

11/19/02

11-25-2002



TRADEMARK  
02636-A0001A GSW

102293948  
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Assignor	Acme United Corporation		
Assignee	Wachovia Bank, National Association		
Trademark Application/Registration Nos.	975,261	841,187	522,058
	1,034,662	698,534	76/359,841
	708,706	830,169	585,949
	1,010,705	981,046	998,831

Box Assignment  
Assistant Commissioner for Trademarks  
Washington, DC 20231

**Trademark Collateral Security and Pledge Agreement Recordation Cover Sheet**

Dear Sir:

Please record the attached original document.

- Name and Address of Conveying party. Acme United Corporation, a corporation of the State of Connecticut; 1931 Black Rock Turnpike, Fairfield, CT 06432.
- Name and Address of Receiving Party. Wachovia Bank, National Association, a national banking association, 300 Main Street, Stamford, CT 06901.
- Nature of Conveyance: Trademark Collateral Security and Pledge Agreement  
Execution Date: November 5, 2002
- Name and Address of Party to Whom Correspondence Concerning Document should be mailed.

Gene S. Winter, Registration No. 28,352  
Attorney for Applicant  
ST.ONGE STEWARD JOHNSTON & REENS LLC  
986 Bedford Street  
Stamford, CT 06905-5619  
203 324-6155

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01 FC:8521  
02 FC:8522

40.00 OP  
275.00 OP

OFFICE OF PUBLIC RECORDS  
2002 NOV 19 AM 10:12  
FINANCE SECTION

Mailing Certificate: I hereby certify that this correspondence is today being deposited with the U.S. Postal Service as *First Class Mail* in an envelope addressed to: Box Assignment; Commissioner for Patents and Trademarks; Washington, DC 20231.

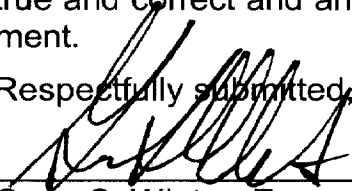
November 14, 2002

Danielle Dominici

C: Matthew C. Susman, Esq.  
Jim Rice, Esq.

5.	<u>Trademark Application/Registration Numbers:</u>	975,261	841,187	522,058
		1,034,662	698,534	76/359,841
		708,706	830,169	585,949
		1,010,705	981,046	998,831

- 6. Total Number of Trademark Applications/Registrations Involved: 12.
- 7. Total Fee (37 CFR 3.41). \$315.00 due. The USPTO Credit Card Payment Form is enclosed herewith.
- 8. Authorization to Charge Deposit Account. The Commissioner is hereby authorized to charge any additional fees due by this paper and during the entire pendency of this Application to Account No. 19-4516.
- 9. Statement and Signature. Total number of pages including cover sheet, attachments and document are 23. To the best of my knowledge and belief, the foregoing information is true and correct and any copy submitted herewith is a true copy of the original document.

Respectfully submitted,  
  
\_\_\_\_\_  
Gene S. Winter, Esq.  
Attorney for Applicant  
ST.ONGE STEWARD JOHNSTON & REENS LLC  
986 Bedford Street  
Stamford, CT 06905-5619  
203 324-6155

**TRADEMARK COLLATERAL  
SECURITY AND PLEDGE AGREEMENT**

TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT, dated as of October 28, 2002, between ACME UNITED CORPORATION, a Connecticut corporation having its principal place of business at 1931 Black Rock Turnpike, Fairfield, Connecticut 06432 (the "Assignor"), and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, having an office at 300 Main Street, Stamford, Connecticut 06901 (the "Bank")

WHEREAS, Assignor obtained a certain \$10,000,000.00 loan (the "Loan") from Bank as evidenced by a certain Revolving Promissory Note dated August 2, 2002 in the principal amount of up to \$10,000,000.00 (the "Note"), and made pursuant to the terms of a certain Revolving Credit And Security Agreement dated August 2, 2002 (the "Credit Agreement");

WHEREAS, in agreeing to make the Loan the Bank required that the Assignor execute and deliver to the Bank a trademark agreement in substantially the form hereof;

WHEREAS, pursuant to the terms of the Credit Agreement, the Assignor has granted to the Bank a security interest in certain of the Assignor's personal property and fixture assets, including without limitation the trademarks, service marks, trademark and service mark registrations, and trademark and service mark registration applications listed on Schedule A attached hereto, all to secure the payment and performance of the Indebtedness, as that term is defined in the Credit Agreement; and

WHEREAS, this Trademark Agreement is supplemental to the provisions contained in the Credit Agreement;

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**1. DEFINITIONS.**

Capitalized terms used herein and not otherwise defined herein shall have the respective meaning provided therefor in the Credit Agreement. In addition, the following terms shall have the meanings set forth in this §1 or elsewhere in this Trademark Agreement referred to below:

Assignment of Marks. See §2.1.

Associated Good will. All goodwill of the Assignor and its business, products and services appurtenant to, associated with or symbolized by the Trademarks and the use thereof.

Pledged Trademarks. All of the Assignor's right, title and interest in and to all

of the Trademarks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of the Assignor that uniquely reflect or embody the Associated Goodwill, including the following:

- (a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods of processes, compounds, recipes, know-how, methods and operation systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Trademarks; and
- (b) the following documents and things in the possession or under the control of the Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by the Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of the Assignor in connection with the Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:
  - (i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of the Assignor, its affiliates or franchisees or licensees or contractors, for products or services sold under or in connection with the Trademarks or Trademark Rights, including all lists and documents containing information regarding each customer's dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms and history, pattern and total of purchases by brand, product, style, size and quantity;
  - (ii) all agreements (including franchise agreements), product and service specification documents and operating production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Trademarks or Trademark Rights;

- (iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services use in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Trademarks or Trademark Rights; and
- (iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Assignor (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Trademarks or Trademark Rights.

Trademark Agreement. This Trademark Collateral Security and Pledge Agreement, as amended and in effect from time to time.

Trademark License Rights. Any and all past, present or future rights and interests of the Assignor pursuant to any and all past, present and future franchising or licensing agreements in favor of the Assignor, or to which the Assignor is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Assignor or the Bank to enforce, and sue and recover for, any breach or violation of any such agreement to which the Assignor is a party.

Trademark Registrations. All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registration (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Assignor or the Bank, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulations; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Assignor or the Bank for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

**Trademarks.** All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of the Assignor, whether United States or foreign, that (i) are set forth on Schedule A hereto (with respect to United States Trademarks), or (ii) have been adopted, acquired, owned, held or used by the Assignor or are now owned, held or used by the Assignor, in the Assignor's business, or with the Assignor's products and services, or in which the Assignor has any right, title, or interest, or (iii) are in the future adopted, acquired, owned, held and used by the Assignor in the Assignor's business or with the Assignor's products and services, or in which the Assignor in the future acquires any right, title or interest.

**Use.** With respect to any Trademark, all uses of such Trademark by, for or in connection with the Assignor or its business or for the direct or indirect benefit of the Assignor or its business, including all such uses by the Assignor itself, by any of the affiliates of the Assignor, or by any franchisee, licensee or contractor of the Assignor.

## **2. GRANT OF SECURITY INTEREST.**

**2.1 Security Interest; Assignment of Marks.** As collateral security for the payment and performance in full of all of the Indebtedness, as defined in the Credit Agreement, the Assignor hereby unconditionally grants to the Bank a continuing security interest in and first priority lien on the Pledged Trademarks, and pledges and mortgages (but does not transfer title to) the Pledged Trademarks to the Bank. In addition, the Assignor has executed in blank and delivered to the Bank an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Marks"). The Assignor hereby authorizes the Bank to complete as assignee and record with the PTO the Assignment of marks upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Bank's remedies under this Trademark Agreement and the Security Agreement.

**2.2 Conditional Assignment.** In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Pledged Trademarks provided in §2.1, the Assignor grants, assigns, transfers, conveys and sets over to the Bank the Assignor's entire right, title and interest in and to the Pledged Trademarks; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon the written demand of the Bank at any time during such continuance of (B) immediately and automatically (without notice or action of any kind by the Bank) upon an Event of Default for which acceleration of the Loan is automatic under the Credit Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Credit Agreement and applicable law (including the transfer or other disposition of the Collateral by the Assignor to the Bank or its nominee in lieu of foreclosure).

**2.3 Supplemental to Credit Agreement.** Pursuant to the Credit Agreement the Assignor has granted to the Bank a continuing security interest in and lien on the Collateral (including the Pledged Trademarks). The Credit Agreement, and all rights and interests of the Bank in and to the Collateral (including the Pledged Trademarks) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Trademark Agreement, the grant, assignment, transfer and conveyance of the Pledged Trademarks hereunder, or the recordation of this Trademark Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Credit Agreement, the security interest of the Bank in the Collateral (including the Pledged Trademarks) pursuant to the Credit Agreement and this Trademark Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Pledged Marks), or any present or future rights and interests of the Bank in and to the Collateral under or in connection with the Credit Agreement, this Trademark Agreement or the Uniform Commercial Code. Any and all rights and interests of the Bank in and to the Pledged Trademarks (and any and all obligations of the Assignor with respect to the Pledged Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Bank (and the obligations of the Assignor) in, to or with respect to the Collateral (including the Pledged Trademarks) provided in or arising under or in connection with the Credit Agreement and shall not be in derogation thereof.

### **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

The Assignor represents, warrants and covenants that: (i) Schedule A sets forth a true and complete list of all Trademarks and Trademark Registrations now owned, licensed, controlled or used by the Assignor in the United States; (ii) the Trademarks and Trademark Registrations are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceedings pending concerning the validity or enforceability of the Trademarks or Trademark Registrations; (iii) to the best of the Assignor's knowledge, each of the Trademarks and Trademark Registrations is valid and enforceable; (iv) to the best of the Assignor's knowledge, there is no infringement by others of the Trademarks, Trademark Registrations or Trademark Rights; (v) no claim has been made that the use of any of the Trademarks does or may violate the rights of any third person, and to the best of the Assignor's knowledge, there is no infringement by the Assignor of the trademark rights of others; (vi) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks (other than ownership and other rights reserved by third party owners with respect to Trademarks that the Assignor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by the Assignor not to sue third persons, other than the security interest and assignment created by the Credit Agreement and this Trademark Agreement; (vii) the Assignor has the unqualified right to enter into this Trademark Agreement and to perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents, consultants, licensors and licensees that will enable them to comply with the covenants herein contained; (viii) the Assignor has used, and will continue to use, proper

statutory and other appropriate proprietary notices in connection with its use of the Trademarks; (ix) the Assignor has used, and will continue to use for the duration of this Trademark Agreement consistent standards of quality in its manufacture and provision of products and services sold or provided under the Trademarks; (x) this Trademark Agreement, together with the Credit Agreement, will create in favor of the Bank, a valid and perfected first priority security interest in the Pledged Trademarks listed on Schedule A attached hereto upon making the filings referred to in clause (xi) of this §3; and (xi) except for the filing of financial statements with the Secretary of State of the State of Connecticut under the Uniform Commercial Code and the recording of this Trademark Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (A) for the grant by the Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Trademark Agreement by the Assignor, or (B) for the perfection, within the United States, of or the exercise by the Bank of any of its rights and remedies hereunder.

#### **4. INSPECTION RIGHTS.**

The Assignor hereby grants to the Bank and its employees and agents the right to visit the Assignor's facilities that inspect or store products or software sold under any of the Trademarks, and to inspect the same and quality control records relating thereto at reasonable times during regular business hours.

#### **5. NO TRANSFER OR INCONSISTENT AGREEMENTS.**

Without the Bank's prior written consent and except for licenses of the Pledged Trademarks in the ordinary course of the Assignor's business consistent with its past practices, the Assignor will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Pledged Trademarks, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with the Assignor's obligations under the Trademark Agreement or the Credit Agreement.

#### **6. AFTER-ACQUIRED TRADEMARKS, ETC.**

**6.1. After-acquired Trademarks.** If, before the Loan shall have been finally paid and satisfied in full, the Assignor shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Registrations or Trademark Rights, the provisions of this Trademark Agreement shall automatically apply thereto and the Assignor shall promptly provide to the Bank notice thereof in writing and execute and deliver to the Bank such documents or instruments as the Bank may reasonably request further to implement, preserve or evidence the Bank's interest therein.

**6.2. Amendment to Schedule.** The Assignor authorizes the Bank to modify this Trademark Agreement and the Assignment of Marks, without the necessity of the Assignor's



further approval or signature, by amending Exhibit 1 hereto and the Annex to the Assignment of Marks to include any future or other United States Trademarks, Trademark Registrations or Trademark Rights.

## **7. TRADEMARK PROSECUTION.**

**7.1. Assignor Responsible.** The Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Pledged Trademarks, and shall hold the Bank harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Bank in connection with the Bank's interest in the Pledged Trademarks or any other action or failure to act in connection with this Trademark Agreement or the transactions contemplated hereby. In respect of such responsibility, the Assignor shall retain trademark counsel acceptable to the Bank.

**7.2. Assignor's Duties, etc.** The Assignor shall have the right and the duty, through trademark counsel acceptable to the Bank, to prosecute diligently any trademark registration applications of the Trademarks pending as of the date of this Trademark Agreement or thereafter, to preserve and maintain all rights in the Trademarks and Trademark Registrations, including the filing of appropriate renewal applications and other instruments to maintain in effect the Trademark Registrations and the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of the Trademarks or Trademark Registrations. Any expenses incurred in connection with such applications and actions shall be borne by the Assignor. The Assignor shall not abandon any filed trademark registration application, or any Trademark Registration or Trademark, without the consent of the Bank, which consent shall not be unreasonably withheld.

**7.3. Assignor's Enforcement Rights.** The Assignor shall have the right and the duty to bring suit or other action in the Assignor's own name to maintain and enforce the Trademarks, the Trademark Registrations and the Trademark Rights. The Assignor may require the Bank to join in such suit or action as necessary to assure the Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Bank is completely satisfied that such joinder will not subject the Bank to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Bank for all damages, costs and expenses, including legal fees, incurred by the Bank pursuant to this §7.3.

**7.4. Protection of Trademarks, etc.** In general, the Assignor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Pledged Trademarks. The Assignor shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Pledged Trademarks.

**7.5. Notification by Assignor.** Promptly upon obtaining knowledge thereof, the Assignor will notify the Bank in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court regarding the validity of any of the Trademarks or Trademark Registrations of the Assignor's rights, title or interests in and to the Pledged Trademarks and of any event that does or reasonably could materially adversely affect the value of any of the Pledged Trademarks, the ability of the Assignor or the Bank to dispose of any of the Pledged Trademarks or the rights and remedies of the Bank in relation thereof (including but not limited to the levy of any legal process against any of the Pledged Trademarks).

## **8. REMEDIES.**

Upon the occurrence and during the continuance of an Event of Default, the Bank shall have, in addition to all other rights and remedies given it by this Trademark Agreement (including, without limitation, those set forth in §2.2), the Credit Agreement and the other Loan Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of Connecticut and any other relevant jurisdiction, and, without limiting the generality of the foregoing, the Bank may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Trademarks, or any interest that the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Trademarks all expenses incurred by the Bank in attempting to enforce this Trademark Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Indebtedness as set forth in the Credit Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to the Assignor at least five (5) days before the time that any intended public sale or other public disposition of the Pledged Trademarks is to be made or after which any private sale or other private disposition of the Pledged Trademarks may be made, which the Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Bank may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Trademarks or interests therein sold, licensed or otherwise disposed of.

## **9. COLLATERAL PROTECTION.**

If the Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Assignor shall be breached, the Bank, in its own name or that of the Assignor (in the sole discretion of the Bank), may (but shall not be obligated to) do such act or remedy such breach (or caused such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Bank for any cost or expense incurred by the Bank in so doing.

## **10. POWER OF ATTORNEY.**

If any Event of Default shall have occurred and be continuing, the Assignor does hereby make, constitute and appoint the Bank (and any officer or agent of the Bank as the Bank may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Bank to use the Pledged Trademarks, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Trademarks to any third person, or to take any and all actions necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of the Assignor herein to any third person, and, in general, to execute and delivery any instruments or documents and do all other acts that the Assignor is obligated to execute and do hereunder. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases the Bank from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Bank under this power of attorney (except for the Bank's gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Trademark Agreement.

## **11. FURTHER ASSURANCE.**

The Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Bank may request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Trademark Agreement, or to assure and confirm to the Bank the grant, perfection and priority of the Bank's security interest in the Pledged Trademarks.

## **12. TERMINATION.**

At such time as all of the Loan has been finally paid and satisfied in full, this Trademark Agreement shall terminate and the Bank shall, upon the written request and at the expense of the Assignor, execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Assignor the entire right, title and interest to the Pledged Trademarks previously granted, assigned, transferred and conveyed to the Bank by the Assignor pursuant to this Trademark Agreement, as fully as if this Trademark Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Bank pursuant hereto or the Credit Agreement.

### **13. COURSE OF DEALING.**

No course of dealing between the Assignor and the Bank, nor any failure to exercise, nor any delay in exercising, on the part of the Bank, any right, power or privilege hereunder or under the Credit Agreement or any other agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

### **14. EXPENSES.**

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and expenses incurred by the Bank in connection with the preparation of this Trademark Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Pledged Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Pledged Trademarks, shall be borne and paid by the Assignor.

### **15. OVERDUE AMOUNTS.**

Until paid, all amounts due and payable by the Assignor hereunder shall be a debt secured by the Pledged Trademarks and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Credit Agreement or any other Loan Document.

### **16. NO ASSUMPTION OF LIABILITY: INDEMNIFICATION.**

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE BANK ASSUMES NO LIABILITIES OF THE ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PLEDGED TRADEMARKS OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE ASSIGNOR, AND THE ASSIGNOR SHALL INDEMNIFY THE BANK FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE BANK WITH RESPECT TO SUCH LIABILITIES.**

## 17. NOTICES.

Any notice or other communication hereunder to any party hereto shall be by hand delivery, overnight delivery, facsimile, telegram, telex or registered or certified mail and unless otherwise provided herein shall be deemed to have been given or made when delivered, telegraphed, telexed or faxed, addressed to the party at its address specified below (or at any other address that the party may hereafter specify to the other parties in writing):

Bank: Wachovia Bank, National Association  
300 Main Street  
Stamford, Connecticut 06901  
Attn: Patricia Gaudreau, Senior Vice President  
Mail Code: CT 2018

With a copy to:

Matthew C. Susman, Esq.  
Susman, Duffy & Segaloff, P.C.  
55 Whitney Avenue  
New Haven, CT 06510

Assignor: Acme United Corporation  
1931 Black Rock Turnpike  
Fairfield, Connecticut 06825  
Attn: Walter C. Johnsen, President

With a copy to:

James E. Rice, Esq.  
Brody, Wilkinson and Ober, P.C.  
2507 Post Road  
Southport, CT 06890

## 18. AMENDMENT AND WAIVER.

This Trademark Agreement is subject to modification only by a writing signed by the Bank and the Assignor, except as provided in §6.2. The Bank shall not be deemed to have waived any right thereunder unless such waiver shall be in writing and signed by the Bank. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

## 19. GOVERNING LAW; CONSENT TO JURISDICTION.

**THIS TRADEMARK AGREEMENT IS INTENDED TO TAKE EFFECT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.** The Assignor agrees that any suit for the

enforcement of this Trademark Agreement may be brought in the courts of the State of Connecticut or any federal court sitting therein and consents to the nonexclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the Assignor's address specified in Section 17. The Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

## **20. WAIVER OF JURY TRIAL/PREJUDGMENT REMEDY WAIVER.**

**THE ASSIGNOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS TRADEMARK AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS.**

**THE ASSIGNOR ACKNOWLEDGES THAT THIS AGREEMENT RESULTS FROM A COMMERCIAL TRANSACTION AND THE ASSIGNOR HEREBY WAIVES ANY RIGHT TO NOTICE OR HEARING UNDER THE CONSTITUTION OF THE UNITED STATES OR ANY STATE OR FEDERAL LAW, INCLUDING CONNECTICUT GENERAL STATUTES SECTION 52-278A ET SEQ., AS NOW OR HEREAFTER AMENDED, OR ANY SUCCESSOR ACT OR ACTS THERETO, WAIVES ANY REQUIREMENT FOR THE POSTING OF A BOND AND ANY RIGHT TO REQUEST A COURT TO REQUIRE THE BANK TO POST A BOND IN CONNECTION WITH ANY PREJUDGMENT REMEDY SOUGHT, AND AUTHORIZES THE ATTORNEY FOR BANK TO ISSUE A WRIT FOR A PREJUDGMENT REMEDY WITHOUT COURT ORDER. ASSIGNOR ACKNOWLEDGES THAT IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY AFTER CONSULTATION WITH ITS ATTORNEY.**

Except as prohibited by law, the Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentences any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Assignor (i) certifies that neither the Bank nor any representative, agent or attorney of the Bank has represented, expressly or otherwise, that the Bank would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Credit Agreement and the other Loan Documents to which the Bank is a party, the Bank is relying upon, among other things, the waivers and certifications contained in this Section 20.

## **21. MISCELLANEOUS.**

The headings of each section of this Trademark Agreement are for convenience only and shall not define or limit the provisions thereof. This Trademark Agreement and all rights and obligations hereunder shall be binding upon the Assignor and its respective successors and assigns, and shall inure to the benefit of the Bank and its successors and assigns. In the event of any irreconcilable conflict between the provisions of this Trademark Agreement and the Loan

Agreement, or between this Trademark Agreement and the Credit Agreement, the provisions of the Credit Agreement shall control. If any term of this Trademark Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Trademark Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Assignor acknowledges receipt of a copy of this Trademark Agreement.

**IN WITNESS WHEREOF**, this Trademark Agreement has been executed as of the day and year first above written.

ACME UNITED CORPORATION

By: Walter C. Johnsen  
Walter C. Johnsen  
Its: President

WACHOVIA BANK, NATIONAL ASSOCIATION

By: Joan Troost  
Joan Troost  
Its: Vice President

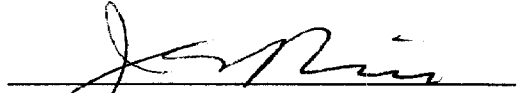
STATE OF CONNECTICUT)

) SS: FAIRFIELD

OCTOBER 29, 2002

COUNTY OF FAIRFIELD )

Personally appeared this date, Walter C. Johnsen, President of Acme United Corporation, a Connecticut corporation, signer and sealer of the foregoing instrument and acknowledged the same to be his free act and deed as such officer, and the free act and deed of said corporation, before me.

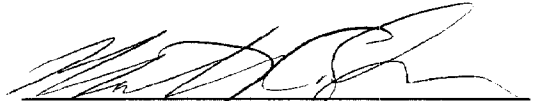
  
Commissioner of the Superior Court  
Notary Public  
~~My Commission expires:~~

STATE OF CONNECTICUT )

) SS: *Fairfield*  
COUNTY OF *Fairfield* )

*November 5, 2002*

Personally appeared this date, Joan Troost, Vice President of Wachovia Bank, National Association, a national banking association, signer and sealer of the foregoing instrument and acknowledged the same to be her free act and deed as such officer and the free act and deed of said banking corporation, before me.

  
Commissioner of the Superior Court  
~~Notary Public~~  
~~My Commission expires:~~



Schedule A

# Acme US Trademark Status Report

Client Number	Trademark	Country	Serial Number	Class	Registration Number	Issue Date	Status
200-032-7	ONE TIME	U.S.	72/392676	3	975261	12/25/73	Registered
200-504	KLEENCUT	U.S.	72/239,571	8	841187	12/26/67	Registered
200-505	EVERSHARP & DESIGN	U.S.	71/541,731	8	522058	3/7/50	Registered
200-505-1	EVERSHARP	U.S.	73/054,768	8	1034862	3/2/76	Registered
200-514	KLEENCUT	U.S.	72/082,178	8	688534	5/31/60	Registered
200-515	HOMARCH	U.S.	76/359,941	9			Pending
200-516	KLEENCUT	U.S.	72/082,179	16	708706	12/20/60	Registered
200-519	W & DESIGN	U.S.	72/255,580	9	830169	6/13/67	Registered
200-520	WESTCOTT	U.S.	71/626,184	9	585949	2/23/54	Registered
200-528-3	A & DESIGN	U.S.	72/445275	8	1010705	5/13/75	Registered
200-528-4	A & DESIGN	U.S.	72/445276	16	961046	3/26/74	Registered
200-528-6	A & DESIGN	U.S.	72/445278	3	998831	11/1/974	Registered
200-558	MADE IN USA & DESIGN	U.S.	73/602672	9	1422692	12/30/86	Registered
200-568	GALLERIA	U.S.	73/821891	8	1597206	5/22/80	Registered
200-570	KLEEN EARTH	U.S.	74/053013	8	1672966	2/21/92	Registered
200-528-2	A & DESIGN	U.S.	72/445,274	1 & 5	980877	3/26/74	Registered
200-528-5	A & DESIGN	U.S.	72/445,277	5 & 1	1010788	3/13/76	Registered
200-570-6	KLEEN EARTH & DESIGN	U.S.	74/221331	8	1730675	11/10/92	Registered
200-570-7	KLEEN EARTH & DESIGN	U.S.	74/221246	9	1730803	11/10/92	Registered

<i>Client Number</i>	<i>Trademark</i>	<i>Country</i>	<i>Serial Number</i>	<i>Class</i>	<i>Registration Number</i>	<i>Issue Date</i>	<i>Status</i>
200-575-3	CRAFTWORKS	U.S.	74/461286	8	1858385	10/18/94	Registered
200-577	CRAFTKIDS	U.S.	74/400581	8	1821022	2/15/94	Registered
200-578	SCISSIGATOR	U.S.	74/400358	8	1822388	2/22/94	Registered
200-579	HIPPOSCISIUS	U.S.	74/400357	8	1822387	2/22/94	Registered
200-580	SCISSISAURUS	U.S.	74/400359	8	1822389	2/22/94	Registered
200-584	RHINOSCISSOR	U.S.	74/711840	8	1988552	7/23/96	Registered
200-585	SCISSAMANDER	U.S.	74/711839	8	2020416	12/3/96	Registered
200-586	BARRACUTTER	U.S.	74/711841	8	1988553	7/23/96	Registered
200-587	SAF-T-CUT	U.S.	73/401075	8	1322970	3/5/85	Registered
200-591	BLADE BUG	U.S.	75/316369	8	2283239	11/16/99	Registered
200-593	TAG IT	U.S.	75/391023	8	2256085	6/22/99	Registered
200-595	SCISSOR HANDLE DES.	U.S.	75/393033	8	2271580	8/24/99	Registered
200-598	TAG IT	U.S.	75/409438	16	2284709	11/23/99	Registered
200-599	NAME TAG WINDOW	U.S.	75/435049	8 & 1	2338942	3/28/00	Registered
200-604	STAPLE MUNCHER	U.S.	75/549289	16	2285095	7/27/99	Registered
200-605	MISCELLANEOUS DESIGN	U.S.	75/549288	16	2328340	3/14/00	Registered
200-611	PENCIL DISPLAY	U.S.	75/596435	16	2378254	6/15/00	Registered
200-613	TAG IT	U.S.	75/804592	9	2494728	10/2/01	Registered
200-624	TWIST IT	U.S.	76/158530	9			Pending

Tuesday, October 08, 2002

**Trademark List**

Page: 1

Client: 2185 Acme United Corporation

Trademark Name	Case Number	Status	Application No./	Registration Number/Date	Renewal	First Use
ZIG ZAGZ	2185.006	T1	76/407625			
Country United States of America	Owner: Acme United		14-May-2002			

Classes 8  
 Goods: Scissors and replacement blades.  
 Attorney(s): CNR TIM DIG  
 Remarks:

**EXHIBIT 1**

**ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS (U.S.)**

WHEREAS, **ACME UNITED CORPORATION**, a corporation organized and existing under the laws of the State of Connecticut and having a place of business at 1931 Black Rock Turnpike, Fairfield, Connecticut 06432 (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association having a principal place of business at 300 Main Street, Stamford, Connecticut (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and together with (i) the registrations of and registration applications for the Marks, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks and Service Marks (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete the instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Services Marks (U.S.) below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as n instrument under seal, on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

ACME UNITED CORPORATION

By: \_\_\_\_\_  
Walter C. Johnsen  
Its: President

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Assignor to the Assignee is hereby accepted as of this \_\_\_\_\_ day of \_\_\_\_\_, 200\_.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Joan Troost  
Its: Vice President

STATE OF CONNECTICUT )  
 ) ss: , 200\_  
COUNTY OF )

Personally appeared this date, Walter C. Johnsen, President of Acme United Corporation, a Connecticut corporation, signer and sealer of the foregoing instrument and acknowledged the same to be his free act and deed as such officer, and the free act and deed of said corporation, before me.

\_\_\_\_\_  
Commissioner of the Superior Court  
Notary Public  
My Commission expires:

STATE OF CONNECTICUT )  
 ) ss: , 200\_  
COUNTY OF )

Personally appeared this date, Joan Troost, Vice President of Wachovia Bank, National Association, a national banking association, signer and sealer of the foregoing instrument and acknowledged the same to be her free act and deed as such officer and the free act and deed of said banking corporation, before me.

\_\_\_\_\_  
Commissioner of the Superior Court  
Notary Public  
My Commission expires: