

11-21-2000

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



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

101523714

M.L.W. 8.22.00

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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
08 22 2000

Name

Formerly

75756776

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership 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.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

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40.00 CR
750.00 CH

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practices. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

TRADEMARK
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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)

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:

#

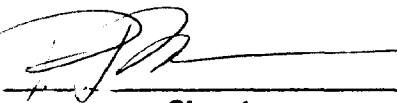
Authorization to charge additional fees:

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.

Rebecca B. Lederhouse, Esq.



August 22, 2000

Name of Person Signing

Signature

Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
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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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Date of Deposits: 8-22-00

Composed of

I hereby certify that this paper or facsimile being deposited with the United States Postal Service Express Mail Post Office in address service unit 27768-40 on the date indicated above and is addressed to the Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-4310.

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership 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 the Assignment.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

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)

76 058 199	76 058 197	76 059 632
75 883 749	75 851 488	75 851 486
75 728 089	75 629 038	75 756 718
75 951 059	75 920 518	

1 301 585	2 250 523	2 286 379
2 368 322	2 368 320	2 349 999
2 323 155	1 802 397	1 783 035

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of August 22, 2000, between Damark International, Inc., (the "Assignor"), a Minnesota corporation, with a principal place of business at 301 Carlson Parkway, Suite 201, Minnetonka, Minnesota 55305 and BANK OF AMERICA, N.A., as secured party (the "Secured Party") with a principal place of business at 231 South LaSalle Street, Chicago, Illinois 60697:

W I T N E S S E T H :

WHEREAS, the Assignor has entered into a Credit Agreement, dated as of July 28, 2000 (together with all amendments and other modifications, if any, from time to time made thereto, the "Credit Agreement"), between Assignor and the Secured Party, as lender;

WHEREAS, in connection with the Credit Agreement, Assignor and its Subsidiaries executed and delivered a Security Agreement, dated as of July 28, 2000 (together with all amendments and other modifications, if any, from time to time made thereto, the "Security Agreement");

WHEREAS, the Assignor will derive substantial direct and indirect benefits from the making of Loans under the Credit Agreement; and

WHEREAS, as a condition precedent to the making of the Loans under the Credit Agreement, the Assignor is required to execute and deliver this Agreement and to grant to the Secured Party, a continuing security interest in all of the Collateral (as defined below) to secure all Obligations (as defined below).

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Secured Party to make Loans (including, without limitation, the initial Loans) pursuant to the Credit Agreement, the Assignor agrees, for the benefit of the Secured Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Obligations, the Assignor does hereby assign, pledge and grant to the Secured Party, a security interest in and to the following property (the "Collateral"), whether now or hereafter existing or acquired;

(a) all right, title and interest in and to all of the Assignor's registered and unregistered trademarks, service marks, trade names, designs, logos, indicia, and/or other source and/or business identifiers and the goodwill of the business relating to any and all of the foregoing, rights in such properties owned by others and any registrations or

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TRADEMARK

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applications therefor, which, in the case of applications or registrations, are now or hereafter issued by or filed with the U.S. Patent and Trademark Office, with any similar office or agency of any state, territory or possession of the United States or any similar office or agency of any other countries or, if not so filed, are otherwise used in the United States, any state, territory or possession thereof or any other country, including, without limitation, the marks, names, logos, indicia, trademark registrations and trademark applications listed on Schedule I attached hereto and made a part hereof (the "Trademark Collateral"); and

(b) all Intellectual Property (as defined in the Security Agreement) that is related to the Trademark Collateral.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Assignor for the purpose of recording the security interest of the Secured Party, in the Collateral with the United States Patent and Trademark Office and with the corresponding offices and authorities of any local, state or foreign governments. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Secured Party, under the Security Agreement. The Security Agreement (and all rights and remedies of the Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Obligations and the termination of all Commitments and termination of the Credit Agreement, the Secured Party shall, at the Assignor's expense, execute and deliver to the Assignor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. The Assignor does hereby further acknowledge and affirm that the rights and remedies of the Secured Party with respect to the security interest in the Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including, without limitation, the remedies provided for therein) are incorporated by reference herein as if fully set forth herein and shall govern in the event of any inconsistency or conflict with the terms or provisions hereof.

SECTION 6. Loan Document, etc. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

SCHEDULE 1

Trademark	Registration/Application No.	Class(es)
NEXT	75/756,276	42
PBC	2,151,669	35
C.O.M.B. AUTHORIZED LIQUIDATORS and Design	1,314,078	42
PREFERRED BUYERS' CLUB	2,009,229	42
DAMARK INTERNATIONAL, INC. THE GREAT DEAL COMPANY and Design	1,781,871	42
VACATION PASSPORT	2,096,693	35
INSIDERS	2,050,979	35
C.O.M.B.	1,174,634	42
ESSENTIALS FOR HOME	2,220,275	35
Damark (Stylized)	1,492,264	20
INSIDER'S HOTLINE	1,301,585	16
BUDGET SAVERS	2,250,523	35
BUYER'S GUARD	2,286,379	35
UPLINK	76/058,199	35
E-LINK	76/058,197	35
PROVELL	76/059,632	35
PERFECT BALANCE	75/883,749	42
TODAY'S HANDYMAN	75/851,488	35
HANDY VALUES	75/851,486	36
BUYERS PLUS	75/829,493	42
SMALL BUSINESS ALLIANCE	75/728,089	35
GIFT GALLERY	2,368,322	35
VALUE ACCESS	2,368,320	35
SMART PERKS	2,349,999	35
VALUE PLUS	75/629,038	35
VALUE ONE	2,323,155	35
KALEIDOSCOPE	1,802,397	42
HOME FURNISHINGS WAREHOUSE	75/756,718	42
DAMARK INTERNATIONAL, INC. and Design	1,783,035	42
GETTING IT RIGHT TO YOUR CUSTOMERS' DOOR	75/951,059	35
CLICKSHIP DIRECT	75/920,518	9, 35, 42

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IN WITNESS WHEREOF, the Assignor has caused this Agreement to be duly executed and delivered as of the day and year first above written.

DAMARK INTERNATIONAL, INC.

By: [Signature]
Name: MARK A. COOK
Title: OWNER/CEO

"EXPRESS MAIL" Mailing Label Number EL 32061449645

Date of Deposits: 8-22-00

I hereby certify that this paper or file is being deposited with the United States Postal Service Express Mail Post Office. Addressed service may be provided on the only reference you make to this service. Federal, State, and local laws, regulations, and orders apply.

[Signature]