

08-16-2002

Form PTO-1594  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):  
DMD Industries, Inc.

*F.13-02*

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

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: August 1, 2002

2. Name and address of receiving party(ies)

Name: Bank of America, N.A.

Internal

Address:

Street Address: 231 South LaSalle Street

City: Chicago State: IL Zip: 60697

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

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2181955

Additional number(s) attached  Yes  No

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

Name: Antony J. McShane

Internal Address:

Street Address: Two North LaSalle Street

City: Chicago State: IL Zip: 60602-3801

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

502261

**DO NOT USE THIS SPACE**

9. Signature.

*Antony J. McShane*  
Name of Person Signing

*[Signature]*  
Signature

8-7-02  
Date

10

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

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

08/16/2002 6TON11 00000045 502261 2181955

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**TRADEMARK**  
**REEL: 2563 FRAME: 0591**

## TRADEMARK SECURITY AGREEMENT

**THIS TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of August 1, 2002, is executed by **DISTINCT MARKETING DESIGNS, INC.**, a Delaware corporation (the "Grantor"), in favor of **BANK OF AMERICA, N.A.**, as agent (together with any successor(s) thereto in such capacity, the "Agent") for each of the Lender Parties (as defined below).

### W I T N E S S E T H :

WHEREAS, Bemiss-Jason Corporation, a California corporation ("BJ"), Westrim, Inc., a Delaware corporation ("WT"), the Agent and various financial institutions from time to time (collectively, the "Lenders") are party to that certain Amended and Restated Credit Agreement dated as of May 31, 2000, as amended by a First Amendment thereto dated as of January 1, 2002 and a Second Amendment and Waiver thereto dated as of April 15, 2002 (collectively, the "Credit Agreement");

WHEREAS, to induce the Agent and the Lender to execute and deliver that certain Third Amendment to Amended and Restated Credit Agreement of even date herewith among BJ, WT, the Agent and the Lenders (the "Third Amendment"), Grantor is required, and has agreed, to execute and deliver this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged the Grantor agrees, for the benefit of each Lender Party, as follows:

**SECTION 1. Definitions.** Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Credit Agreement. The following terms (whether or not underscored) when used in this Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Agent" is defined in the preamble.

"Agreement" is defined in the preamble.

"Credit Agreement" is defined in the recitals.

"Grantor" is defined in the preamble.

"Lender" is defined in the recitals.

"Lender Party" means, as the context may require, any Lender or the Agent and each of its respective successors, transferees, and assigns.

“Security Agreement” means the Security Agreement of even date herewith made by Grantor in favor of the Agent, as amended, modified, supplemented or restated from time to time.

“Trademark” is defined in Section 2(a).

“Trademark Property” is defined in Section 2.

**SECTION 2. Grant of Security Interest.** For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Liabilities, the Grantor hereby assigns and pledges to the Agent for its benefit and the ratable benefit of the Lender Parties a security interest in all of the following property, whether now owned or hereafter acquired or existing (the “Trademark Property”):

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and General Intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a “Trademark”), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office, or in any office or agency of the United States Federal or state government, and corresponding offices in other countries of the world, including those referred to in Item A of Schedule I attached hereto;

(b) all Trademark licenses, including each Trademark license referred to in Item B of Schedule I attached hereto;

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b) above;

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b) above; and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Schedule I attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

**SECTION 3. Credit Agreement.** This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Agent in the Trademark Property with the United States Patent and Trademark Office, or in any office or agency of the United States federal or state government, and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in

limitation of, the security interest granted to the Agent under the Security Agreement. The Security Agreement and all other Collateral Documents (and all rights and remedies of the Agent thereunder) shall remain in full force and effect in accordance with their respective terms.

SECTION 4. No Further Trademark Registrations Without Security Interest on File. The Grantor hereby covenants that it shall promptly, but no later than thirty days, after filing any new Trademark applications with the United States Patent and Trademark Office, or in any office or agency of the United States federal or state government, and corresponding offices in other countries of the world, it shall execute and file (at its expense) a supplement substantially identical to this Agreement covering such application in the United States Patent and Trademark Office, or in any office or agency of the United States federal or state government, and corresponding offices in other countries of the world immediately after a serial number or other identifier has been assigned to such application or such other documents or instruments as the Agent shall have notified Grantor are necessary or appropriate, in each case, for the full perfection of a first priority security interest in favor of the Agent in such applications and related trademarks, such documents reflecting such security interests in favor of the Agent to be on file in any event in all requisite offices within three months after the filing by Grantor of any application.

SECTION 5. Release of Security Interest. Upon payment in full of all Liabilities and the termination of all Commitments of the Lenders under the Credit Agreement, the Agent shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Property which has been granted hereunder.

SECTION 6. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent and each of the other Lender Parties with respect to the security interest in the Trademark Property granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 7. Covenants. In addition to and not in limitation of the covenants and agreements contained in the Security Agreement, Grantor hereby covenants and agrees that it will not enter into any new Trademark licenses or any other new agreements that provide Grantor with the right to use Trademarks after the date hereof which would restrict the ability of Grantor to grant a security interest in favor of the Agent therein unless it obtains the prior written consent of the Agent. Grantor shall not, without the Agent's prior written consent, grant any new exclusive licenses, or otherwise transfer all or substantially all Grantor's rights, with respect to any item comprising Trademark Property, except as permitted under the Security Agreement.

SECTION 8. Grant of License to Use Trademark Property. For the purpose of enabling the Agent to exercise rights and remedies under this Agreement, the Security Agreement, the Credit Agreement and all other Loan Documents, at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and as a supplement to and not in limitation of any and all rights and remedies available to the Agent, to the extent the Agent chooses to avail itself of the following, upon and subject to the occurrence and during the continuance of an Event of Default, the Grantor grants, to the extent not prohibited by applicable law or currently existing

licenses granted in the ordinary course of business (unless and until appropriate consents have been obtained), to the Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any Trademark Property now owned or hereafter acquired by Grantor; provided, however, that to the extent such Trademark Property consists of Trademark licenses or other agreements that provide Grantor with the right to use Trademarks the non-exclusive license granted hereby to the Agent shall be subject to the terms and conditions contained in such Trademark licenses or such other agreements.

SECTION 9. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof. The provisions of this Agreement are in addition to, and not intended to be a limitation of, the duties of Grantor and the rights of the Agent and each other Lender Party under the Credit Agreement or any of the other Loan Documents. To the extent there exists any conflict or ambiguity between the terms, covenants and conditions of this Agreement and any of the other Loan Documents, the terms, covenants and conditions which shall enlarge the rights and remedies of the Agent and each other Lender Party and the interest of the Agent and each other Lender Party in the Collateral, afford the Agent and each other Lender Party greater financial security in the Collateral and better assure payment of the Liabilities in full, shall control.

SECTION 10. Section Captions. Section captions used in this Agreement are for convenience of reference only, and shall not affect the construction of this Agreement.

SECTION 11. Severability. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 12. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS (WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF), EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF ILLINOIS.

SECTION 13. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

[signature page follows]

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its officers thereunto duly authorized as of the day and year first above written.

DISTINCT MARKETING DESIGNS, INC.

By: *Christy M. [Signature]*

Title: *CEO & SVP*

Address: *1550 El Camino Real*  
*Menlo Park,*  
*CA*

Attention: \_\_\_\_\_

Facsimile number: *(610) 321-9412*

ATTACHMENT 1  
to  
AGREEMENT  
(Trademark)

Registered Trademarks

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
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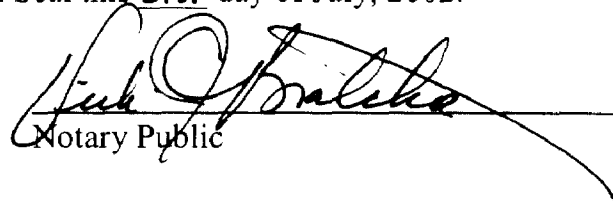
Trademark Licenses

<u>Trademark</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Date</u>
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STATE OF ARKANSAS )  
 ) SS  
COUNTY OF WASHINGTON )

I, Vicki J. BRATCHER a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Christopher McLain, who is personally known to me to be the CEO & Secretary of Distinct Marketing Designs, Inc., a Delaware corporation, and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that (he/she) signed and delivered said instrument as CEO & Secretary said corporation, as (his/~~her~~) own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 31st day of July, 2002.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
VICKI J. BRATCHER  
Notary Public Arkansas  
WASHINGTON COUNTY  
My Commission Expires 10-01-2006



SCHEDULE "1"

TRADEMARKS

1. DMD Industries, Inc.:

- (a) Mark: "Paper Reflections"  
Registration Date: August 18, 1998  
Registration No.: 2181955

2. MPR Associates, Inc.

- (a) Mark: "MPR's Paperbilities"  
Registration Date: October 13, 1998  
Registration No.: 2196075
- (b) Mark: "Paper Ribbons Fashioned by Hand With Creative Twist"  
Filing Date: February 16, 1988  
Serial No.: 73711667  
Status: Abandoned (October 28, 1988)

**SCHEDULE 1  
TO  
TRADEMARK SECURITY AGREEMENT**

See Schedule 1 to Exhibit "E" to Asset Purchase Agreement attached hereto and incorporated herein by reference.