

REC'D

06-30-2000

SHEET



101393574

Tab settings

To the Honorable Commissioner of Patents and Trademarks, please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
AKI, Inc. (f/k/a Arcade, Inc.)

5-24-00

- Individual(s)
 - Association
 - General Partnership
 - Limited Partnership
 - Corporation-State TN
 - Other _____
- Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: May 19, 2000

2. Name and address of receiving party(ies)

Name: Heller Financial, Inc.

Internal Address: _____

Street Address : 500 West Monroe

City: Chicago State: IL Zip: 60661

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

If assignee is not domiciled in the United States, a 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 trademark

A. Trademark Application No.(s)
-See the attached-

B. Trademark Registration
-See the attached-

Additional numbers attached? Yes

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

Name: _____

Inte Federal Research Corp.
400 Seventh St NW
Suite 101
Washington DC 20004

Street Address: _____

City: _____ Stat _____ ZIP _____

6. Total number of applications and registrations 7

7. Total fee (37 CFR 3.41)..... \$ 190.00

- Enclosed
- Authorized to be charged to deposit

8. Deposit account number: _____

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

06/30/2000 JFALLAH 0000020 1478846

DO NOT USE THIS SPACE

01 FC:481 40.00 DP
02 FC:482 150.00 DP

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.

Rebecca L. Foley
Name of Person

Rebecca L. Foley
Signature

5/19/00
Date

Total number of pages including cover sheet, attachments, and 7

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

UNITED STATES TRADEMARK REGISTRATIONS

<u>NAME</u>	<u>REG. NO.</u>
FRAGRANCE BURST	1,476,848
LIQUATOUCH	2,290,443
MICROFRAGRANCE	913,585
SMELL THE TASTE	2,221,966

UNITED STATES TRADEMARK REGISTRATION APPLICATIONS

<u>NAME</u>	<u>SERIAL NO.</u>
BEAUTITOUCH	75/801,799
LIPSEAL	75/530,810
TOUCHDOWN	75/681,368

TRADEMARK SECURITY AGREEMENT

WHEREAS, AKI, INC. (f/k/a Arcade, Inc.), a Tennessee corporation ("Grantor"), owns the Trademarks, Trademark registrations, and Trademark applications listed on Schedule 1 annexed hereto; and

WHEREAS, Grantor has entered into a Credit Agreement dated as of April 30, 1996 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with Heller Financial, Inc. ("Lender") providing for extensions of credit and other financial accommodations to be made to Grantor by Lender; and

WHEREAS, pursuant to the terms of a Security Agreement dated as of April 30, 1996 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), between Grantor and Lender (in such capacity, "Grantee"), Grantor has granted to Grantee for the benefit of Lender a security interest in substantially all the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), Trademark registrations, Trademark applications and Trademark Licenses (as defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Trademarks, and all proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter created or acquired:

- (1) each Trademark, Trademark registration and Trademark application, including, without limitation, the Trademarks, Trademark registrations (together with any reissues, continuations or extensions thereof) and Trademark applications referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application;
- (2) each Trademark License and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark License; and
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademarks and Trademark registrations referred to in Schedule 1 annexed hereto, the Trademark registrations issued with respect to the Trademark applications referred in Schedule 1 and the Trademarks licensed under any Trademark License, or (b) injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License.

This security interest is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

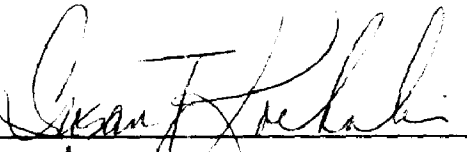
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IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the 19th day of May, 2000.

Acknowledged:

HELLER FINANCIAL, INC.

AKI, INC. (f/k/a Arcade, Inc.)

By: 
Title: Asst Vice President

By: 
Title: CFO

ACKNOWLEDGEMENT

STATE OF Tennessee)
) ss.
COUNTY OF Hamilton)

On the 10th day of May, 2000 before me personally appeared Ken Budde, to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument as CFO of AKI, Inc. (f/k/a Arcade, Inc.), who being by me duly sworn, did depose and say that he is CFO of AKI, Inc., the corporation described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said corporation by order of its Board of Directors; and that he acknowledged said instrument to be the free act and deed of said corporation.

Silverah Black
Notary Public

{Seal}

My commission expires:

January 23, 2001

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