

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Merkle-Korff Industries, Inc.		11/10/2006	CORPORATION: DELAWARE
Motion Control Engineering, Inc.		11/10/2006	CORPORATION: DELAWARE
Advanced Motors & Drives, Inc.		11/10/2006	CORPORATION: NEW YORK
The Imperial Electric Company		11/10/2006	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Credit Suisse, Cayman Islands Branch, as Second Lien Collateral Agent
Street Address:	11 Madison Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10010
Entity Type:	Bank:

PROPERTY NUMBERS Total: 12

Property Type	Number	Word Mark
Registration Number:	819442	MK
Registration Number:	1471967	MK
Registration Number:	1696780	POWER UNDER CONTROL
Registration Number:	1842803	MCE
Registration Number:	1841726	MCE MOTION CONTROL ENGINEERING, INC.
Registration Number:	2305403	IMPERIAL ELECTRIC
Registration Number:	2361160	
Registration Number:	2361156	THE DRIVING FORCE IN MOTION
Serial Number:	76466380	I
Serial Number:	76466379	THE POWER OF I
Serial Number:	78965057	TAPS

CH \$315.00 819442

Serial Number:

78678486

ADVANCED MOTORS & DRIVES

CORRESPONDENCE DATA

Fax Number: (866)459-2899

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 202-783-2700

Email: Oleh.Hereliuk@federalresearch.com

Correspondent Name: CBCInnovis dba Federal Research

Address Line 1: 1023 Fifteenth Street, NW, Ste 401

Address Line 2: attn: Oleh Hereliuk

Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

ATTORNEY DOCKET NUMBER:

376640

NAME OF SUBMITTER:

Oleh Hereliuk

Signature:

/oh/

Date:

01/23/2007

Total Attachments: 10

source=376640#page1.tif

source=376640#page2.tif

source=376640#page3.tif

source=376640#page4.tif

source=376640#page5.tif

source=376640#page6.tif

source=376640#page7.tif

source=376640#page8.tif

source=376640#page9.tif

source=376640#page10.tif

SECOND LIEN TRADEMARK SECURITY AGREEMENT dated as of November 10, 2006 (this "*Agreement*"), among MERKLE-KORFF INDUSTRIES, INC., a Delaware corporation ("*MKI*"), MOTION CONTROL ENGINEERING, INC., a Delaware corporation ("*MCE*"), ADVANCED MOTORS & DRIVES, INC., a New York corporation ("*AM&D*"), THE IMPERIAL ELECTRIC COMPANY, a Delaware corporation ("*Imperial*" and, together with MKI, MCE and AM&D, the "*Grantors*") and CREDIT SUISSE, as collateral agent (in such capacity, the "*Collateral Agent*").

Reference is made to (a) the Second Lien Guarantee and Collateral Agreement dated as of November 10, 2006 (as amended, restated, supplemented or otherwise modified, the "*Guarantee and Collateral Agreement*"), among Kinetek Acquisition Corp., a Delaware corporation (the "*Borrower*"), Kinetek Holdings Corp., a Delaware corporation ("*Holdings*"), the Domestic Subsidiaries of the U.S. Borrower from time to time party thereto and Credit Suisse, as Collateral Agent, and (b) the Second Lien Credit Agreement dated as of November 10, 2006 (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among the Borrower, Holdings, the Lenders (as defined below) from time to time party thereto and Credit Suisse, as Administrative Agent (as defined below) and as Collateral Agent. The Lenders have agreed to make loans to the Borrower subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to make such loans are conditioned upon, among other things, the execution and delivery of this Agreement. The Grantors are willing to execute and deliver this Agreement in order to induce the Lenders to make such loans. Accordingly, the parties hereto agree as follows:

SECTION 1. *Terms.* Capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Guarantee and Collateral Agreement. The rules of construction specified in Section 1.01(b) of the Guarantee and Collateral Agreement also apply to this Agreement.

SECTION 2. *Grant of Security Interest.* As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor, pursuant to the Guarantee and Collateral Agreement, did and hereby does assign and pledge to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and did and hereby does grant to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest, in all right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "*Trademark Collateral*"): (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and

recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office (or any successor office) or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule I, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

Notwithstanding the foregoing, the "Trademark Collateral" shall not include any of the items described in clauses (a), (b) and (c) above arising under any contracts, instruments, licenses or other documents as to which the grant of a security interest would constitute a violation of a valid and enforceable restriction in favor of a third party on such grant, notwithstanding applicable anti-assignment provisions under the New York UCC.

SECTION 3. *Guarantee and Collateral Agreement.* The security interests granted to the Collateral Agent herein are granted in furtherance, and not in limitation of, the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. The Grantors hereby acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the Trademark Collateral are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. In the event of any conflict between the terms of this Agreement and the Guarantee and Collateral Agreement, the terms of the Guarantee and Collateral Agreement shall govern.

SECTION 4. *INTERCREDITOR AGREEMENT.* REFERENCE IS MADE TO THE INTERCREDITOR AGREEMENT DATED AS OF NOVEMBER 10, 2006 (AS AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "*INTERCREDITOR AGREEMENT*"), AMONG THE BORROWER, HOLDINGS, THE DOMESTIC SUBSIDIARIES OF THE BORROWER PARTY THERETO, CREDIT SUISSE, AS FIRST LIEN COLLATERAL AGENT (AS DEFINED THEREIN), AND CREDIT SUISSE, AS SECOND LIEN COLLATERAL AGENT (AS DEFINED THEREIN). NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIEN AND SECURITY INTEREST GRANTED TO THE COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED PARTIES, PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER SECURED PARTIES HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THE PROVISIONS OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL CONTROL.


[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

MERKLE-KORFF INDUSTRIES, INC.,

by 
Name:
Title:

MOTION CONTROL ENGINEERING,
INC.,

by 
Name:
Title:

ADVANCED MOTORS & DRIVES, INC.,

by 
Name:
Title:

THE IMPERIAL ELECTRIC COMPANY,

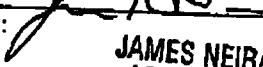
by 
Name:
Title:

CREDIT SUISSE, CAYMAN ISLANDS
BRANCH, as Collateral Agent,

by


Name: _____
Title: **BILL O'DALY
DIRECTOR**

by


Name: _____
Title: **JAMES NEIRA
ASSOCIATE**

[[2656126]]

Schedule I

Attached

TRADEMARKS

Company	Trademark	Status	App. No.	Reg. No.	CountryName	Class	App. Date	Reg. Date
Merkle-Korff Industries, Inc.	MK	Registered	72/229264	819442	United States of America	07 Int.	04-Oct-1965	29-Nov-1966
	MK (AND DESIGN)	Registered	73/665410	1471967	United States of America	07 Int.	08-Jun-1987	12-Jan-1988
	POWER UNDER CONTROL	Registered	74/098620	1696780	United States of America	07 Int.	20-Sep-1990	23-Jun-1992
	MK	Registered		526288	Italy			27-Jun-1968
Motion Control Engineering, Inc.	I (AND DESIGN)	Published	76/466380		United States of America	09 Int.	13-Nov-2002	
	MCE (STYLIZED)	Registered	74/428932	1842803	United States of America	09 Int.	26-Aug-1993	05-Jul-1994

Company	Trademark	Status	App. No.	Reg. No.	CountryName	Class	App. Date	Reg. Date
	MCE MOTION CONTROL ENGINEERING, INC. (STYLIZED)	Registered	74/428933	1841726	United States of America	09 Int.	26-Aug-1993	28-Jun-1994
	THE POWER OF I	Published	76/466379		United States of America	37 Int.	13-Nov-2002	
	TAPS	Mailed			Canada			
	TAPS	Mailed			China	09 Int.		
	TAPS	Mailed			China	40 Int.		
	TAPS	Pending	005299748		European Community	09 Int., 40 Int.	07-Sep-2006	
	TAPS	Pending	805015		Mexico	09 Int.	06-Sep-2006	
	TAPS	Pending	805016		Mexico	40 Int.	06-Sep-2006	

Company	Trademark	Status	App. No.	Reg. No.	CountryName	Class	App. Date	Reg. Date
	TAPS	Pending	78/965057		United States of America	09 Int., 40 Int.	31-Aug-2007	
Advanced D.C. Motors, Inc.	ADVANCED MOTORS & DRIVES	Published	78/678486		United States of America	07 Int.	26-Jul-2005	
The Imperial Electric Company	IMPERIAL ELECTRIC	Registered	75/449763	2305403	United States of America	07 Int.	13-Mar-1998	04-Jan-2000
	MISCELLANEOUS DESIGN (ROTATING ARMATURE LOGO)	Registered	75/435663	2361160	United States of America	07 Int., 12 Int.	17-Feb-1998	27-Jun-2000
	THE DRIVING FORCE IN MOTION	Registered	75/434145	2361156	United States of America	07 Int., 12 Int.	13-Feb-1998	27-Jun-2000