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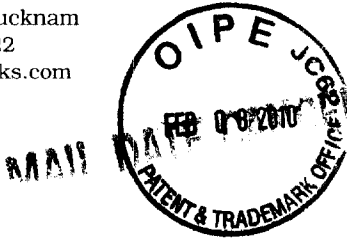
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02-08-1999

U.S. Patent & TMO/c/TM Mail Rcpt Dt. #54



02-23-1999

February 2, 1999



100969467

M/RD 2-8-99

United States Patent and Trademark Office  
Office of Public Records  
Crystal Gateway 4, Room 335  
Washington, D.C. 20231

Re: Abrams & Company Publishers, Inc.

To the Honorable Commissioner of Patents and Trademarks:

Please record the attached original documents or copy thereof:

1. Name and address of conveying party(ies):  
**Abrams & Company Publishers, Inc. (a Delaware corporation)**  
**61 Mattatuck Heights Road, Suite 7**  
**Waterbury, CT 06705**
2. Name and address of receiving party(ies):  
**American Bank of Connecticut (a Connecticut savings bank)**  
**150 Trumbull Street**  
**Hartford, CT 06103**
3. Nature of conveyance:  
**Security Agreement**
4. Applications number(s) or registration number(s):
  - A. Trademark Application No.(s)  
**The Letter People - U.S. App. No. 75/387018**
  - B. Trademark Registration No.(s)  
**The Letter People - U.S. Reg. No. 1,070,784**  
**The Letter People - U.S. Reg. No. 1,072,641**

02/22/1999 DNGUYEN 00000225 75387018

01 FC:481 40.00 OP  
02 FC:482 50.00 OP

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

**David E. Sturgess, Esq.  
Updike, Kelly & Spellacy, P.C.  
One State Street, P.O. Box 231277  
Hartford, CT 06123-1277**

6. Total number of applications and registrations involved:  
**Three (3)**

7. Total fee (37 CFR 3.41):  
**\$90.00**

8. Deposit account number:  
**N/A**

9. Statement and signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Heather W. Bucknam, Esq.  
Name of Person Signing

Heather W. Bucknam  
Signature

2/2/99  
Date

wcw/enclosures

**MORTGAGE AND  
SECURITY AGREEMENT - TRADEMARKS**

This MORTGAGE AND SECURITY AGREEMENT - TRADEMARKS (the "Mortgage") is made as of this 10th day of August, 1998 by ABRAMS & COMPANY PUBLISHERS, INC., a Delaware corporation, with its chief executive office located at 61 Mattatuck Heights Road, Waterbury, Connecticut 06705 (the "Borrower") in favor and for the benefit of AMERICAN BANK OF CONNECTICUT, a Connecticut savings bank, with an office located at 150 Trumbull Street, Hartford, Connecticut 06103 (the "Bank").

**WITNESSETH:**

WHEREAS, the Bank has agreed to make loans and advances and otherwise extend credit to the Borrower, either directly or through one or more Bank Affiliates, in the principal amount of SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND NO/100 (\$750,000.00) (the "Loan") which Loan is evidenced by a term note of even date herewith in the principal amount of SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND NO/100 (\$750,000.00) (the "Note"); and

WHEREAS, the Borrower is the sole and exclusive owner of the United States Trademarks, applications for United States Trademarks and all other corresponding trademarks and applications in any states or foreign countries as set forth on Schedule A annexed hereto and made a part hereof (the "Trademark Rights"); and

WHEREAS, pursuant to a certain security agreement of even date herewith between the Borrower and the Bank (the "Security Agreement"), the Borrower has granted the Bank a security interest in, among other things, the Trademark Rights, on the terms and conditions set forth in the Security Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Bank under the Note that the Borrower execute and deliver to the Bank a mortgage in substantially the form hereof; and

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions set forth in the Security Agreement, the Borrower hereby agrees with the Bank as follows:

1. The Borrower hereby grants to the Bank, its successors and assigns, on the terms and conditions set forth in the Security Agreement, and as security for the obligations and liabilities of the Borrower under the Note, the Security Agreement and any and all other documents, instruments and agreements executed and delivered pursuant thereto and in connection therewith (collectively, the "Loan Documents"), whether now existing or hereafter arising, a first lien upon and security interest in all of the Borrower's right, title, and interest in, to and under the Trademark Rights, together with (i) all reissues or extensions thereof and (ii) all

claims for damages by reason of past or future infringement of the Trademark Rights with the right to sue for and collect said damages and the right to collect all royalties under any license agreements with respect to any of the Trademark Rights, whether now or hereafter granted (hereinafter sometimes collectively referred to as the "Collateral").

2. The Borrower represents and warrants unto the Bank that the Borrower has not heretofore assigned, transferred or encumbered its right, title and interest in, to and under the Collateral, except for the certain lien in favor of Bank to secure a \$1,600,000 Revolving Line of Credit extended to Borrower.

3. The Borrower represents and warrants that it knows of no impediments to the validity and/or enforceability of any or all of the Trademark Rights.

4. The Borrower represents and warrants that the Trademark Rights are all the trademarks (domestic and foreign) used by the Borrower or in connection with its business.

5. The Borrower covenants and agrees with the Bank that, so long as this Mortgage shall remain in effect:

(a) The Borrower shall pay all fees necessary for the issuance, maintenance, renewal or reissuance of the Trademark Rights and shall do all such other acts and things necessary for maintaining the Trademark Rights.

(b) The Borrower shall endeavor to detect and prevent any infringement of the Trademark Rights, including, in the exercise of its reasonable legal and business judgment, the bringing of infringement suits to enforce the Trademark Rights. The Borrower shall inform the Bank of any actual or suspected infringement of the Trademark Rights of which it has knowledge and of any action contemplated or taken by the Borrower in response to such infringement. The Bank shall have the right, in consultation with the Borrower, to require the Borrower to take such action as the Bank may reasonably determine to be required to enforce such Trademark Rights.

(c) The Borrower shall, in the exercise of its reasonable legal and business judgment, undertake to defend any attack upon the Trademark Rights and upon the validity and enforceability thereof. The Bank shall have the right, in consultation with the Borrower, to require the Borrower to take such action as the Bank may reasonably determine to be required to defend the Trademark Rights.

(d) The Borrower shall not, without the prior written consent of the Bank, permit the Trademark Rights to lapse or otherwise abandon the Trademark Rights.

(e) At any time and from time to time, the Borrower shall, upon the request of the Bank, execute and deliver such further documents and do such other acts and things as the Bank reasonably may require in order to effect the purpose of this Mortgage and of the rights and powers herein granted, including, without limitation, all documents necessary or advisable to

record title to the Collateral, including valid, recordable assignments of any or all of the Trademark Rights, and the Borrower does hereby irrevocably appoint the Bank, its successors and assigns, as its attorney-in-fact to execute any or all of such documents and to do such other things or acts on behalf of the Borrower, its successors and assigns, and the Borrower confirms all such acts said attorney-in-fact may do pursuant to this authority.

6. Until the occurrence of an Event of Default as defined in the Note and/or any of the other Loan Documents subject to the provisions of the Note and the Security Agreement, the Bank hereby acknowledges the Borrower's exclusive right and license to use the Collateral for the Borrower's own benefit and account, to grant licenses and sublicenses on reasonable terms with respect to the Collateral and to generally deal in the ordinary course of business with the Collateral. The foregoing grant of authority shall not permit the Borrower to take any actions prohibited hereunder.

7. Notwithstanding anything to the contrary, nothing herein contained shall relieve the Borrower from the performance of any covenant, agreement or obligation on the Borrower's part to be performed under any license agreement now existing or hereafter executed by the Borrower licensing the use of the Collateral or any part thereof or from liability to any licensee thereunder or other party or impose any liability on the Bank for the acts or omissions of the Borrower in connection with any such license or license agreement.

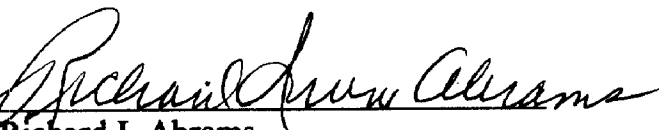
8. This Mortgage shall terminate upon written notice by the Bank to the Borrower that all of the obligations secured hereby have been fully paid and performed and, upon such termination, all rights in the Collateral mortgaged and in which a security interest is granted hereunder shall be reconveyed by the Bank to the Borrower and the Bank shall promptly execute and deliver to the Borrower such documents or instruments as the Borrower may reasonable request of such termination.

9. This Mortgage shall be binding upon the Borrower, its successors, and assigns and shall inure to the benefit of the Bank, each Bank Affiliate, and their successors and assigns.


10. This Mortgage may not be amended or modified except with the written consent of the Bank.

IN WITNESS WHEREOF, the Borrower and the Bank have executed this Mortgage as of the date first set forth above.

ABRAMS & COMPANY PUBLISHERS, INC.

By:   
Richard I. Abrams  
Its President  
Duly Authorized

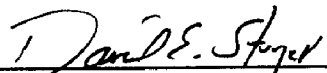
AMERICAN BANK OF CONNECTICUT

By:   
Michael Van Degna  
Its Vice President  
Duly Authorized

STATE OF CONNECTICUT )  
  ) at Hartford  
COUNTY OF HARTFORD )

On this the 10th day of August, 1998, before me, the undersigned officer, personally appeared Richard I. Abrams, who acknowledged himself to be the President of Abrams & Company Publishers, Inc., a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the corporation, by signing the name of the corporation by himself as President.

In Witness Whereof I hereunto set my hand.

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

STATE OF CONNECTICUT)  
   ) at Hartford  
 COUNTY OF HARTFORD )

On this the 10th day of August, 1998, before me, the undersigned officer, personally appeared Michael Van Degna, who acknowledged himself to be the Vice President of American Bank of Connecticut, a Connecticut savings bank, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the bank, by signing the name of the bank by himself as Vice President.

In Witness Whereof I hereunto set my hand.



\_\_\_\_\_  
 Commissioner of the Superior Court

~~Notary Public~~

My Commission Expires:

**SCHEDULE A**

**TO MORTGAGE OF TRADEMARKS**

**Trademarks (Registered)**

1. The Letter People - U.S. Reg. No. 1070784
2. The Letter People - U.S. Reg. No. 1072641
3. The Letter People - U.S. App. No. 75/387018
4. The Letter People - U.K. Reg. No. B1073278
5. Make-A-Book - U.S. Reg. No. 1893122
6. Graphic Learning - U.S. Reg. No. 1891021