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Tab settings

To the Honorable Commissioner of Patents and

ied original documents or copy thereof.

1. Name of conveying party(ies):

Tonyco, Inc.

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

Additional names(s) of conveying party(ies) Yes No

3. Nature of conveyance:

6-21-99

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

Execution Date: 5/7/99

2. Name and address of receiving party(ies):

Name: Bank One f/k/a NBD Bank

Internal Address:

Street Address: 611 Woodward Avenue

City: Detroit State: MI ZIP: 48226

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

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,209,189

Additional numbers Yes No

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

Name: Kevin D. Welsh

Internal Address: MI1-8067

Street Address: 611 Woodward Avenue

P.O. Box 331789

City: Detroit State: MI ZIP: 48226

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:

06/23/1999 NTHAI1 00000304 2209189

01 FC:481 40.00 DP

40E

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.

Kevin D. Welsh

Name of Person Signing

Signature

6-14-99

Date

Total number of pages including cover sheet, attachments, and

TRADEMARK

REEL: 001918 FRAME: 0217

COLLATERAL ASSIGNMENT OF TRADEMARK
(the "Agreement")

THIS AGREEMENT is entered into on *May 7, 1999*, between Tonyco, Inc. d/b/a Silber Merchandise Services and American School Fundraiser, a Michigan corporation whose address is 181 W. Marshall, Ferndale, MI 48220-0279 ("Borrower"), and **NBD Bank**, a Michigan banking corporation whose address is 611 Woodward Avenue, Detroit, Michigan 48226 ("Bank").

A. Borrower has executed and delivered to Bank a Workout Agreement dated *May 7, 1999*. To induce Bank to enter into the Workout Agreement, Borrower has agreed to assign to Bank certain trademark and related rights.

B. Prior to the execution of this Agreement, Borrower has executed and delivered to Bank a Continuing Security Agreement under which Borrower has granted Bank a security interest in, among other things, all present and future equipment, machinery, equipment formulations, manufacturing procedures, quality control procedures, and product specifications ("Other Assets") relating to products sold under the Trademarks, as defined below, whereby Bank shall have the right to foreclose on the Trademarks and the Other Assets if the Borrower defaults under the Workout Agreement, so that the owner of the Trademarks may continue the manufacture of products to be sold under the Trademarks and maintain substantially the same product specifications and quality as that maintained by Borrower.

Therefore, the parties agree as follows:

1. To secure the payment of all Borrower's debt to the Bank of any kind whenever and however such debt may arise or may have arisen ("Liabilities") (including interest, costs, expenses, and reasonable attorney's fees accruing to or incurred by Bank in collecting the Liabilities or in the protection, maintenance, or liquidation of the Trademarks, as defined below, and Borrower's compliance with the terms and conditions of such Liabilities), Borrower grants, assigns and conveys to Bank all its right, title, and interest in and to the trademark applications and trademarks listed in Schedule A and any amendments (collectively called "Trademarks"), including (a) all proceeds (such as, by way of example, license royalties and proceeds of infringement suits), (b) the right to sue for past, present and future infringements, (c) all rights relating to the Trademarks throughout the world, and (d) the goodwill of the business to which each of the Trademarks relates.

2. Borrower covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Borrower's knowledge, each of the Trademarks is valid and enforceable;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;

(d) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered agreements, and covenants by Borrower not to sue third persons; and

(e) Borrower has the unqualified right to enter into this Agreement and perform its terms;

(f) Borrower has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and

(g) Borrower has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

3. Borrower hereby grants to Bank and its employees and agents the right (a) to visit Borrower's plants and facilities in which products sold under the Trademarks are manufactured, inspected, and/or stored, and (b) to inspect the products and quality control records relating thereto at reasonable times during regular business hours. Borrower shall do any and all acts required by Bank to insure Borrower's compliance with paragraph 2(g) above.

4. Borrower agrees that until all of the Liabilities have been satisfied in full, it will not, without Bank's prior written consent, enter into any agreement (for example, a license agreement) which is inconsistent with Borrower's obligations under this Agreement.

5. If, before the Liabilities have been satisfied in full, Borrower obtains rights to any new trademarks, then the provisions of paragraph 1 shall automatically apply to it and Borrower shall give to Bank prompt notice thereof.

6. Borrower authorizes Bank to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications which are Trademarks under paragraph 1 or paragraph 5 of this Agreement.

7. Unless and until there shall have occurred and be continuing an Event of Default as defined in the Note ("Event of Default"), Bank grants to Borrower the exclusive, nontransferable right and license to use the Trademarks on and in connection with products sold by Borrower, for Borrower's own benefit and account and for none other. Without the prior written consent of Bank, Borrower agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Borrower in this paragraph 7.

8. If any Event of Default shall have occurred and be continuing, Borrower's license under the Trademarks, as set forth in paragraph 7, shall terminate immediately, and the Bank shall

have, in addition to all other rights and remedies given to it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located. Without limiting the generality of the foregoing, the Bank may immediately, without demand of performance and without other notice or demand whatsoever to Borrower (except as set forth below), all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon the whole or from time to time any part of the Trademarks, or any interest which the Borrower may have in them, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Liabilities. Any remainder of the proceeds after payment in full of the Liabilities shall be paid over to the Borrower. Notice of any sale or other disposition of the Trademarks shall be given to Borrower at least five (5) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Borrower agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of the Note, or the Bank, may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of Borrower, which right is waived and released.

9. At such time as Borrower shall completely satisfy all of the Liabilities, this Agreement shall terminate and Bank shall execute and deliver to Borrower all deeds, assignments and other instruments as may be necessary or proper to re-vest in Borrower full title to the Trademarks, subject to any disposition thereof which may have been made by Bank pursuant to this Agreement.

10. Any and all fees, costs, and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses incurred by Bank in preparing this Agreement and all other documents relating to it and/or the consummation of the transactions contemplated by it, 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 fees, encumbrances, or costs incurred in protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Borrower on demand by Bank and until so paid shall be added to the principal amount of the Liabilities and shall bear interest at the highest rate prescribed in the Note.

11. Borrower shall have the duty, through counsel acceptable to Bank, to prosecute diligently any trademark applications of the Trademarks pending as of the date of this Agreement, or thereafter, until the Liabilities have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Borrower. The Borrower shall not abandon any Trademark without the consent of the Bank, which consent shall not be unreasonably withheld.

12. Borrower shall have the right, with the prior written consent of Bank, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, in which event Bank may, if necessary, be joined as a nominal party to such suit if Bank shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. Borrower shall promptly, upon demand, reimburse and indemnify Bank for all damages, costs and expenses, including attorney's fees, incurred by Bank in the fulfillment of the provisions of this paragraph 12.

13. If any Event of Default shall have occurred and be continuing, Borrower authorizes and empowers Bank to appoint any officer or agent of Bank, as Bank may select in its exclusive discretion, as Borrower's true and lawful attorney-in-fact, with the power to endorse Borrower's name on all applications, documents, papers and instruments necessary for Bank to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any third person, or necessary for Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks, to any third person. Borrower ratifies all that such attorney shall lawfully do or cause to be done by virtue of this agreement. This power of attorney shall be irrevocable for the life of this agreement.

14. If Borrower fails to comply with any of its obligations hereunder, Bank may do so in Borrower's name or in Bank's name, but at Borrower's expense, and Borrower hereby agrees to reimburse Bank in full for all expenses, including reasonable attorney fees, incurred by Bank in protecting, defending and maintaining the Trademarks.

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

16. All of Bank's rights and remedies with respect to the Trademarks, whether established by this Agreement, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction.

18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6.

19. This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the parties.

20. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of Michigan.

21. When the term "Borrower" refers to more than one person or entity, all promises, assignments, grants, conveyances, acknowledgements, authorizations, covenants, warranties, and representations in this Agreement shall be deemed to have been made jointly by all persons or entities to which the term refers and each severally, unless the context clearly indicates a different meaning is intended.

Waiver of Jury Trial. The Bank and the Borrower knowingly and voluntarily waive any right either of them have to a trial by jury in any proceeding (whether sounding in contract or tort) which is in any way connected with this or any related agreement, or the relationship established under them. This provision may only be modified in a written instrument executed by the Bank and the Borrower.

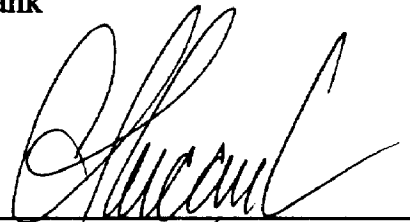
Executed on the date first written above.

Bank:

NBD Bank

By:

Its:



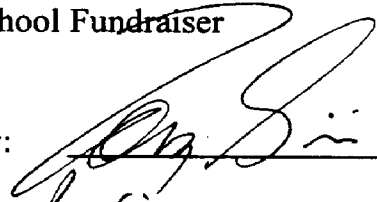
1ST V.P.

Borrower:

Tonyco, Inc. d/b/a Silber
Merchandise Services and American
School Fundraiser

By:

Its:



PRESIDENT