

FORM PTO-1594
(Rev. 8-93)

RECC

07-12-1999

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)

Tab settings = 7-8-99



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ad original documents or copy thereof.

1. Name of conveying party(ies):

QUESTRON TECHNOLOGY, INC.

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State Delaware
☐ Other _____

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other Amended and Restated Trademark Security Agreement

Execution Date: June 29, 1999

2. Name and address of receiving party(ies)

Name: ABLECO FINANCE LLC, as collateral agent

Internal Address: 28th Floor

Street Address: 450 Park Avenue

City: New York State: NY ZIP: 10022

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☐ Corporation-State _____
☒ Other limited liability company

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 patent number(s):

A. Trademark Application No.(s)

Please see attached Schedule A.

B. Trademark Registration No.(s)

Please see attached Schedule A.

Additional numbers attached? ☒ Yes ☐ No

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

Name: BROBECK, PHLEGER & HARRISON LLP

Internal Address: _____

Attn: Kimberley A. Lathrop

Street Address: 550 South Hope Street

City: Los Angeles State: CA ZIP: 90071

6. Total number of applications and registrations involved: 9

7. Total fee (37 CFR 3.41).....\$ 240.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

07/09/1999 MTHA11 00000100 2126031

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.

Kimberley A. Lathrop
Name of Person SigningKimberley A. Lathrop
Signature

07-06-99

Date

Total number of pages including cover sheet, attachments, and document: 21

Mail documents to be recorded with required cover sheet information to:
Comptroller of Patents & Trademarks, Box AssignmentsTRADEMARK
REEL: 001925 FRAME: 0462

ADDITIONAL NAMES OF CONVEYING PARTIES:

1. Questron Distribution Logistics, Inc., a Delaware corporation
2. Integrated Material Systems, Inc., an Arizona corporation
3. Power Components, Inc., a Pennsylvania corporation
4. California Fasteners, Inc., a California corporation
5. Comp Ware, Inc., a Delaware corporation
6. Fas-Tronics, Inc., a Texas corporation
7. Fortune Industries, Inc., a Texas corporation
8. Questron Finance Corp., a Delaware corporation
9. Questron Operating Company, Inc., a Delaware corporation
10. Action Threaded Products, Inc., an Illinois corporation
11. Action Threaded Products of Georgia, Inc., a Georgia corporation
12. Action Threaded Products of Minnesota, Inc., a Minnesota corporation
13. Capital Fasteners, Incorporated, a North Carolina corporation

SCHEDULE A TO TRADEMARK SECURITY AGREEMENT
TRADEMARKS AND LICENSES

OBLIGORS' AND SUBSIDIARIES' TRADEMARKS:

Trademark	Owner	Status in Trademark Office	Federal Registration Number	Registration Date
1 Questron Technology, Inc.	Questron Technology, Inc. (f/k/a Judicate, Inc.)*	Registered	2,126,031	12/30/97
2 Quest Electronic Hardware, Inc.	Questron Technology, Inc. (f/k/a Judicate, Inc.)	Registered	2,054,100	4/22/97
3 "ATP"	Action Threaded Products, Inc.	Registered	1,717,464	9/22/92
4 "ATP" (stylized)	Action Threaded Products, Inc.	Registered	1,684,285	4/28/92
5 "Need Fasteners?....Get Action!"	Action Threaded Products, Inc.	Registered	1,719,821	9/29/92
6 "ATP" (graphic mark)	Action Threaded Products, Inc.	Registered	2,195,574	10/13/98
7 "Dedicated to Service"	Capital Fasteners, Inc.	Registered	1,897,301	6/6/95
8 "CFI" (stylized)	Capital Fasteners, Inc.	Registered	2,037,828	2/11/97
9 Fastener Insignia Registration	Capital Fasteners, Inc.	Recorded based on the Trademark Registration No. 2,037,828	N/A	3/24/97

* Currently in the name of Judicate, Inc. with name to be changed to Questron Technology, Inc.

Obligors' and Subsidiaries' licenses (other than routine business licenses, authorizing them to transact business in local jurisdictions:

Questron Distribution Logistics, Inc.

Computer Software Licensing Agreements:

Integrated Systems Technology - Order entry, Billing, Inventory Control, etc.

Lone Tar - Back-up process

Vsi Fax Systems - Faxing system

Open Systems, Inc. - General ledger, Financial Statement, etc.

Interconn System, Inc. - EDI system

TRADE NAMES

Questron Distribution Logistics, Inc.

Tradename	Name Registered	Expiration Date	Date of First Notice	Jurisdiction
AFCOM	N/A	N/A	N/A	N/A
Diversified Products Group	N/A	N/A	N/A	N/A
DPG	N/A	N/A	N/A	N/A
Accent Fasteners	N/A	N/A	N/A	N/A
Rogers & Anderson, Inc.	N/A	N/A	N/A	N/A
Spacers and Standoffs	N/A	2/28/2001	9/28/2000	Ohio Tradename
Olympic Fastener & Electric Hardware	N/A	9/28/2001	4/28/2001	Ohio Tradename
Olympic Threaded Fastener and Electronic Hardware Corporation	N/A	7/23/2002	2/23/2002	Ohio Tradename
Olympic Threaded Fastener Corporation	N/A	7/23/2002	2/23/2002	Ohio Tradename

Olympic Fasteners and Electric Hardware	N/A	7/17/2003	2/17/2003	Ohio Tradename
Metro Hardware & Supply Co.	N/A	12/31/2002	7/31/2002	Florida Fictitious Name

AMENDED AND RESTATED

TRADEMARK SECURITY AGREEMENT

This AMENDED AND RESTATED TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of June 29, 1999, is made by QUESTRON TECHNOLOGY, INC., a Delaware corporation ("QTI"), QUESTRON DISTRIBUTION LOGISTICS, INC., a Delaware corporation ("QDLI"), INTEGRATED MATERIAL SYSTEMS, INC., an Arizona corporation ("IMSI"), POWER COMPONENTS, INC., a Pennsylvania corporation ("PCI"), CALIFORNIA FASTENERS, INC., a California corporation ("CFI"), COMP WARE, INC., a Delaware corporation doing business as Webb Distribution ("CWI"), FAS-TRONICS, INC., a Texas corporation ("FTI"), FORTUNE INDUSTRIES, INC., a Texas corporation ("FII"), QUESTRON FINANCE CORP., a Delaware corporation ("QFC"), QUESTRON OPERATING COMPANY, INC., a Delaware corporation ("QOC"), ACTION THREADED PRODUCTS, INC., an Illinois corporation ("ATPI"), ACTION THREADED PRODUCTS OF GEORGIA, INC., a Georgia corporation ("ATPG"), ACTION THREADED PRODUCTS OF MINNESOTA, INC., a Minnesota corporation ("ATPM"), and CAPITAL FASTENERS, INCORPORATED, a North Carolina corporation ("CAPFI") (individually and collectively, and jointly and severally, the "Debtor"), in favor of ABLECO FINANCE LLC, a Delaware limited liability company ("Ableco") as successor collateral agent to Madeleine L.L.C., ("Madeleine") as collateral agent for the Lender Group ("Secured Party").

RECITALS

WHEREAS, QTI, QDLI, IMSI, PCI, CWI, FTI, FII, the financial institutions identified therein as "Lenders", Congress Financial Corporation (Florida), a Florida corporation, as administrative agent for the Lenders ("Administrative Agent"), and Madeleine, as the predecessor collateral agent for the Lender Group, are parties to that certain Loan and Security Agreement, dated as of September 24, 1998 (the "Original Loan Agreement"), as amended by that certain Amendment Number One to Loan and Security Agreement, dated as of November 2, 1998, and that certain Amendment Number Two to Loan and Security Agreement, dated as of February 9, 1999 (the Original Loan Agreement as so amended and as otherwise amended, modified, renewed or extended from time to time prior to the Closing Date, the "Existing Loan Agreement"); and

WHEREAS, pursuant to the terms and conditions of the Existing Loan Agreement, QTI, QDLI, IMSI, PCI, CWI, FTI, and FII entered into that certain Trademark Security Agreement, dated as of September 24, 1998 (the "Original Security Agreement"), with Madeleine, as predecessor collateral agent, pursuant to which QTI, QDLI, IMSI, PCI, CWI, FTI, and FII granted a security interest to Madeleine for the benefit of the Lender Group in the collateral therein described; and

WHEREAS, concurrently herewith, QTI, QDLI, IMSI, PCI, CWI, FTI, FII, Administrative Agent and Secured Party are amending and restating the Existing Loan Agreement in its entirety (in order to, among other things, add QOC, ATPI, ATPG, ATPM, and CAPFI as secured co-borrowers) as provided in that certain Amended and Restated Loan and Security Agreement, dated as of the date hereof (as it may be amended, restated, supplemented,

or otherwise modified from time to time, the "Loan Agreement"), it being understood that no repayment of the obligations under the Existing Loan Agreement is being effected thereby, but merely an amendment and restatement in accordance with the terms thereof; and

WHEREAS, pursuant to the Loan Agreement and as one of the conditions thereof, Debtor and the Lender Group have agreed to amend and restate the Original Security Agreement in its entirety as provided in this Agreement, it being understood that no satisfaction of the Obligations under the Original Security Agreement is being effected hereby, but merely an amendment and restatement in accordance with the terms hereof, and Debtor has agreed to execute and deliver this Agreement to Secured Party for the benefit of the Lender Group for filing with the United States Patent and Trademark Office and with any other relevant recording systems in any domestic or foreign jurisdiction, and as further evidence of and to effectuate the existing security interests of Secured Party for the benefit of the Lender Group in the trademarks and other general intangibles described herein; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

ASSIGNMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees in favor of Secured Party for the benefit of the Lender Group as follows:

1. **Definitions; Interpretation.**

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"**Congress**" means, Congress Financial Corporation (Florida), a Florida corporation.

"**Debtor**" shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

"**Event of Default**" shall have the meaning ascribed thereto in the Loan Agreement.

"**Lender Group**" means, individually and collectively, each of the Lenders, Congress in its capacity as Administrative Agent, and Ableco in its capacity as Collateral Agent for the Lenders.

"**Lenders**" means, individually and collectively, each of the financial institutions (including Congress and Ableco) listed on the signature pages of the Loan Agreement and any other Person made a party thereto in accordance with the provisions of Section 12.4 thereof (together with their respective successors and assigns).

"Lien" means any pledge, security interest, assignment, charge or encumbrance, lien (statutory or other), or other preferential arrangement (including any agreement to give any security interest).

"Proceeds" means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Trademark Collateral, including "proceeds" as defined at UCC Section 9-306, all insurance proceeds and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of Debtor, from time to time in respect of any of the Trademark Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Trademark Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Trademark Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Trademark Collateral or for or on account of any damage or injury to or conversion of any Trademark Collateral by any Person.

"PTO" means the United States Patent and Trademark Office and any successor thereto.

"Secured Obligations" means all liabilities, obligations, or undertakings owing by Debtor to the Lender Group or Secured Party on behalf thereof of any kind or description arising out of or outstanding under, advanced or issued pursuant to, or evidenced by the Loan Agreement, the other Loan Documents, or this Agreement, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest (including interest that accrues after the filing of a case under the Bankruptcy Code) and any and all costs, fees (including attorneys fees), and expenses which Debtor is required to pay pursuant to any of the foregoing, by law, or otherwise.

"Trademark Collateral" has the meaning set forth in Section 2.

"Trademarks" has the meaning set forth in Section 2.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"United States" and "U.S." each mean the United States of America.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(c) Interpretation. In this Agreement, except to the extent the context otherwise requires:

(i) Any reference to a Section or a Schedule is a reference to a section hereof, or a schedule hereto, respectively, and to a subsection or a clause is, unless otherwise stated, a reference to a sub-section or a clause of the Section or subsection in which the reference appears.

(ii) The words "hereof," "herein," "hereto," "here-under" and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears.

(iii) The meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined.

(iv) The words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation."

(v) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto.

(vi) References to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation referred to.

(vii) Any captions and headings are for convenience of reference only and shall not affect the construction of this Agreement.

(viii) Capitalized words not otherwise defined herein shall have the respective meanings assigned to them in the Loan Agreement.

(ix) In the event of a direct conflict between the terms and provisions of this Agreement and the Loan Agreement, it is the intention of the parties hereto that both such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of the Loan Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Debtor and supplemental rights and remedies in favor of the Lender Group or Secured Party on behalf thereof (whether under federal law or applicable New York law), in each case in respect of the Trademark Collateral, shall not be deemed a conflict in the Loan Agreement.

2. Security Interests.

(a) Assignment and Grant of Security Interest. To secure the Secured Obligations Debtor hereby grants, assigns, transfers and conveys to Secured Party for the benefit of the Lender Group a continuing security interest in all of Debtor's right, title and interest in and to the following property, whether now existing or hereafter acquired or arising and whether registered or unregistered (collectively, the "Trademark Collateral"):

(i) all state (including common law) and federal trademarks, service marks and 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 owned or hereafter adopted or acquired by Debtor, together with and including all licenses therefor held by Debtor (unless otherwise prohibited by any license or related licensing agreement under circumstances where the granting of the security interest would have the effect under applicable law of terminating or permitting termination of the license for breach (unless the licensor has consented to such grant or waived such termination remedy)), and all registrations and recordings thereof, and all applications filed or to be filed in connection therewith, including registrations and applications in the PTO, any State of the United States or any other country or any political subdivision thereof (but excluding each application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark or service mark) and all extensions or renewals thereof, including without limitation any of the foregoing identified on Schedule A hereto (as the same may be amended, modified or supplemented from time to time), and the right (but not the obligation) to register claims under any state or federal trademark law or regulation and to apply for, renew and extend any of the same, and the right (but not the obligation), upon the occurrence and during the continuance of an Event of Default, to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Secured Party on behalf of the Lender Group for past, present or future infringement or unconsented use thereof, and all rights arising therefrom throughout the world (collectively, the "Trademarks");

(ii) all claims, causes of action and rights to sue for past, present or future infringement or unconsented use of any Trademarks and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles related to or arising out of any of the Trademarks and all the goodwill of Debtor's business symbolized by the Trademarks or associated therewith; and

(iv) all products and Proceeds of any and all of the foregoing.

(b) [Intentionally Omitted].

(c) Continuing Security Interests. Debtor agrees that this Agreement shall create continuing security interests in the Trademark Collateral which shall remain in effect until terminated in accordance with Section 18.

(d) Incorporation into Loan Agreement. This Agreement shall be fully incorporated into the Loan Agreement and all understandings, agreements and provisions contained in the Loan Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Trademark Collateral described in this Agreement shall constitute part of the Collateral in the Loan Agreement.

(e) Permitted Licensing. Anything in the Loan Agreement or this Agreement to the contrary notwithstanding, Debtor may license to any other Person the Trademark Collateral on a non-exclusive basis, subject to the security interests of Secured Party for the benefit of the Lender Group in the ordinary course of business consistent with past practices.

3. Further Assurances; Appointment of Secured Party as Attorney-in-Fact.

Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Secured Party for the benefit of the Lender Group any and all documents and instruments, in form and substance reasonably satisfactory to Secured Party, and take any and all action, which Secured Party on behalf of the Lender Group may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of Secured Party's security interests in the Trademark Collateral and to accomplish the purposes of this Agreement. Secured Party shall have the right, in the name of Debtor, or in the name of Secured Party on behalf of the Lender Group or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Secured Party on behalf of the Lender Group (and any of Secured Party's officers or employees or agents designated by Secured Party) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments and perform all other acts that Secured Party on behalf of the Lender Group reasonably deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of the security interests of Secured Party for the benefit of the Lender Group in, the Trademark Collateral, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Secured Party for the benefit of the Lender Group reasonably may deem necessary or advisable to maintain, preserve and protect the Trademark Collateral and to accomplish the purposes of this Agreement, including (A) after the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Trademark Collateral, (B) to assert or retain any rights under any license agreement to which Debtor is a party for any of the Trademark Collateral, and (C) after the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Secured Party on behalf of the Lender Group to use the Trademark Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Trademark Collateral, and to assign, convey or otherwise transfer title in or dispose of the Trademark Collateral. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 18.

4. Representations and Warranties. Debtor represents and warrants to the Lender Group and Secured Party on behalf thereof, in each case to the best of Debtor's knowledge, information, and belief, as follows:

(a) No Other Trademarks. Schedule A sets forth, as of the Closing Date, a true and correct list of all of the existing Trademarks that are registered, or for which any application for registration has been filed with the PTO or any corresponding or similar trademark office of any other U.S. jurisdiction, and that are owned or used (whether pursuant to a license or otherwise) by Debtor.

(b) Trademarks Subsisting. Each of the Trademarks listed in Schedule A is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the best of Debtor's knowledge, each of the Trademarks is valid and enforceable.

(c) Ownership of Trademark Collateral; No Violation. (i) Debtor owns or has the valid right to use the existing Trademark Collateral, (ii) with respect to the

Trademark Collateral shown on Schedule A hereto as owned by it, Debtor is the sole and exclusive owner thereof, free and clear of any Liens and rights of others (other than the security interests created hereunder and other than Permitted Liens), including licenses, registered user agreements and covenants by Debtor- not to sue third persons, and (iii) with respect to any Trademarks for which Debtor is either a licensor or a licensee pursuant to a license or licensee agreement regarding such Trademark, each such license or licensing agreement is in full force and effect, Debtor is not in default of any of its obligations thereunder and, other than the parties to such licenses or licensing agreements, no other Person has any rights in or to any of the Trademark Collateral. The past, present and contemplated future use of the Trademark Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person.

(d) **No Infringement.** No material infringement or unauthorized use presently is being made of any of the Trademark Collateral by any Person.

(e) **Powers.** Debtor has the unqualified right, power and authority to pledge and to grant to Secured Party for the benefit of the Lender Group security interests in all of the Trademark Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. **Covenants.** So long as any of the Secured Obligations remain unsatisfied, Debtor agrees that it will comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement and the other Loan Documents, and Debtor will promptly give Secured Party written notice of the occurrence of any event of which Debtor becomes aware that could be reasonably expected to have a material adverse effect on any of the Trademarks or the Trademark Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any of the Trademarks for which Debtor is a licensee.

6. **Future Rights.** For so long as any of the Secured Obligations shall remain outstanding, or, if earlier, until Secured Party on behalf of the Lender Group shall have released or terminated, in whole but not in part, its interest in the Trademark Collateral, if and when Debtor shall obtain rights to any new Trademarks, or any reissue, renewal or extension of any Trademarks, the provisions of Section 2 shall automatically apply thereto and Debtor shall give to Secured Party prompt notice thereof. Debtor shall do all things reasonably deemed necessary or advisable by Secured Party to ensure the validity, perfection, priority and enforceability of the security interests of Secured Party for the benefit of the Lender Group in such future acquired Trademark Collateral. Debtor hereby authorizes Secured Party on behalf of the Lender Group to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on Debtor's behalf and as its attorney-in-fact to include any future Trademarks which are or become Trademark Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

7. Duties of the Lender Group and Secured Party. Notwithstanding any provision contained in this Agreement, neither the Lender Group nor the Secured Party shall have a duty to exercise any of the rights, privileges or powers afforded to it, nor be responsible to Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by the Lender Group or Secured Party on behalf thereof hereunder or in connection herewith, neither the Lender Group nor Secured Party shall have a duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Trademark Collateral.

8. Events of Default. The occurrence of any "Event of Default" under the Loan Agreement or any other Loan Document shall constitute an Event of Default hereunder.

9. Remedies. From and after the occurrence and during the continuation of an Event of Default, the Lender Group and Secured Party on behalf thereof shall have all rights and remedies available to them under the Loan Agreement and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Trademark Collateral or any other Collateral. Debtor agrees that such rights and remedies include the right of Secured Party as a secured party to sell or otherwise dispose of its Collateral after default, pursuant to UCC Section 9-504 for the benefit of the Lender Group. Debtor agrees that Secured Party for the benefit of the Lender Group shall at all times have such royalty-free licenses, to the extent permitted by law, for any Trademark Collateral that is reasonably necessary to permit the exercise of any of the rights or remedies of the Lender Group or Secured Party on behalf thereof upon or after the occurrence of (and during the continuance of) an Event of Default with respect to (among other things) any tangible asset of Debtor in which Secured Party for the benefit of the Lender Group has security interests, including Secured Party's rights to sell inventory, tooling or packaging which is acquired by Debtor (or its successor, assignee or trustee in bankruptcy) for the benefit of the Lender Group. In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Secured Party for the benefit of the Lender Group shall have the right but shall in no way be obligated to bring suit, or to take such other action as Secured Party on behalf of the Lender Group deems necessary or advisable, in the name of Debtor or Secured Party on behalf of the Lender Group, to enforce or protect any of the Trademark Collateral, in which event Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all documents required by Secured Party in aid of such enforcement. To the extent that Secured Party shall elect not to bring suit to enforce such Trademark Collateral, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violation thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, the Lender Group and Secured Party on behalf thereof and their respective successors and assigns.

11. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Loan Agreement.

12. **GOVERNING LAW AND VENUE; JURY TRIAL WAIVER.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE ASSIGNMENT AND SECURITY INTERESTS HEREUNDER IN RESPECT OF ANY PROPERTY ARE GOVERNED BY FEDERAL LAW, IN WHICH CASE SUCH CHOICE OF NEW YORK LAW SHALL NOT BE DEEMED TO DEPRIVE SECURED PARTY OR THE LENDER GROUP OF SUCH RIGHTS AND REMEDIES AS MAY BE AVAILABLE UNDER FEDERAL LAW. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE SUPREME COURT OF NEW YORK, NEW YORK, OR AT SECURED PARTY'S OPTION, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY PLEDGED COLLATERAL MAY BE BROUGHT, AT SECURED PARTY'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH PLEDGED COLLATERAL MAY BE FOUND OR WHERE IT IS NECESSARY TO BRING SUIT IN ORDER TO OBTAIN SUBJECT-MATTER JURISDICTION. DEBTOR, AND SECURED PARTY ON BEHALF OF THE LENDER GROUP EACH WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 11.

DEBTOR AND SECURED PARTY ON BEHALF OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. DEBTOR AND SECURED PARTY ON BEHALF OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

13. Entire Agreement; Amendment. This Agreement, together with the Schedules hereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties as provided in the Loan Agreement. Notwithstanding the foregoing, Secured Party on behalf of the Lender Group may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof.

14. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

15. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counter-parts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

16. Loan Agreement. Debtor acknowledges that the rights and remedies of the Lender Group and Secured Party on behalf thereof with respect to the security interests in the Trademark Collateral granted hereby are more fully set forth in the Loan Agreement and all such rights and remedies are cumulative.

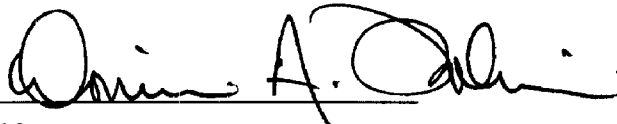
17. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms. To the extent of any conflict between the provisions of this Agreement and the Loan Agreement, however, the provisions of the Loan Agreement shall govern.

18. Termination. Upon the payment in full of the Secured Obligations, including the cash collateralization, expiration, or cancellation of all Secured Obligations, if any, consisting of letters of credit, and the full and final termination of any commitment to extend any financial accommodations under the Loan Agreement, this Agreement shall terminate, and Secured Party on behalf of the Lender Group shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtor, at Debtor's expense, as shall be necessary to evidence termination of the security interests granted by Debtor to Secured Party for the benefit of the Lender Group hereunder, including the filing of such documents and instruments with the PTO.

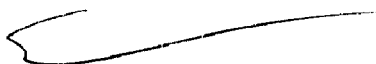
[Signature page to follow.]

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

QUESTRON TECHNOLOGY, INC., a Delaware corporation
QUESTRON DISTRIBUTION LOGISTICS, INC., a Delaware
corporation
INTEGRATED MATERIAL SYSTEMS, INC., an Arizona corporation
POWER COMPONENTS, INC., a Pennsylvania corporation
CALIFORNIA FASTENERS, INC., a California corporation
COMP WARE, INC., a Delaware corporation
FAS-TRONICS, INC., a Texas corporation
FORTUNE INDUSTRIES, INC., a Texas corporation
QUESTRON OPERATING COMPANY, INC., a Delaware corporation
QUESTRON FINANCE CORP., a Delaware corporation
ACTION THREADED PRODUCTS, INC., an Illinois corporation
ACTION THREADED PRODUCTS OF GEORGIA, INC., a Georgia
corporation
ACTION THREADED PRODUCTS OF MINNESOTA, INC., a
Minnesota corporation
CAPITAL FASTENERS, INCORPORATED, a North Carolina
corporation

By 
Name _____
Title: Responsible Officer for each of the
above-listed Debtors

ABLECO FINANCE LLC., as Collateral Agent for
the Lender Group

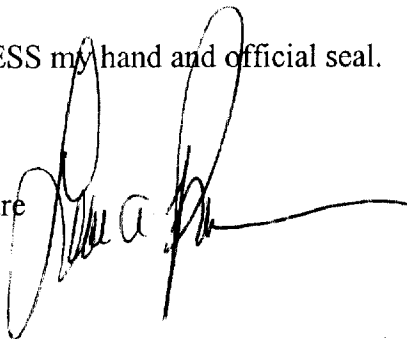

By: _____
Title: _____

STATE OF NEW YORK)
COUNTY OF New York) ss

On June 30, 1999, before me, Lawrence A. Rosenbloom, Notary Public, personally appeared Dominic A. Polimeni, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature



LAWRENCE A. ROSENBLUM
Notary Public, State of New York
No. 02RO6002375
Qualified in New York County
Commission Expires 2/9/2000


[SEAL]

STATE OF NEW YORK)
COUNTY OF New York) ss

On June 30, 1999, before me, Alexander J. Ornstein, Notary Public, personally appeared Kevin Genda, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature



ALEXANDER J. ORNSTEIN
Notary Public, State of New York
No. 02OR6023697
Qualified in Nassau County
Commission Expires April 28, 2001

[SEAL]