me personally appeared Jeffrey D. Weedman, to me known to be the person named in and who executed the above instrument, and acknowledged to me that he executed the same for the uses and purposes therein set forth.

By: /s/ Susan S. Felder
Name: Susan S. Felder
Notary Public, State of Ohio
My Commission Expires 09-26-10

ASSIGNEE, Hamco, Inc.

By: /s/ Olivia Elliott State of Louisiana)
Name: Olivia Elliott County of Ascension) SS
Title: Vice President & CFO)

On this 27th day of May, 2010, before me personally appeared Olivia Elliott, to me known to be the person named in and who executed the above instrument, and acknowledged to me that she executed the same for the uses and purposes therein set forth.

By: /s/ Neal R. Elliott, Jr.
Name: Neal R. Elliott, Jr.
Bar Roll #24084
Notary Public, State of Louisiana
My Commission is for Life

ATTACHMENT 4
LIST OF BIBSTERS TRADEMARKS

Trademark	Country	Application No	Application Date	Registration No	Registration Date	Status
BIBSTERS	Australia	700052	3-Jan-96	700052	3-Jan-96	Registered
BIBSTERS	Canada	812050	7-May-96	TMA553,079	29-Oct-01	Registered
BIBSTERS	European Union	259002	20-May-96	259002	7-Jan-99	Registered
BIBSTERS	Japan	107798/95	18-Oct-95	4057804	19-Sep-97	Registered
BIBSTERS	Mexico	494302	5-Jul-01	721952	31-Oct-01	Registered
BIBSTERS	New Zealand	257561	8-Jan-96	257561	8-Jan-96	Registered
BIBSTERS	Nigeria	TP95563	15-Nov-04			Pending
BIBSTERS	Nigeria	TP95562	29-Nov-04			Pending
BIBSTERS	Norway	960108	8-Jan-96	179941	13-Feb-97	Registered
BIBSTERS	Saudi Arabia	93186	21-Nov-04	799/78	31-Aug-05	Registered
BIBSTERS	Saudi Arabia	93187	21-Nov-04	799/79	31-Aug-05	Registered
BIBSTERS	Switzerland	03450/1996	14-May-96	436594	14-May-96	Registered
BIBSTERS	Turkey	96/11711	8-Aug-96	175510	8-Aug-96	Registered
BIBSTERS	United Arab Emirates	65009	21-Nov-04	52700	8-May-05	Registered
BIBSTERS	United Arab Emirates	65010	21-Nov-04	52691	8-May-05	Registered
BIBSTERS	United States of America	74673256	12-May-95	2024621	17-Dec-96	Registered
BIBSTERS DE PAMPERS	Chile	632884	2-Jan-04	698914	26-Jul-04	Registered
POCKET BIBSTERS	Canada	1139842	10-May-02	TMA652,764	15-Nov-05	Registered
POCKET BIBSTERS	United States of America	78/129880	20-May-02	2,783,261	11-Nov-03	Registered

**SEVENTH AMENDMENT TO
FINANCING AGREEMENT**

THIS SEVENTH AMENDMENT TO FINANCING AGREEMENT (this “Amendment”), dated as of this 27th day of May, 2010, is made by and among:

CROWN CRAFTS, INC., a Delaware corporation (“CCI”);

CHURCHILL WEAVERS, INC., a Kentucky corporation (“Weavers”);

HAMCO, INC., a Louisiana corporation (“Hamco”);

CROWN CRAFTS INFANT PRODUCTS, INC., a Delaware corporation (“CCIP”; together with CCI, Weavers and Hamco, the “Companies” and each a “Company”); and

THE CIT GROUP/COMMERCIAL SERVICES, INC., a New York corporation (“CIT”),

to the Financing Agreement, dated July 11, 2006 (as amended, modified, restated or supplemented from time to time, the “Financing Agreement”), among CIT and the Companies. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Financing Agreement.

RECITALS

A. Pursuant to the Financing Agreement, CIT has agreed to make loans and extend credit to the Companies in the amounts, upon the terms and subject to the conditions contained therein.

B. The Companies have requested CIT’s consent to (i) the acquisition by Hamco of certain intellectual property from The Procter & Gamble Company (“P&G”) related to the manufacture and sale of “Bibsters” brand disposable bibs and of certain assets, rights and properties of The Evercare Company (“Evercare”) related to its manufacture and sale of “Bibsters” brand disposable bibs under license from P&G and (ii) the execution of a Trademark License Agreement between CCI and P&G for the license of certain trademarks currently used in the packaging of “Bibsters” brand disposable bibs.

C. CIT has agreed to such request, subject to the terms and conditions contained in this Amendment, and to accomplish the foregoing, CIT and the Companies have agreed to enter into this Amendment.

STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Companies and CIT hereby agree as follows:

ARTICLE I

CONSENT

Subject to the terms and conditions contained in this Amendment, CIT consents to (a) the acquisition by Hamco from P&G of certain patents specific to disposable bibs and certain “Bibsters” trademarks, all in accordance with the terms and conditions of that certain Purchase Agreement For Bibsters Intellectual Property, dated on or about the date of this Amendment, between Hamco and P&G, (b) the acquisition by Hamco from Evercare of certain of Evercare’s assets, rights and properties related to its business of designing, marketing, selling and distributing non-woven disposable bibs, all in accordance with the terms and conditions of that certain Asset Purchase Agreement, dated on or about the date of this Amendment, between Hamco and Evercare and (c) CCI’s execution of a Trademark License Agreement, dated on or about the date of this Amendment, between CCI and P&G for the license of certain trademarks currently used in the packaging of “Bibsters” brand disposable bibs (the “P&G License Agreement”).

ARTICLE II

AMENDMENTS TO FINANCING AGREEMENT

The Financing Agreement is hereby amended as follows:

2.1 Section 1.1 of the Financing Agreement is amended by adding the following new defined terms in their proper alphabetical sequence:

“**Bibsters Acquisitions** shall mean the Bibsters Inventory Acquisition and the Bibsters IP Acquisition.

Bibsters Inventory Acquisition shall mean the purchase by Hamco from Evercare of certain of Evercare’s assets, rights and properties related to its business of designing, marketing, selling and distributing non-woven disposable bibs, all as more fully described in the Bibsters Inventory Purchase Agreement.

Bibsters Inventory Purchase Agreement shall mean that certain Asset Purchase Agreement, dated on or about the date of the Seventh Amendment to this Agreement, between Hamco, as purchaser, and Evercare, as seller, and all exhibits and schedules thereto.

Bibsters IP Acquisition shall mean the purchase by Hamco from P&G of certain patents specific to disposable bibs and certain “Bibsters” trademarks, all as more fully described in the Bibsters IP Purchase Agreement.

Bibsters IP Purchase Agreement shall mean that certain Purchase Agreement For Bibsters Intellectual Property, dated on or about the date of the Seventh Amendment to this Agreement, between Hamco, as purchaser, and P&G, as seller, and all exhibits and schedules thereto.

Bibsters Purchase Agreements shall mean the Bibsters Inventory Purchase Agreement and the Bibsters IP Purchase Agreement.

Evercare shall mean The Evercare Company, a Delaware corporation.

P&G shall mean The Procter & Gamble Company, an Ohio corporation.

Seventh Amendment Effective Date shall mean the date on which the Seventh Amendment to this Financing Agreement is executed and delivered by the Companies and the conditions precedent to the effectiveness of such amendment are satisfied or waived by CIT.”

2.2 New Sections 7.2(p) and 7.2(q) are added in proper sequence as follows:

“(p) **Bibsters Acquisitions**. Each of the Bibsters Purchase Agreements is in full force and effect as of the Seventh Amendment Effective Date and has not been amended or waived by any party thereto in any material respect. All representations and warranties of the parties to each of the Bibsters Purchase Agreements are, to the best of Hamco’s knowledge, true and correct in all material respects as of the Seventh Amendment Effective Date with the same effect as though made on such date. All requisite approvals by governmental authorities and regulatory bodies having jurisdiction over Hamco in connection with each of the Bibsters Acquisitions contemplated by the Bibsters Purchase Agreements have been duly obtained and no such approvals impose any conditions to the consummation of the transactions contemplated by each of the Bibsters Purchase Agreements or to the conduct of the business of Hamco in the same manner as heretofore conducted. Hamco has not been notified that legal proceedings adverse to the transaction contemplated by either of the Bibsters Purchase Agreements are contemplated by any person, including any governmental body or agency.

(q) **Movement of Bibsters Inventory**. Within thirty (30) days after the Seventh Amendment Effective Date, Hamco shall move all Inventory purchased from Evercare (other than Inventory previously sold in the ordinary course of business) to a location owned by a Company or a location of a Company for which an existing landlord or warehouseman waiver in favor of CIT is in effect.”

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Companies hereby represent and warrant to CIT that:

3.1 Compliance With the Financing Agreement. As of the execution of this Amendment, each Company is in compliance with all of the terms and provisions set forth in the Financing Agreement and the other Loan Documents to be observed or performed by such Company.

3.2 Representations in Financing Agreement. The representations and warranties of each Company set forth in the Financing Agreement and the other Loan Documents are true and correct in all material respects except to the extent that such representations and warranties relate solely to or are specifically expressed as of a particular date or period which is past or expired as of the date hereof.

3.3 No Event of Default. No Default or Event of Default exists.

ARTICLE IV

CONDITIONS PRECEDENT

This Amendment shall become effective and be deemed effective as of the date hereof upon the satisfaction or waiver by the Lender of the following conditions precedent:

(a) Receipt by CIT of the following documents, each to be in form and content satisfactory to CIT and its counsel:

(i) this Amendment, duly executed by the Companies;

(ii) searches of the patent and trademark assignment records of the United States Patent and Trademark Office (the “USPTO”) with respect to the patents and trademarks to be purchased by Hamco from P&G that are registered with the USPTO, and tax lien, judgment lien and UCC searches on each of P&G and Evercare from all jurisdictions reasonably required by CIT, all such searches to verify that CIT will have a first priority security interest in the Collateral to be purchased from P&G and Evercare, subject only to Permitted Encumbrances and, in the case of Evercare, the security interest of Orix Financial Corp. that is to be released by Orix Financial Corp. on the assets of Evercare to be sold to Hamco pursuant to the Bibsters Inventory Acquisition on or prior to the Seventh Amendment Closing Date in a manner satisfactory to CIT;

(iii) resolutions of the Board of Directors of Hamco authorizing the execution, delivery and performance of each of the Bibsters Purchase Agreements, certified by the Secretary of Hamco as of the date thereof;

(iv) copies of each of the Bibsters Purchase Agreements, the other purchase documents related thereto and the P&G License Agreement, accompanied by the certificate of the chief financial officer of each of CCI and Hamco as to certain representations and warranties contained in the Bibsters Purchase Agreements and the P&G License Agreement and the consummation of each of the Bibsters Acquisitions;

(v) a collateral assignment of Hamco's rights and remedies under each of the Bibsters Purchase Agreements, duly executed by Hamco and acknowledged and agreed to by each of P&G and Evercare, as applicable; and

(vi) such other documents, instruments and agreements as CIT shall reasonably request in connection with the foregoing matters.

(b) All approvals, licenses, consents and filings necessary to permit each of the Bibsters Acquisitions and the other transactions contemplated by this Amendment shall have been obtained and made;

(c) There shall not have occurred any event, condition or state of facts which would reasonably be expected to have a Material Adverse Effect, as reasonably determined by CIT;

(d) No Default or Event of Default shall have occurred and be continuing;

(e) Simultaneously with the execution of the Amendment, (i) each of the Bibsters Acquisitions shall be consummated in accordance with the terms of the applicable Bibsters Acquisition Agreements and other purchase documents that will be satisfactory to CIT and its counsel and (ii) CCI shall execute the P&G License Agreement; and

(f) CIT shall have satisfactorily completed its due diligence on each of the Bibsters Acquisitions, the P&G License Agreement and the Collateral to be purchased in connection with the Bibsters Acquisitions.

ARTICLE V

GENERAL

5.1 Loan Documents. The Financing Agreement and the other Loan Documents are amended to provide that any reference therein to the Financing Agreement shall mean, unless otherwise specifically provided, the Financing Agreement as amended hereby, and as further amended, restated, supplemented or modified from time to time.

5.2 Full Force and Effect. As expressly amended hereby, the Financing Agreement and the other Loan Documents shall continue in full force and effect in accordance with the provisions thereof. As used in the Financing Agreement and the other Loan Documents, "hereinafter," "hereto," "hereof," or words of similar import, shall, unless the context otherwise requires, mean the Financing Agreement or the other Loan Documents, as the case may be, as amended by this Amendment.

5.3 Applicable Law. This Amendment shall be governed by and construed in accordance with the internal laws and judicial decisions of the State of New York.

5.4 Counterparts. This Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one and the same instrument.

5.5 Further Assurances. The Companies shall execute and deliver to CIT such documents, certificates and opinions as CIT may reasonably request to effect the amendments contemplated by this Amendment.

5.6 Headings. The headings of this Amendment are for the purpose of reference only and shall not effect the construction of this Amendment.

5.7 Expenses. The Companies shall reimburse CIT for CIT's legal fees and expenses (whether in-house or outside) incurred in connection with the preparation, negotiation, execution and delivery of this Amendment and all other agreements and documents contemplated hereby.

5.8 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH COMPANY AND CIT WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AMENDMENT, THE FINANCING AGREEMENT OR THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO.

[signatures appear on the following pages]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers to be effective on the day and year first above written.

CCI:

CROWN CRAFTS, INC.

By: /s/ Olivia Elliott
Olivia Elliott
CFO

WEAVERS:

CHURCHILL WEAVERS, INC.

By: /s/ Olivia Elliott
Olivia Elliott
CFO

HAMCO:

HAMCO, INC.

By: /s/ Olivia Elliott
Olivia Elliott
CFO

CCIP:

CROWN CRAFTS INFANT PRODUCTS, INC.

By: /s/ Olivia Elliott
Olivia Elliott
CFO

[signatures continue on the following page]

CIT:

THE CIT GROUP/COMMERCIAL SERVICES, INC.

By: /s/ Vernon Wells

Vernon Wells
Vice President



For Immediate Release

May 27, 2010

Crown Crafts, Inc. Acquires Bibsters® from The Procter & Gamble Company

Gonzales, Louisiana — Crown Crafts, Inc. (the “Company”) (NASDAQ-CM: CRWS) today announced that Hamco, Inc. (“Hamco”), a wholly-owned subsidiary of the Company, has acquired the Bibsters® product, including related intellectual property, from The Procter & Gamble Company (“P&G”) (NYSE: PG). Bibsters®, originally introduced by P&G in 2003, is a disposable bib that provides coverage for infants and toddlers while feeding.

At closing, which was effective as of the close of business today, P&G assigned its intellectual property related to the Bibsters® product to Hamco, including 26 patents and 44 trademarks which have been awarded throughout the world. In a separate but related transaction, Hamco also acquired the inventory associated with the Bibsters® product line. Hamco plans to integrate the distribution of the Bibsters® product line into the Company’s facilities in Compton, CA.

“We are thrilled to find an opportunity that will complement last year’s acquisition of Neat Solutions by expanding our business in the disposable products category,” commented E. Randall Chestnut, Chairman, President and Chief Executive Officer of the Company. “Hamco already has the overwhelming market share in reusable bibs, and we are confident that the Bibsters line of disposable bibs will solidify Hamco’s position as the overall leader in infant and toddler bibs. We anticipate that the acquisition will result in an annual increase in our net sales of \$3 million and will be swiftly accretive to our earnings. The Bibsters customer base and channels of distribution are consistent with those of Hamco’s existing products, and we are confident that there are additional placement opportunities for Bibsters,” Mr. Chestnut continued.

About Crown Crafts, Inc.

Crown Crafts, Inc. designs, markets and distributes infant, toddler and juvenile consumer products, including crib and toddler bedding and blankets; nursery and bath accessories; reusable and disposable bibs and floor mats; burp cloths; room décor; and disposable placemats, toilet seat covers and changing mats. The Company’s operating subsidiaries include Crown Crafts Infant Products, Inc. in California and Hamco, Inc. in Louisiana. Crown Crafts is America’s largest producer of infant bedding, bibs and bath items. The Company’s products include licensed and branded collections as well as exclusive private label programs for certain of its customers. The latest news about Crown Crafts can be found at www.crowncrafts.com.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations, projections, estimates and assumptions. Words such as "expects," "believes," "anticipates" and variations of such words and similar expressions identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those suggested by the forward-looking statements. These risks include, among others, general economic conditions, including changes in interest rates, in the overall level of consumer spending and in the price of oil, cotton and other raw materials used in the Company's products, changing competition, changes in the retail environment, the level and pricing of future orders from the Company's customers, the extent to which the Company's business is concentrated in a small number of customers, the Company's dependence upon third-party suppliers, including some located in foreign countries, customer acceptance of both new designs and newly-introduced product lines, actions of competitors that may impact the Company's business, disruptions to transportation systems or shipping lanes used by the Company or its suppliers, and the Company's dependence upon licenses from third parties. Reference is also made to the Company's periodic filings with the Securities and Exchange Commission for additional factors that may impact the Company's results of operations and financial condition. The Company does not undertake to update the forward-looking statements contained herein to conform to actual results or changes in our expectations, whether as a result of new information, future events or otherwise.

Contact:

For Hamco, Inc.:

Ms. Janet Talbot
Vice President of Sales and Marketing
Hamco, Inc.
(225) 647-9123