

FORM PTO-1618A

Expires 06/30/99

OMB 0651-0027

02-08-2000



101261818

U.S. Department of Commerce
Patent and Trademark Office

TRADEMARK

WWD 12-20-99

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID#
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date
Month Day Year
 December 7, 1999

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name Franklin Electronic Publishers, Incorporated Execution Date
Month Day Year
 December 7, 1999

Formerly

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization Pennsylvania

Receiving Party

Mark if additional names of receiving parties attached

Name Northwestern Mutual Life Insurance Company, The

DBA/AKA/TA

Composed of

Address (line 1) 720 East Wisconsin Avenue

Address (line 2)

Address (line 3) Milwaukee Wisconsin 53202
City State/Country Zip Code

- Individual General Partnership Limited Partnership
- Corporation Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment).

Citizenship/State of Incorporation/Organization

02/07/2000 DMSUYEN 00000148 1243476

01 FC:481 40.00 OP
02 FC:482 500.00 OP

FOR OFFICE USE ONLY

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**TRADEMARK
REEL: 002017 FRAME: 0942**

Domestic Representative Name and Address Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document
Including any attachments. #

Trademark Application Number(s) or Registration Number(s) Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

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<input type="text" value="1,306,834"/>	<input type="text" value="1,606,191"/>	<input type="text" value="1,892,035"/>
<input type="text" value="1,459,047"/>	<input type="text" value="1,608,922"/>	<input type="text" value="1,828,823"/>

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

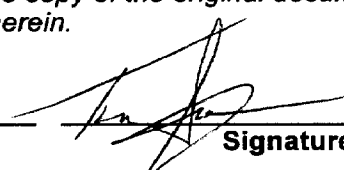
Deposit Account Number #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Tina D. Kourasis
Name of Person Signing



Signature

12/25/99
Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AK/A/T/A

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

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Trademark Application Number(s)

Registration Number(s)

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<input type="text" value="1,938,541"/>	<input type="text" value="1,999,537"/>	<input type="text"/>
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**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

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Other

Citizenship/State of Incorporation/Organization

Trademark Application Number(s) or Registration Number(s)

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

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Copyright, Patent and Trademark Security Agreement

This Copyright, Patent and Trademark Security Agreement (this "*Agreement*"), made as of this 7th day of December, 1999, by **FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED**, a Pennsylvania corporation, with its chief executive office and principal place of business at One Franklin Plaza, Burlington, New Jersey 08016-4907 ("*Borrower*") in favor of **THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, ALEXANDER HAMILTON LIFE INSURANCE COMPANY OF AMERICA, and PACIFIC LIFE INSURANCE COMPANY**, having an address c/o The Northwestern Mutual Life Insurance Company, 720 East Wisconsin Avenue, Milwaukee, WI 53202 (collectively "*the Companies*");

W I T N E S S E T H:

WHEREAS, the Companies and Borrower are parties to that certain Note Purchase Agreement dated March 27, 1997, as amended by that certain First Amendment to Note Purchase Agreement dated April 15, 1999 and as further amended by that certain Second Amendment to Note Purchase Agreement of even date herewith (as amended from time to time, collectively the "*Note Agreement*"), which Note Agreement provides, among other things, (i) for the Companies to extend credit to or for the account of Borrower and (ii) for the grant by Borrower to the Companies of a security interest in substantially all of Borrower's assets, subject to the first priority liens granted to B of A (as hereinafter defined) under the BA Loan (as hereinafter defined), including, without limitation, the copyrights, copyright agreements, copyright applications, patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications and goodwill of Borrower;

WHEREAS, the Companies have agreed to allow Borrower to obtain a loan in a maximum principal amount of \$25,000,000 (the "*BA Loan*") from Banc of America Commercial Finance Corporation, through its Commercial Funding Division, ("*B of A*") to be secured by a security interest in all of Borrower's assets. In consideration of the Companies' agreement to the BA Loan, Borrower has agreed to grant to the Companies a security interest in all of Borrower's assets subject to the first priority liens grant to B of A under the BA Loan and pursuant to the terms and conditions of the Note Agreement. This Agreement is subordinate to the BA Loan in accordance with the terms of that certain subordination agreement by and among the Companies, Borrower, and B of A dated as of even date herewith.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, Borrower agrees as follows:

1. **Capitalized Terms.** All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Note Agreement.

2. **Grant of a Security Interest.** To secure the complete and timely satisfaction of all of the obligations and covenants set forth in the Note Agreement and this Agreement, the Notes and any and all other documents given in connection therewith and given simultaneous with the execution of this Agreement (collectively "**Obligations**"), Borrower hereby grants a continuing security interest to the Companies, having priority over all other security interests except as subordinated under the BA Loan, in and to all of Borrower's now existing and hereafter created or acquired:

(a) copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Exhibit A attached hereto and hereby made a part hereof, and (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing, together with the items described in clauses (i)-(iv) of this subsection 2(a), are sometimes hereinafter referred to individually as a "**Copyright**" and, collectively, as the "**Copyrights**");

(b) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit B attached hereto and hereby made a part hereof, and (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (i)-(iv) of this subsection 2(b), are sometimes hereinafter referred to individually as a "**Patent**" and, collectively, as the "**Patents**");

(c) trademarks, trademark registrations, trademark applications, trade names and tradestyles, service marks, corporate names, company names, business names, fictitious names, service mark registrations and service mark applications, including, without limitation, the trademarks, trade names, service marks, registrations and applications for registration listed on Exhibit C attached hereto and hereby made a part hereof, and (i) renewals or extensions thereof, (ii) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing

trademarks, trade names and tradestyles, service marks and applications and registrations thereof, together with the items described in clauses (i)-(iv) of this subsection 2(c), are sometimes hereinafter referred to individually as a "**Trademark**", and, collectively, as the "**Trademarks**" *provided*, however, that the terms Trademark or Trademarks shall not include any marks that Borrower presently intends to use and for which Borrower has filed an intent-to-use application with the United States Patent and Trademark Office, subject to Paragraph 5 below;

(d) the goodwill of Borrower's business connected with and symbolized by the Trademarks.

This Agreement is not intended to affect title to the Copyrights, Patents and Trademarks, which are or will become, vested in Borrower, except as otherwise provided for by this Agreement and the Note Agreement. Nothing contained herein shall be construed as a license to use the Copyrights, Patents and Trademarks.

Upon the occurrence of an Event of Default, the Companies shall have the power, to the extent permitted by law, to sell the Copyrights, Patents and Trademarks.

3. Warranties, Representations and Covenants. Borrower warrants and represents to the Companies that:

(a) None of the Copyrights, Patents and Trademarks have been adjudged invalid or unenforceable or have been canceled, in whole or in part, or are not presently subsisting;

(b) Each of the Copyrights, Patents and Trademarks is valid and enforceable;

(c) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Copyrights, Patents and Trademarks, free and clear of any liens (except the BA Loan), charges and encumbrances, including, without limitation, security interests, assignment, licenses, shop rights and covenants by Borrower not to sue third persons;

(d) Borrower has adopted, used and is currently using all of the Trademarks except as noted on Schedule 3(d);

(e) Borrower has no notice of any suits or actions commenced or threatened with reference to any of the Copyrights, Patents and Trademarks except as disclosed in the documents evidencing the BA Loan; and

(f) Borrower has the right to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Borrower agrees that until the Obligations shall have been satisfied in full and the Note Agreement shall have been terminated, Borrower shall not, except as otherwise permitted under the terms of the Note Agreement and/or under the terms of the documents evidencing the BA Loan, abandon, sell or assign its interest in, or grant any license under, the Copyrights, Patents or Trademarks, or enter into any other agreement with respect to the Copyrights, Patents or Trademarks which is inconsistent with the obligations under this Agreement, without the prior written consent of the Companies, and Borrower further agrees that it shall not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights transferred to the Companies under this Agreement.

5. New Copyrights, Patents and Trademarks. Borrower represents and warrants that the Copyrights, Patents and Trademarks listed on Exhibits A, B and C, respectively, constitute all of the Copyrights, Patents and Trademarks now owned by Borrower, except for Borrower's Copyright in "Speech recognition intergrated circuit code; computer program" (registration number TXu488458) (Borrower represents and warrants that such Copyright is not material to its business). If, before the Obligations shall have been satisfied in full or before the Note Agreement has been terminated, Borrower shall (i) obtain rights to any new patentable inventions, Copyrights, Patents or Trademarks, or (ii) become entitled to the benefit of any Copyrights, Patents or Trademarks, or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and Borrower shall give to the Companies prompt written notice thereof. Borrower hereby authorizes the Companies to modify this Agreement by amending Exhibits A, B, and C, as applicable, to include any such Copyrights, Patents and Trademarks.

6. Term. The term of the security interest granted herein shall extend until the date upon which all of the Obligations have been paid in full and the Note Agreement has been terminated.

7. Release of Security Interest. This Agreement is made for security purposes only and is not intended to constitute a present assignment of Borrower's ownership interest in the Copyrights, Patents and Trademarks. Upon payment in full of the Obligations and termination of the Note Agreement, the Companies shall execute and deliver to Borrower all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Borrower full title to the Copyrights, Patents and Trademarks, subject to any disposition thereof which may have been made by the Companies pursuant hereto or pursuant to the Note Agreement.

8. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including attorneys' and paralegals' fees and legal expenses, incurred by the Companies in connection with 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 otherwise in protecting, maintaining or preserving the Copyrights, Patents and Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Copyrights, Patents and Trademarks, shall be borne by and paid by Borrower on demand by the Companies and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate applicable to the Loans from time to time.

9. Duties of Borrower. To the extent deemed necessary in the exercise of Borrower's reasonable business judgment, Borrower shall have the duty (i) to prosecute diligently any copyright, patent, trademark or service mark applications pending as of the date hereof or thereafter until the Obligations shall have been paid in full, (ii) to make application on unpatented but patentable inventions and on Trademarks and service marks, as appropriate, (iii) to make an application on unregistered but copyrightable works that are material to the business of any Borrower or could reasonably impair the Companies' ability to realize upon the Collateral during the occurrence and continuation of an Event of Default, (iv) to defend and maintain all rights in the Copyrights, Patents and Trademarks, and (v) to ensure that the Copyrights, Patents and Trademarks are and remain enforceable. Any expenses incurred in connection with Borrower's obligations under this Section 9 shall be borne by Borrower. To the extent deemed necessary in the exercise of Borrower's reasonable business judgment, Borrower shall not abandon any Copyright, Patent or Trademark or abandon any pending patent application, copyright application and trademark application without the written consent of the Companies.

10. The Companies' Right to Sue. After the occurrence and during an Event of Default, the Companies shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Copyrights, Patents and Trademarks, and, if the Companies shall commence any such suit, Borrower shall, at the request of the Companies, do any and all lawful acts and execute any and all proper documents required by the Companies in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify the Companies for all costs and expenses incurred by the Companies in the exercise of its rights under this Section 10.

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

12. Severability. 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, or any other clause or provision of this Agreement in any jurisdiction.

13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney; Effect on Note Agreement. All of the Companies' rights and remedies with respect to the Copyrights, Patents and Trademarks, whether established hereby or by the Note Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Upon the occurrence of and during an Event of Default, Borrower hereby authorizes the Companies to make, constitute and appoint any officer or agent of the Companies as the Companies may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Companies in the use of any or all of the Copyrights, Patents and Trademarks, (ii) take any other actions with respect to any or all of the Copyrights, Patents and Trademarks the Companies deems to be in its best interest, (iii) grant or issue any exclusive or non-exclusive license under any or all of the Copyrights, Patents or Trademarks to anyone, (iv) assign, pledge, convey or otherwise transfer title in or dispose of any or all of the Copyrights, Patents or Trademarks to anyone, or (v) take any other actions with respect to any or all of the Copyrights, Patents and Trademarks as the Companies deems to be in its best interests. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until the Obligations shall have been paid in full and the Note Agreement has been terminated. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Companies under the Note Agreement but rather is intended to facilitate the exercise of such rights and remedies. The Companies shall have, in addition to all other rights and remedies given it by the terms of this Agreement and the Note Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code (or such other applicable law) as enacted in any jurisdiction in which the Copyrights, Patents or Trademarks may be located.

15. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its successors and permitted assigns, and shall inure to the benefit of the Companies, its successors, nominees and assigns.

16. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

17. **CONSENT TO FORUM AND WAIVERS.** BORROWER HEREBY CONSENTS AND AGREES THAT THE STATE AND FEDERAL COURTS IN NEW YORK COUNTY, NEW YORK SHALL HAVE NONEXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES WITH RESPECT TO THIS AGREEMENT AND WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING IN ANY SUCH COURT AND CONSENTS THAT ALL SERVICE OF PROCESS UPON BORROWER BE MADE BY REGISTERED MAIL OR MESSENGER DIRECTED TO BORROWER AT THE ADDRESS SET FORTH AT THE BEGINNING OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF. BORROWER HEREBY AGREES THAT ANY CLAIM OR DISPUTE BROUGHT BY BORROWER AGAINST THE COMPANIES OR ANY MATTER ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT EXCLUSIVELY IN THE STATE AND FEDERAL COURTS IN NEW YORK COUNTY, NEW YORK. BORROWER HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, TRIAL BY JURY. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF THE COMPANIES TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF THE COMPANIES TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

18. **Headings.** Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. **Further Assurances.** Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as the Companies shall reasonably request from time to time in order to carry out the purpose of this Agreement and agreements set forth herein.

20. **Survival of Representations.** All representations and warranties of Borrower contained in this Agreement shall survive the execution and delivery of this Agreement and shall be remade on the date of each borrowing under the Note Agreement.

21. **Junior Lien.** This grant and the liens and security interests created hereby, as well as all rights and remedies set forth herein, are, until the termination of such agreement in accordance with its terms, subordinated to the security documents evidencing and/or securing the BA Loan in accordance with the terms of that certain subordination agreement by and among the Companies, Borrower, and B of A dated as of even date herewith.

The IN WITNESS WHEREOF, Borrower has duly executed this Agreement in favor of Companies as of the date first written above.

**FRANKLIN ELECTRONIC PUBLISHERS,
INCORPORATED**

By [Signature]
Its [Signature]

AGREED AND ACCEPTED THIS
____ day of _____, 1999.

**THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY**

By _____
Its _____

**ALEXANDER HAMILTON LIFE
INSURANCE COMPANY OF AMERICA**

By _____
Its _____

PACIFIC LIFE INSURANCE COMPANY

By _____
Its _____

STATE OF New Jersey) SS
COUNTY OF Burlington

The foregoing Copyright, Patent and Trademark Agreement was executed and acknowledged before me this 3rd day of December, 1999, by Gregory Washburn personally known to me to be the EVP of **FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED**, a Pennsylvania corporation, on behalf of such corporation.

Joan O'Sullivan
Notary Public

My Commission expires:
JOAN O'SULLIVAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 26, 2000

IN WITNESS WHEREOF, Borrower has duly executed this Agreement in favor of
The Companies as of the date first written above.

**FRANKLIN ELECTRONIC PUBLISHERS,
INCORPORATED**

By _____
Its _____

AGREED AND ACCEPTED THIS
7th day of December, 1999.

**THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY**

By Jerome R Bailey
Its Authorized Representative

**ALEXANDER HAMILTON LIFE
INSURANCE COMPANY OF AMERICA**

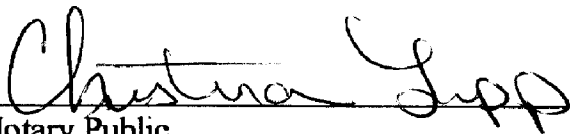
By _____
Its _____

PACIFIC LIFE INSURANCE COMPANY

By _____
Its _____

STATE OF WISCONSIN)
) SS
COUNTY OF MILWAUKEE)

The foregoing Copyright, Patent and Trademark Agreement was executed and acknowledged before me this 16th day of December, 1999, by Jerome Baier, personally known to me to be the Authorized Representative of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, on behalf of such corporation.



Notary Public

My Commission expires:

6/3/01

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing Copyright, Patent and Trademark Agreement was executed and acknowledged before me this _____ day of _____, 1999, by _____, personally known to me to be the _____ of ALEXANDER HAMILTON LIFE INSURANCE COMPANY OF AMERICA, on behalf of such corporation.

Notary Public

My Commission expires:

The IN WITNESS WHEREOF, Borrower has duly executed this Agreement in favor of Companies as of the date first written above.

FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED


By _____
Its _____

AGREED AND ACCEPTED THIS
7th day of December, 1999.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By _____
Its _____

ALEXANDER HAMILTON LIFE INSURANCE COMPANY OF AMERICA

By  _____
Its Vice President

PACIFIC LIFE INSURANCE COMPANY

By _____
Its _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing Copyright, Patent and Trademark Agreement was executed and acknowledged before me this _____ day of _____, 1999, by _____, personally known to me to be the _____ of **THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY**, on behalf of such corporation.

Notary Public

My Commission expires:

STATE OF NC)
) SS
COUNTY OF Gulford)

The foregoing Copyright, Patent and Trademark Agreement was executed and acknowledged before me this 3rd day of December, 1999, by Robert E. Whalen, II, personally known to me to be the Vice President of **ALEXANDER HAMILTON LIFE INSURANCE COMPANY OF AMERICA**, on behalf of such corporation.

Anne Manuli

Notary Public

My Commission expires:

March 15, 2003

The IN WITNESS WHEREOF, Borrower has duly executed this Agreement in favor of Companies as of the date first written above.

**FRANKLIN ELECTRONIC PUBLISHERS,
INCORPORATED**

By _____
Its _____

AGREED AND ACCEPTED THIS
7th day of December, 1999.

**THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY**

By _____
Its _____

**ALEXANDER HAMILTON LIFE
INSURANCE COMPANY OF AMERICA**

By _____
Its _____

PACIFIC LIFE INSURANCE COMPANY

By AK Schmidt
Its AVP

By Diane W. Oales
Its ASST SECY

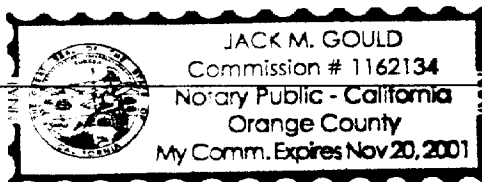
STATE OF CALIF.)
) SS
COUNTY OF ORANGE)

The foregoing Copyright, Patent and Trademark Agreement was executed and acknowledged before me this 6 day of December, 1999, by DIANE DALES, personally known to me to be the Asst-Sec'y of **PACIFIC LIFE INSURANCE COMPANY**, on behalf of such corporation.



Notary Public

My Commission expires:



AFTER FILING RETURN THIS INSTRUMENT TO:

Valerie A. Haugh
Gardner Carton & Douglas
321 N. Clark Street
Suite 3400
Chicago, Illinois 60610

EXHIBIT A

Copyrights

None.

EXHIBIT B

Patents

Patent Number	Patent Title
4,490,811	String Comparator Device System Circuit and Method (Case P-25)
4,742,458	Method and Apparatus for Performing Pattern Recognition Analysis
4,830,618	Electronic Spelling Machine (Spelling Ace) (Case P-1)
4,891,775	Electronic Word Game Machine (Game Wiz) (Case P-3)
4,982,181	Alphanumeric Display
5,007,019	Electronic Thesaurus With Access History List (Case P-7)
5,113,340	Electronic Spelling Machine (Case P-4)
5,153,831	Electronic Text (The Text Compression Case) (Case P-9)
5,203,705	Word Spelling and Definition Educational Device (The Children's Speller) (Case P-8)
5,218,536	Electronic Spelling Machine Having Ordered Candidate Words (Case P-6)
5,229,936	Device And Method For The Storage And Retrieval Of Inflection Information For Electronic Reference Products (Case P-22)
5,249,965	Electronic Word Selection Machine (The Second Guess Feature For Crossword Puzzles) (Case P-27)
5,295,070	Electronic Dual Language Dictionary (Grammar Guide) (Case P-18)
5,321,609	Electronic Encyclopedia (Information Filtering) (Case P-23)

Patent Number	Patent Title
5,333,313	Method and Apparatus For Compressing A Dictionary Database (Case P-16)
5,396,606	Address Bus Multiplexing of Data Process (VLSI) (Case P-15)
5,435,564	Electronic Word Building Machine (Case P-35)
5,497,474	Virtual Read Only Memory Addressing Register (Case P-33)
5,627,726	An Electronic Device For Processing Information Containing A Removable Card (Case P-52)
5,640,552	Method And Apparatus For Providing Multi-Level Searching In An Electronic Book (Case P-19D/C)
5,717,938	Coded Cartridges for Electronic Books (Case P-50)
5,739,451	Hand Held Electronic Music Encyclopedia (Case P-36)
5,895,463	Compression of Grouped Data (Case P-55)
5,774,109	Electronic Scrolling Book with Temporary Interruptions (Case P-51)
D300,534	Digital Display Spelling Dictionary (Design for Franklin Ace) (Case P-2)
D321,366	An Electronic Display Curved Character Font (Case P-11A)
D348,439	Two ROM Card Reader (Case P-30)
D349,281	Computer Card Package For Providing Additional Memory and Data For A Digital Book (Case P-32)
D362,271	ROM Card Reader Pocket Size (Case P-42)
D362,272	ROM Card Reader Desk Size (Case P-43)
D362,461	ROM Card Reader With Speaker (Case P-44)
D364,861	ROM Card Package (Case P-45)

EXHIBIT C

Trademarks

Mark	Serial No.	Registration No.
Frank Computer Corporation	73/375,587	1,243,476
Franklin Ace	73/419,561	1,306,834
Spelling Ace	73/647,211	1,459,047
Franklin	73/654,628	1,478,400
Wordmaster	73/789,324	1,606,191
Franklin Stylized (High Tech Logo)	73/818,218	1,608,922
Digital Book System	74/297,653	1,778,517
"F" logo and Design	74/517,534	1,892,035
Next Century	74/355,463	1,828,823
Proximity	73/348,077	1,264,765
Confusables	74/532,048	1,898,747
Classmates	74/583,773	1,925,234
Miscellaneous Design	74/607,375	1,938,541
The Four Color Key	74/652,494	2,045,365
Bookman	74/063,640	1,896,789
Speaking Spelling Ace	75/195,347	2,132,170
Homework Wiz	75/255,720	2,188,520
Dataguard	74/733,867	2,161,188
Franklin DOS2	75/560739	1,405,590
Telemaster	74/712,264	1,999,537

Mark	Serial No.	Registration No.
Telefinder	74/710,524	2,017,218

SCHEDULE 3(d)

Excluded Trademarks

none