

04-03-2003

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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): AMERICAN IDENTITY INC.

3:31:03

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State (checked), Other

Additional name(s) of conveying party(ies) attached? Yes No (No checked)

3. Nature of conveyance:

- Assignment, Merger, Security Agreement (checked), Change of Name, Other

Execution Date: March 21, 2003

2. Name and address of receiving party(ies) Name: DEUTSCHE BANK TRUST COMPANY AMERICAS

Internal Address:

Street Address: 31 West 52nd Street

City: New York State: NY Zip: 10019

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other Bank (checked)

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (No checked) Additional name(s) & address(es) attached? Yes No (No checked)

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) See attached Schedule 1

B. Trademark Registration No.(s) See attached Schedule 1

Additional number(s) attached Yes No (Yes checked)

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Bingham McCutchen, LLP

Internal Address: Attn: Stacey Farrell

Street Address: 150 Federal Street

City: Boston State: MA Zip: 02110

6. Total number of applications and registrations involved: 23

7. Total fee (37 CFR 3.41) \$ 590.00

- Enclosed (checked), Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Stacey Farrell Name of Person Signing

Signature

Date

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04/02/2003 LNUKLELLER 00000236 962112

Total number of pages including cover sheet, attachments, and document:

01 FC:8521 02 FC:8522

40.00 OP 550.00 OP

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002705 FRAME: 0109

Schedule 1

Trademarks and Trademark Registrations

<u>Trademark or Service Mark</u>	<u>Registrations -- United States Patent and Trademark Office Registration No.</u>	<u>Registration Date</u>
Swingster	962,112	06/26/73
K-Brand & Design	1,347,684	07/09/85
K & Design	1,355,001	08/20/85
K Products, Inc. & Design	1,355,002	08/20/85
K Products, Inc. & Design	1,381,897	02/04/86
K & Design	1,382,636	02/11/86
Design Only	1,568,764	11/28/89
K & Design	1,838,092	05/31/94
K-Products K & Design	1,863,904	11/22/94
America's Legend & Design	2,231,276	03/16/99
Globe Design	2,358,186	06/13/00
Globe Design	2,364,068	07/04/00
Legend Marketing & Design	2,420,567	01/16/01
Legend & Design	2,420,588	01/16/01
AI & Design	2,446,907	04/24/01
AI American Identity & Design	2,458,061	06/05/01
American Identity	2,446,906	04/24/01
Identity Now	2,478,037	08/14/01
IdentityNow.com & Design	2,487,363	09/11/01

<u>Trademark or Service Mark</u>	<u>Pending Applications -- United States Patent and Trademark Office Serial No.</u>	<u>Filing Date</u>
Legend (Stylized)	76/340,196	11/21/01 (allowed)
AI American Inline Identity & Design	76/410,460	05/21/02
Destination's Since 1946 American Identity Classic Quality Fine Outerwear & Design	76/458,377	10/15/02
Identity & Design	76/458,989	10/17/02

**TRADEMARK COLLATERAL
SECURITY AND PLEDGE AGREEMENT**

TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT, dated as of March 21, 2003, by and between **AMERICAN IDENTITY INC.**, a Delaware corporation having its principal place of business at 10450 Holmes Road, Suite 501, Kansas City, Missouri 64131 (the "Assignor"), and **DEUTSCHE BANK TRUST COMPANY AMERICAS** having an office at 31 West 52nd Street, New York, New York 10019, as collateral agent (hereinafter, in such capacity, the "Collateral Agent") for (x) the Lenders and the Agent under, and any other lenders from time to time party to, the Loan Agreement hereinafter referred to (such Lenders, the Agent and other lenders, if any, are hereinafter called the "Lender Creditors") and (y) if one or more Lenders (or any Affiliate thereof) enter into one or more (i) interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements), (ii) foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against the fluctuations in currency values and/or (iii) other types of hedging agreements from time to time (collectively, the "Interest Rate Protection or Other Hedging Agreements") with, or guaranteed by, the Assignor, any such Lender or Lenders or any Affiliate of such Lender or Lenders (even if the respective Lender subsequently ceases to be a Lender under the Loan Agreement for any reason) so long as any such Lender or Affiliate participates in the extension of such Interest Rate Protection or Other Hedging Agreements and their subsequent assigns, if any (collectively, the "Other Creditors" and together with the Lender Creditors, are hereinafter called the "Secured Creditors").

W I T N E S S E T H:

WHEREAS, IdentityNow Inc., a Delaware corporation (the "Borrower"), the lenders (the "Lenders") from time to time party thereto and Deutsche Bank Trust Company Americas, as Agent (together with any successor agent, the "Agent"), have entered into a Loan Agreement, dated as of March 21, 2003, providing for the making of Term Loans, as contemplated therein (as used herein, the term "Loan Agreement" means the Loan Agreement described above in this paragraph, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time, and including any agreement extending the maturity of and/or restructuring (including, but not limited to, the inclusion of additional borrowers thereunder that are Subsidiaries of the Borrower, whether direct or indirect, and whose obligations are guaranteed by the Borrower and such Subsidiaries thereunder or any increase in the amount borrowed) all or any portion of the Indebtedness (as defined in the Loan Agreement) under such agreement or any successor agreements;

WHEREAS, the Borrower and its Subsidiaries may at any time and from time to time enter into, or guarantee, one or more Interest Rate Protection or Other Hedging Agreements, if any, with one or more Other Creditors;

WHEREAS, the Assignor is a direct or indirect Subsidiary of the Borrower and, as such, will receive benefits from the above-described Term Loans and/or Interest Rate Protection or Other Hedging Agreements;

WHEREAS, the Assignor has executed and delivered to the Collateral Agent, for the benefit of the Secured Creditors, the Security Agreement (as defined in the Loan Agreement), pursuant to which the Assignor has granted to the Collateral Agent, for the benefit of the Secured Creditors, 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 Obligations (as defined in the Security Agreement);

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

WHEREAS, it is a condition to each of the above-described extensions of credit to the Borrower that the Assignor shall have executed and delivered this Trademark Agreement; and

WHEREAS, the Assignor desires to enter into this Trademark Agreement in order to satisfy the condition described in the preceding paragraph;

NOW, THEREFORE, in consideration of the extensions of credit to be made to the Borrower and other good and valuable consideration accruing to the Assignor, the receipt and sufficiency of which are hereby acknowledged, the Assignor hereby makes the following representations and warranties to the Collateral Agent for the benefit of the Secured Creditors and hereby covenants and agrees with the Collateral Agent for the benefit of the Secured Creditors as follows:

1. DEFINITIONS.

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

Agent. See the first WHEREAS clause of this Trademark Agreement.

Assignment of Marks. See Section 2.1.

Assignor. American Identity Inc., a Delaware corporation.

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

Borrower. IdentityNow, Inc., a Delaware corporation.

Class. See Section 18.

Collateral Agent. See the first paragraph of this Trademark Agreement.

Interest Rate Protection or Other Hedging Agreement. See the first paragraph of this Trademark Agreement.

Lender Creditors. See the first paragraph of this Trademark Agreement.

Lenders. See the first WHEREAS clause of this Trademark Agreement.

Loan Agreement. See the first WHEREAS clause of this Trademark Agreement.

Other Creditors. See the first paragraph of this Trademark Agreement.

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 or processes, compounds, recipes, know-how, methods and operating 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 used 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.

Requisite Creditors. See Section 18.

Secured Creditors. See the first paragraph of this Trademark Agreement.

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 Collateral Agent 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 registrations (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 Collateral Agent, 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 regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Assignor or the Collateral Agent 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, that (i) are set forth on Schedule A hereto, 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.

Unless otherwise provided herein, the rules of interpretation set forth in Loan Agreement shall be applicable to this Trademark Agreement.

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 Obligations, the Assignor hereby unconditionally grants to the Collateral Agent, for the benefit of the Secured Creditors, 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 Collateral Agent for the benefit of the Secured Creditors. In addition, the Assignor has executed in blank and delivered to the Collateral Agent an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Marks"). The Assignor hereby authorizes the Collateral Agent 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 Collateral Agent'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 Section 2.1, the Assignor grants, assigns, transfers, conveys and sets over to the Collateral Agent, for the benefit of the Secured Creditors, 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 Collateral Agent at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Collateral Agent) upon an Event of Default for which acceleration of the Term Loans is automatic under the Loan Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by the Assignor to the Collateral Agent or its nominee in lieu of foreclosure).

2.3. Supplemental to Security Agreement. Pursuant to the Security Agreement, the Assignor has granted to the Collateral Agent, for the benefit of the Secured Creditors, a continuing security interest in and lien on the Collateral (including the Pledged Trademarks). The Security Agreement, and all rights and interests of the Collateral Agent 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 Security Agreement, the security interest of the Collateral Agent in the Collateral (including the Pledged Trademarks) pursuant to the Security 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 Collateral Agent in and to the Collateral under or in connection with the Security Agreement, this Trademark Agreement or the Uniform Commercial Code. Any and all rights and interests of the Collateral Agent 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 Collateral Agent (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 Security 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; (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 proceeding 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 Security 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 Security Agreement, will create in favor of the Collateral Agent a valid and perfected first priority security interest in the Pledged Trademarks upon making the filings referred to in clause (xi) of this Section 3; and (xi) except for the filing of financing statements with the Secretary of State for the State of Delaware 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 of or the exercise by the Collateral Agent of any of its rights and remedies hereunder.

4. INSPECTION RIGHTS.

The Assignor hereby grants to each of the Collateral Agent and the Secured Creditors and its employees and agents the right to visit the Assignor's plants and facilities that manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours and to such reasonable extent as the Collateral Agent or any of the Secured Creditors may request.

5. NO TRANSFER OR INCONSISTENT AGREEMENTS.

Without the Collateral Agent'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 and which do not materially interfere with the business of the Borrower or any of its Subsidiaries, 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 this Trademark Agreement or the Security Agreement.

6. AFTER-ACQUIRED TRADEMARKS, ETC.

6.1. After-acquired Trademarks. If, before the Obligations shall have been finally paid and satisfied in full and each Interest Rate Protection or Other Hedging Agreement has been terminated, 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 Collateral Agent notice thereof in writing and execute and deliver to the Collateral Agent such documents or instruments as the Collateral Agent may reasonably request further to implement, preserve or evidence the Collateral Agent's interest therein.

6.2. Amendment to Schedule. The Assignor authorizes the Collateral Agent to modify this Trademark Agreement and the Assignment of Marks, without the necessity of the Assignor's further approval or signature, by amending Exhibit A hereto and the Annex to the Assignment of Marks to include any future or other Trademarks, Trademark Registrations or Trademark Rights under Section 2 or Section 6.

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 each of the Collateral Agent and the Secured Creditors harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Collateral Agent or any Secured Creditor in connection with the Collateral Agent'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 Collateral Agent.

7.2. Assignor's Duties, etc. The Assignor shall have the right and the duty, through trademark counsel acceptable to the Collateral Agent, 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 Collateral Agent, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary contained in this Section 7.2, so long as no Event of Default has occurred and is continuing, nothing in this Section 7.2 shall require the Assignor to prosecute any trademark registration applications, preserve and maintain all rights in the Trademarks and Trademark Registrations or not abandon any trademark registration application, Trademark Registration or Trademark if the taking of such action is not in the Assignor's reasonable judgment desirable in the conduct of its business and the failure to take such action does not have a Material Adverse Effect.

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 Collateral Agent 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 Collateral Agent is completely satisfied that such joinder will not subject the Collateral Agent or any Secured Creditor to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Collateral Agent for all damages, costs and expenses, including legal fees, incurred by the Collateral Agent pursuant to this Section 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. Notwithstanding anything to the contrary contained in this Section 7.4, so long as no Event of Default has occurred and is continuing, nothing in this Section 7.4 shall require the Assignor to take any action or not take any action, as the case may be, if such requirement is not in the Assignor's reasonable judgment desirable in the conduct of its business and the failure to take such action or not take such action, as the case may be, does not have a Material Adverse Effect.

7.5. Notification by Assignor. Promptly upon obtaining knowledge thereof, the Assignor will notify the Collateral Agent 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 or 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 Collateral Agent to dispose of any of the Pledged Trademarks or the rights and

remedies of the Collateral Agent in relation thereto (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 Collateral Agent shall have, in addition to all other rights and remedies given it by this Trademark Agreement (including, without limitation, those set forth in Section 2.2), the Loan Agreement, the Security Agreement, the other Loan Documents and any Interest Rate Protection or Other Hedging Agreements those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of New York, without limiting the generality of the foregoing, the Collateral Agent 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 all of the proceeds of such sale or other disposition of the Pledged Trademarks shall apply toward the payment of the Obligations as set forth in Section 5.5 of the Security Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to the Assignor at least ten (10) 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. If, under applicable law, the Collateral Agent shall be permitted or required to make disposition of the Pledged Trademarks within a period of time which does not permit or require the giving of notice to the Assignor as hereinabove specified, the Collateral Agent need give the Assignor only such notice of disposition as shall be required, or reasonably practicable in view of, such applicable law. At any such sale or other disposition, the Collateral Agent 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 Collateral Agent, in its own name or that of the Assignor (in the sole discretion of the Collateral Agent), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Collateral Agent for any cost or expense incurred by the Collateral Agent 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 Collateral Agent (and any officer or agent of the Collateral Agent as the Collateral Agent 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 Collateral Agent 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 Collateral Agent to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of the Assignor therein to any third person, and, in general, to execute and deliver 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 each of the Collateral Agent and the Secured Creditors 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 Collateral Agent under this power of attorney (except for the Collateral Agent'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 ASSURANCES.

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 Collateral Agent 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 Collateral Agent the grant, perfection and priority of the Collateral Agent's security interest in the Pledged Trademarks.

12. TERMINATION.

At such time as all of the Obligations have been finally paid and satisfied in full and all of the Interest Rate Protection and Other Hedging Agreements have been terminated, this Trademark Agreement shall terminate and the Collateral Agent shall, upon the written request and at the expense of the Assignor, execute and deliver in a timely manner 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 Collateral Agent 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 Collateral Agent pursuant hereto or the Security Agreement. For the avoidance of doubt, the Power of Attorney granted pursuant to Section 10 shall expire upon the termination of this Trademark Agreement pursuant to this Section 12.

13. COURSE OF DEALING.

No course of dealing among the Assignor, the Collateral Agent or any of the Secured Creditors, nor any failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any of the Secured Creditors, any right, power or privilege hereunder or under the Security 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 attorneys' fees and expenses incurred by the Collateral Agent 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 Loan Agreement.

16. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER THE COLLATERAL AGENT NOR ANY SECURED CREDITOR ASSUMES ANY 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 COLLATERAL AGENT AND THE SECURED CREDITORS FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE COLLATERAL AGENT OR ANY SECURED CREDITOR WITH RESPECT TO SUCH LIABILITIES.

17. NOTICES.

All notices and other communications made or required to be given pursuant to this Trademark Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, sent by overnight courier or sent by telegraph, telecopy, facsimile or telex and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Assignor, at 10450 Holmes Road, Suite 501, Kansas City, Missouri 64131, Attention: President, or at such other address for notice as the Assignor shall last have furnished in writing to the person giving the notice, with copies to Polsinelli Shalton & Welte P.C., Attention: James Polsinelli, Esq.; and

(b) if to the Collateral Agent, at 31 West 52nd Street, New York, New York 10019, Attention: David Bell, or at such other address for notice as the Collateral Agent shall last have furnished in writing to the person giving the notice, with copies to Bingham McCutchen LLP, 399 Park Avenue, 21st Floor, New York, New York 10022, Attention: F. Mark Fucci, Esq.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand to a responsible officer of the party to which it is directed, at the time of receipt thereof by such officer, (ii) if delivered by overnight courier, at the time of receipt thereof, (iii) if delivered by facsimile, at the time of sending of such facsimile, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day, and (iv) if sent by registered or certified first-class mail, postage prepaid, on the third Business Day following the mailing thereof. Any notice or other communication to be made hereunder, even if otherwise required to be in writing under other provisions of this Trademark Agreement, may alternatively be made in an electronic record transmitted electronically under such authentication and other procedures as the parties hereto may from time to time agree in writing (but not an electronic record), and such electronic transmission shall be effective at the time set forth in such procedures. Unless otherwise expressly provided in such procedures, such an electronic record shall be equivalent to a writing under the other provisions of this Trademark Agreement, and such authentication, if made in compliance with the procedures so agreed by the parties hereto in writing (but not an electronic record), shall be equivalent to a signature under the other provisions of this Trademark Agreement.

18. AMENDMENT AND WAIVER.

No delay or omission on the part of the Collateral Agent in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of the Collateral Agent with respect to the Obligations or the Pledged Trademarks, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly,

alternatively, successively or concurrently at such time or at such times as the Collateral Agent deems expedient. Except as provided in Section 6.2, none of the terms and conditions of this Trademark Agreement may be changed, modified or varied in any manner whatsoever unless in writing duly signed by the Assignor and the Collateral Agent (with the written consent of the Required Lenders, or, to the extent required by Section 11.12 of the Loan Agreement, all the Lenders); provided however, that any change, waiver, modification or variance affecting the rights and benefits of a single Class of Secured Creditors (and not all Secured Creditors in a like or similar manner) shall require the written consent of the Requisite Creditors of such affected Class. For the purpose of this Trademark Agreement, the term "Class" shall mean each Class of Secured Creditors, i.e. whether (y) the Lender Creditors as holders of the Loan Agreement Obligations or (z) the Other Creditors as the holders of the Other Obligations; and the term "Requisite Creditors" of any Class shall mean each of (x) with respect to the Loan Agreement Obligations, the Required Lenders and (y) with respect to the Other Obligations, the holders of 51% of all obligations outstanding from time to time under the Interest Rate Protection or Other Hedging Agreements.

19. GOVERNING LAW; CONSENT TO JURISDICTION.

THIS TRADEMARK AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW OTHER THAN GENERAL OBLIGATIONS LAW §5-1401 AND §5-1402). The Assignor agrees that any suit for the enforcement of this Trademark Agreement may be brought in the courts of the State of New York or any federal court sitting in the Southern District of New York and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the 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.

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. 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 sentence 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 Collateral Agent or any Secured Creditor nor any representative, agent or attorney of the Collateral Agent or any Secured Creditor has represented, expressly or otherwise, that the Collateral Agent or any Secured Creditor would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Loan Agreement, the other Loan Documents and any Interest Rate Protection or Other Hedging

Agreements to which the Collateral Agent or any Secured Creditor is a party, the Collateral Agent and the Secured Creditors are relying upon, among other things, the waivers and certifications contained in this Section 20.

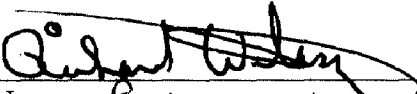
21. MISCELLANEOUS.

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 Collateral Agent, the Secured Creditors and their respective 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 Security Agreement, the provisions of the Loan Agreement or the Security Agreement, as the case may be, 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.

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

AMERICAN IDENTITY INC., as
Assignor

By: 
Name: Richard Witaszak
Title: CFO

**DEUTSCHE BANK TRUST COMPANY
AMERICAS,** as Collateral Agent

By: 
Name: David J. Bell
Title: Director

CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 7th day of February, 2003, personally appeared Richard Witaszak to me known personally, and who, being by me duly sworn, deposes and says that he is the CEO of AMERICAN IDENTITY INC., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said AMERICAN IDENTITY INC., acknowledged said instrument to be the free act and deed of said corporation.

John C Sorensen
Notary Public
My commission expires:

JOHN C. SORENSEN
Notary Public, State of New York
No. 31-4881100
Qualified in New York County
Commission Expires Dec. 29, 2006

SCHEDULE A

Trademarks and Trademark Registrations

<u>Trademark or Service Mark</u>	<u>Registrations -- United States Patent and Trademark Office Registration No.</u>	<u>Registration Date</u>
Swingster	962,112	06/26/73
K-Brand & Design	1,347,684	07/09/85
K & Design	1,355,001	08/20/85
K Products, Inc. & Design	1,355,002	08/20/85
K Products, Inc. & Design	1,381,897	02/04/86
K & Design	1,382,636	02/11/86
Design Only	1,568,764	11/28/89
K & Design	1,838,092	05/31/94
K-Products K & Design	1,863,904	11/22/94
America's Legend & Design	2,231,276	03/16/99
Globe Design	2,358,186	06/13/00
Globe Design	2,364,068	07/04/00
Legend Marketing & Design	2,420,567	01/16/01
Legend & Design	2,420,588	01/16/01
AI & Design	2,446,907	04/24/01
AI American Identity & Design	2,458,061	06/05/01
American Identity	2,446,906	04/24/01

Identity Now	2,478,037	08/14/01
IdentityNow.com & Design	2,487,363	09/11/01

<u>Trademark or Service Mark</u>	<u>Serial No.</u>	<u>Pending Applications -- United States Patent and Trademark Office Filing Date</u>
Legend (Stylized)	76/340,196	11/21/01 (allowed)
AI American Inline Identity & Design	76/410,460	05/21/02
Destination's Since 1946 American Identity Classic Quality Fine Outerwear & Design	76/458,377	10/15/02
Identity & Design	76/458,989	10/17/02
Electronic Commerce University	75/575,921	10/23/98 (abandoned)
Legacy Group	75/587,927	11/13/98 (abandoned)
Imaginations	75/677,099	04/07/99 (abandoned)

EXHIBIT 1

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

WHEREAS, AMERICAN IDENTITY, INC., a corporation organized and existing under the laws of the State of Delaware, having a place of business at 10450 Holmes Road, Suite 501, Kansas City, Missouri 64131 (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, _____, having a place of business at _____ (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 transfer unto the Assignee all right, title and interest in and to the Marks, 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 this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Service Marks (U.S.) below.

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

AMERICAN IDENTITY, INC., as
Assignor

By: _____
Name:
Title:

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 the ___ day of _____, 200_.

[NAME OF ASSIGNEE]

By: _____

Name:

Title:

COMMONWEALTH OR STATE OF _____)
) ss.
COUNTY OF _____)

On this the ___ day of _____, 200_, before me appeared [_____], the person who signed this instrument, who acknowledged that (s)he is the [] of **AMERICAN IDENTITY, INC.** and that being duly authorized (s)he signed such instrument as a free act on behalf of **AMERICAN IDENTITY, INC.**

Notary Public

[Seal]

My commission expires:

ANNEX

Trademarks and Trademark Registrations

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K & Design	1,355,001	08/20/85
K Products, Inc. & Design	1,355,002	08/20/85
K Products, Inc. & Design	1,381,897	02/04/86
K & Design	1,382,636	02/11/86
Design Only	1,568,764	11/28/89
K & Design	1,838,092	05/31/94
K-Products K & Design	1,863,904	11/22/94
America's Legend & Design	2,231,276	03/16/99
Globe Design	2,358,186	06/13/00
Globe Design	2,364,068	07/04/00
Legend Marketing & Design	2,420,567	01/16/01
Legend & Design	2,420,588	01/16/01
AI & Design	2,446,907	04/24/01
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