

FORM PTO-1594
(Rev. 6-93)

RECORDATION FORM COVER SHEET

04-13-2001

OMB No. 0661-0011 (exp. 4/94)

TRADEMARKS ONLY



Tab settings

101692090

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

1. Name of conveying party(ies):

Damark International, Inc.

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

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

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date:

2. Name and address of receiving party(ies)

Name: Foothill Capital Corporation

Internal Address: Suite 3000-W

Street Address: 2450 Colorado Avenue

City: Santa Monica State: CA ZIP: 90404

- ☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation-State California
☐ Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: N/A ☐ 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: Kimberley Lathrop

Internal Address: Brobeck Phleger & Harrison LLP

Street Address: 550 South Hope Street,

Suite 2100

City: Los Angeles State: CA ZIP: 90071

6. Total number of applications and registrations involved: 32

7. Total fee (37 CFR 3.41): \$ 80.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

N/A

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

DO NOT USE THIS SPACE

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.

Kate Gregor

Name of Person Signing

Signature

April 6, 2001

Date

18

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

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box AssignmentsTRADEMARK
REEL: 002270 FRAME: 0103

04/26/2001 00000115 482264 40.00 775.00 01 FC:481 02 FC:482

SCHEDULE A
to the Trademark Security Agreement

Trademarks of Damark International, Inc.

Type	Jurisdiction	Mark	Registration/ Application Date	Registration/ Application No.
Registered Marks:				
service mark	United States	Damark	June 14, 1988	1,492,264
service mark	United States	Damark International, Inc.	July 20, 1993	1,783,035
service mark	United States	Preferred Buyers' Club	October 15, 1996	2,009,229
service mark	United States	The Great Deal Company (w/Damark Design)	July 13, 1993	1,781,871
service mark	United States	Vacation Passport	September 16, 1997	2,096,693
service mark	United States	Insiders	April 8, 1997	2,050,979
service mark	United States	PBC	January 29, 1996	2,151,669
service mark	United States	C.O.M.B.	October 20, 1981	1,174,634
service mark	United States	Insider's Hotline	October 23, 1984	1,301,585
service mark	United States	Surplus Confidential Bulletin	May 21, 1985	1,337,434
service mark	United States	C.O.M.B. Authorized Liquidators	January 8, 1985	1,314,078
service mark	United States	Essentials For Home	January 26, 1999	2,220,275
service mark	United States	Budget Savers	June 1, 1999	2,250,523
service mark	United States	Kaleidoscope	November 2, 1993	1,802,397
service mark	United States	Buyer's Guard	October 12, 1999	2,286,379
service mark	United States	Value One	February 29, 2000	2,323,155
service mark	United States	Smart Perks	May 16, 2000	2,349,999
service mark	United States	Value Access	July 18, 2000	2,368,320
service mark	United States	Gift Gallery	July 18, 2000	2,368,322
service mark	United States	Small Business Alliance	August 8, 2000	2,376,291
service mark	United States	Today's Handyman	October 24, 2000	2,397,880
Pending Registrations:				
service mark	United States	Value Plus	January 28, 1999	75-629,038
service mark	United States	Buyers Plus	October 22, 1999	75-829,493
service mark	United States	Handy Values	November 17, 1999	75-851,486
service mark	United States	Uplink	May 26, 2000	76-058,199
service mark	United States	E-Link	May 26, 2000	76-058,197
service mark	United States	Provell	May 30, 2000	76-059,632
service mark	United States	TechnoPerks	November 17, 2000	76-167,171
service mark	United States	Explore USA	February 12, 2001	76-208,542
service mark	United States	Gift Certificate Connection	February 12, 2001	76-209,171
service mark	United States	Trip Consultant	March 8, 2001	

Trademarks of ClickShip Direct, Inc.

<u>Type</u>	<u>Jurisdiction</u>	<u>Mark</u>	<u>Registration/ Application Date</u>	<u>Registration/ Application No.</u>
trademark	United States	ClickShip Direct	February 7, 2000	75-920,518
trademark	United States	Getting It Right to Your Customer's Door	March 3, 2000	75-951,059

Trademarks of Damark Financial Services, Inc.

none

Trademarks of Provell, Inc.

none

Trademarks of Texas Telemarketing, Inc.

none

TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** (this "Agreement"), dated as of March 27, 2001 is made by **DAMARK INTERNATIONAL, INC.**, a Minnesota corporation ("Borrower"), **CLICKSHIP DIRECT, INC.**, a Minnesota corporation ("ClickShip"), **DAMARK FINANCIAL SERVICES, INC.**, a Minnesota corporation ("DFS"), **PROVELL, INC.**, a Minnesota corporation ("Provell"), and **TEXAS TELEMARKETING, INC.**, a Minnesota Corporation ("TTI"; and together with ClickShip, DFS, Provell, and Borrower, individually, an "Obligor" and collectively, the "Obligors"), in favor of **FOOTHILL CAPITAL CORPORATION**, a California corporation, as arranger and administrative agent for the "Lenders" defined below (in such capacity, together with its successors, if any, in such capacity, "Secured Party").

RECITALS

A. Borrower, the financial institutions identified therein (the "Lenders", and together with Secured Party, collectively, the "Lender Group") are, contemporaneously herewith, entering into that certain Loan and Security Agreement of even date herewith (as amended, restated, modified, renewed or extended from time to time, the "Loan Agreement") pursuant to which the Lender Group has agreed to make certain financial accommodations to Borrower, and pursuant to which Borrower has granted to Secured Party for the benefit of the Lender Group security interests in (among other things) all or substantially all of the general intangibles of Borrower.

B. ClickShip, DFS, Provell, and TTI (individually, a "Guarantor" and collectively, the "Guarantors") are, contemporaneously herewith, executing that certain General Continuing Guaranty of even date herewith in favor of Secured Party for the benefit of the Lender Group (as amended, restated, modified, renewed or extended from time to time, the "Guaranty"), respecting certain obligations of Borrower owing to the Lender Group under the Loan Agreement.

C. Each Guarantor and Secured Party are, contemporaneously herewith, entering into that certain Guarantor Security Agreement of even date herewith (as amended, restated, modified, renewed or extended from time to time, the "Guarantor Security Agreement"), pursuant to which each Guarantor has granted to Secured Party for the benefit of the Lender Group a security interest in (among other things) all the general intangibles of each Guarantor.

D. Pursuant to the Loan Agreement, and as one of the conditions precedent to the obligations of the Lender Group under the Loan Agreement, each of the Obligors has agreed to execute and deliver this Agreement to Secured Party, for the benefit of the Lender Group, for filing with the PTO and with any other relevant recording systems in any domestic 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.

ASSIGNMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, each Obligor 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:

“Borrower” shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

“ClickShip” shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

“Code” means the New York Uniform Commercial Code, as in effect from time to time.

“DFS” shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

“Guarantor” and “Guarantors” shall have the meaning ascribed to such terms in the recitals to this Agreement.

“Guarantor Security Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Guaranty” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Lender Group” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Lenders” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Loan Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Obligor” and “Obligors” shall have the meanings ascribed to such terms in the introductory paragraph of this Agreement.

“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 §9-306 of the

Code, 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 an Obligor, 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 any Obligor 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 any Obligor 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.

“Provell” shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

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

“Secured Party” shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

“Secured Obligations” means the Obligations and the “Guarantied Obligations” (as such term is defined in the Guarantor Security Agreement).

“Trademark Collateral” has the meaning set forth in Section 2.

“Trademarks” has the meaning set forth in Section 2.

“TTI” shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

“United States” and “U.S.” each mean the United States of America.

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

(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 subsection or a clause of the Section or subsection in which the reference appears.

(ii) The words “hereof,” “herein,” “hereto,” “hereunder” 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 any Obligor and supplemental rights and remedies in favor of Secured Party for the benefit of the Lender Group (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 Interest.

(a) Assignment and Grant of Security in respect of the Secured Obligations. To secure their respective Secured Obligations, each Obligor hereby grants, assigns, transfers and conveys to Secured Party for the benefit of the Lender Group a continuing security interest in certain of each such Obligor’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 existing or hereafter adopted or acquired, together with and including all licenses therefor held by such Obligor, 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 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, to sue or bring opposition or cancellation proceedings in the name of the applicable Obligor or in the name Secured Party for the benefit 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 Obligors' business symbolized by the Trademarks or associated therewith; and

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

(b) Continuing Security Interest. Each Obligor hereby agrees that this Agreement shall create a continuing security interest in the Trademark Collateral which shall remain in effect until terminated in accordance with Section 18.

(c) 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 or the Guarantor Security Agreement, as applicable.

(d) Licenses. Anything in the Loan Agreement or this Agreement to the contrary notwithstanding, each Obligor may grant non-exclusive licenses of the Trademark Collateral (subject to the security interest (if any) of Secured Party for the benefit of the Lender Group therein) in the ordinary course of business consistent with past practice.

3. Further Assurances; Appointment of Secured Party as Attorney-in-Fact. Each Obligor at its expense shall execute and deliver, or cause to be executed and delivered, to Secured Party and all documents and instruments, in form and substance reasonably satisfactory to Secured Party, and take any and all action, which Secured Party may reasonably request from time to time, to perfect and continue perfected, maintain the priority of or provide notice of the security interest in the Trademark Collateral held by Secured

Party for the benefit of the Lender Group and to accomplish the purposes of this Agreement. If any Obligor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party in accordance with the foregoing, Secured Party shall have the right, in the name of such Obligor, or in the name of Secured Party or otherwise, without notice to or assent by such Obligor, and each Obligor hereby irrevocably constitutes and appoints Secured Party (and any of Secured Party's officers or employees or agents designated by Secured Party) for the benefit of the Lender Group as such Obligor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of such Obligor on all or any of such documents or instruments and perform all other acts that Secured Party reasonably deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of the security interest in the Trademark Collateral held by Secured Party for the benefit of the Lender Group, 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 such Obligor, which Secured Party 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) after the occurrence and during the continuation of any Event of Default, to assert or retain any rights under any license agreement 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 to use the Trademark Collateral for the benefit of the Lender Group, 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. Each Obligor represents and warrants to the Lender Group and Secured Party, for the benefit of the Lender Group, to the best of its 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 held (whether pursuant to a license or otherwise) and used by such Obligor.

(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 such Obligor's knowledge, each of the Trademarks is valid and enforceable.

(c) Ownership of Trademark Collateral; No Violation. (i) such Obligor has rights in and good and defensible title to the existing Trademark Collateral, (ii) with respect to the Trademark Collateral shown on Schedule A hereto as owned by it, such Obligor is the sole and exclusive owner thereof, free and clear of any Liens and rights of

others (other than the security interest created hereunder and other than Permitted Liens), including licenses, registered user agreements and covenants by such Obligor not to sue third persons, and (iii) with respect to any Trademarks for which such Obligor 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, such Obligor is not in material default of any of its obligations thereunder and, (i) other than the parties to such licenses or licensing agreements, or (ii) in the case of any non-exclusive license or license agreement entered into by such Obligor or any such licensor regarding such Trademark, the parties to any other such non-exclusive licenses or license agreements entered into by such Obligor or any such licensor with any other Person, no other Person has any rights in or to any of the Trademark Collateral. To the best of each Obligor's knowledge, the past, present and contemplated future use of the Trademark Collateral by such Obligor 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. To the best of such Obligor's knowledge, no material infringement or unauthorized use presently is being made of any of the Trademark Collateral by any Person.

(e) Powers. Each such Obligor 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, each Obligor agrees that it will comply with all of the covenants, terms and provisions of this Agreement, the Loan Agreement, the Guaranty, the Guarantor Security Agreement, and the other Loan Documents, as applicable, and each such Obligor will promptly give Secured Party written notice of the occurrence of any event that could 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 such Obligor 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, for the benefit of the Lender Group, in the Trademark Collateral, if and when any Obligor 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 the applicable Obligor shall give to Secured Party prompt notice thereof. Each Obligor 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. If any Obligor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Secured Party in connection herewith, each Obligor 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 such Obligor'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 Secured Party and the Lender Group. Notwithstanding any provision contained in this Agreement, neither Secured Party nor any member of the Lender Group shall have any duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to the Obligors or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Secured Party or any other member of the Lender Group hereunder or in connection herewith, neither Secured Party nor any member of the Lender Group shall have any 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, the Guarantor Security Agreement, or any other Loan Document, as applicable, shall constitute an Event of Default hereunder.

9. Remedies. From and after the occurrence and during the continuation of an Event of Default, Secured Party, for the benefit of the Lender Group, shall have all rights and remedies available to it under the Loan Agreement or the Guarantor Security Agreement, as applicable, and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Trademark Collateral, the Collateral, or any other collateral. Each Obligor hereby agrees that such rights and remedies include the right of Secured Party, as a secured party on behalf of the Lender Group, to sell or otherwise dispose of the Trademark Collateral, the Collateral, or any other collateral after default, pursuant to §9-504 of the Code. Each Obligor hereby 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 Secured Party, on behalf of the Lender Group, 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 such Obligor in which Secured Party, for the benefit of the Lender Group, has a security interest, including the rights of Secured Party, for the benefit of the Lender Group, to sell inventory, tooling or packaging which is acquired by such Obligor (or its successor, assignee or trustee in bankruptcy). 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 deems necessary or advisable, in the name of any Obligor or Secured Party, on behalf of the Lender Group, to enforce or protect any of the Trademark Collateral, in which event any such Obligor 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, the applicable Obligor, 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 each of the Obligors and Secured Party for the benefit of the Lender Group 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. This Agreement shall be governed by, and construed and enforced in accordance with, the federal laws of the United States of America and the laws of the State of New York.

13. Entire Agreement; Amendment. This Agreement and the Loan Agreement, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersede 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, for the benefit of the Lender Group, may reexecute 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 counterparts, 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. Each Obligor acknowledges that the rights and remedies of Secured Party for the benefit of the Lender Group with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Loan Agreement or the Guarantor Security Agreement, as applicable, and all such rights and remedies are cumulative.

17. No Inconsistent Requirements. Each Obligor 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 such Obligor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms. Each Obligor agrees that, to the extent of

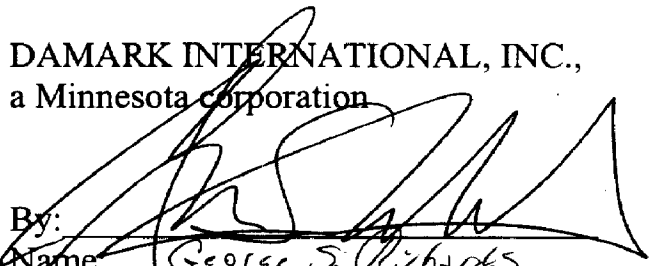
any conflict between the provisions of this Agreement and the Loan Agreement or the Guarantor Security Agreement, as applicable, the provisions of the Loan Agreement or the Guarantor Security Agreement, as applicable, shall govern.

18. Termination. Upon the payment and performance in full in cash 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 shall execute and deliver such documents and instruments and take such further action reasonably requested by Obligors, at Obligors' expense, as shall be necessary to evidence termination of the security interest granted by Obligors to Secured Party for the benefit of the Lender Group hereunder, including cancellation of this Agreement by written notice from Secured Party to the PTO.

[Signature page follows]

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

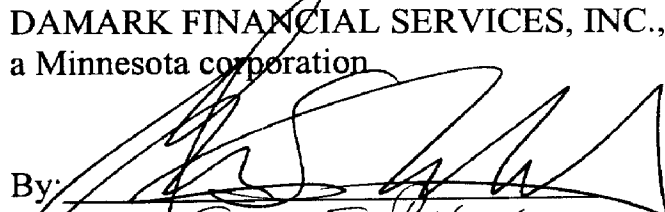
DAMARK INTERNATIONAL, INC.,
a Minnesota corporation

By: 
Name: George S. Richards
Title: President

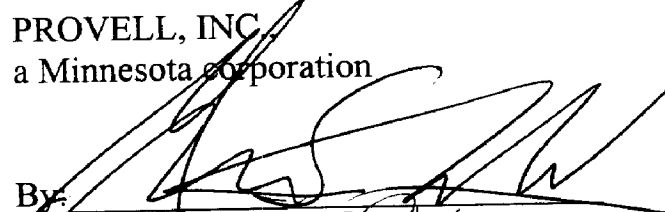
CLICKSHIP DIRECT, INC.,
a Minnesota corporation

By: Stephen P. Letak
Name: Stephen P. Letak
Title: Vice President

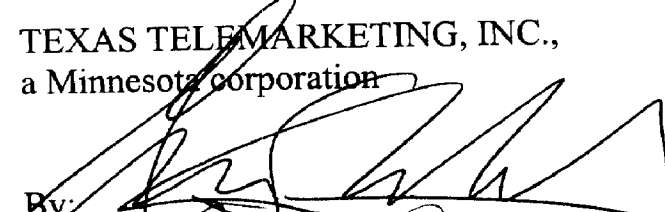
DAMARK FINANCIAL SERVICES, INC.,
a Minnesota corporation

By: 
Name: George S. Richards
Title: President


PROVELL, INC.
a Minnesota corporation

By: 
Name: George S. Richards
Title: President

TEXAS TELEMARKETING, INC.,
a Minnesota corporation

By: 
Name: George S. Richards
Title: President

FOOTHILL CAPITAL CORPORATION,
a California corporation, as agent

By: 
Name: KURT R MARSDEN
Title: SENIOR VICE PRESIDENT

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On March __, 2001, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

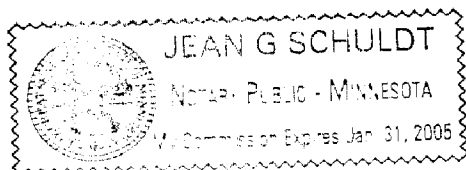
Signature

[SEAL]

STATE OF Minnesota)
) ss
COUNTY OF Hennepin)

On March 20, 2001, before me, Jean G. Schuldt, Notary Public, personally appeared George S. Richards & Stephen P. Letele, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



J G Schuldt
Signature

[SEAL]

SCHEDULE A
to the Trademark Security Agreement

Trademarks of Damark International, Inc.

<u>Type</u>	<u>Jurisdiction</u>	<u>Mark</u>	<u>Registration/ Application Date</u>	<u>Registration/ Application No.</u>
Registered Marks:				
service mark	United States	Damark	June 14, 1988	1,492,264
service mark	United States	Damark International, Inc.	July 20, 1993	1,783,035
service mark	United States	Preferred Buyers' Club	October 15, 1996	2,009,229
service mark	United States	The Great Deal Company (w/Damark Design)	July 13, 1993	1,781,871
service mark	United States	Vacation Passport	September 16, 1997	2,096,693
service mark	United States	Insiders	April 8, 1997	2,050,979
service mark	United States	PBC	January 29, 1996	2,151,669
service mark	United States	C.O.M.B.	October 20, 1981	1,174,634
service mark	United States	Insider's Hotline	October 23, 1984	1,301,585
service mark	United States	Surplus Confidential Bulletin	May 21, 1985	1,337,434
service mark	United States	C.O.M.B. Authorized Liquidators	January 8, 1985	1,314,078
service mark	United States	Essentials For Home	January 26, 1999	2,220,275
service mark	United States	Budget Savers	June 1, 1999	2,250,523
service mark	United States	Kaleidoscope	November 2, 1993	1,802,397
service mark	United States	Buyer's Guard	October 12, 1999	2,286,379
service mark	United States	Value One	February 29, 2000	2,323,155
service mark	United States	Smart Perks	May 16, 2000	2,349,999
service mark	United States	Value Access	July 18, 2000	2,368,320
service mark	United States	Gift Gallery	July 18, 2000	2,368,322
service mark	United States	Small Business Alliance	August 8, 2000	2,376,291
service mark	United States	Today's Handyman	October 24, 2000	2,397,880
Pending Registrations:				
service mark	United States	Value Plus	January 28, 1999	75-629,038
service mark	United States	Buyers Plus	October 22, 1999	75-829,493
service mark	United States	Handy Values	November 17, 1999	75-851,486
service mark	United States	Uplink	May 26, 2000	76-058,199
service mark	United States	E-Link	May 26, 2000	76-058,197
service mark	United States	Provell	May 30, 2000	76-059,632
service mark	United States	TechnoPerks	November 17, 2000	76-167,171
service mark	United States	Explore USA	February 12, 2001	76-208,542
service mark	United States	Gift Certificate Connection	February 12, 2001	76-209,171
service mark	United States	Trip Consultant	March 8, 2001	

Trademarks of ClickShip Direct, Inc.

<u>Type</u>	<u>Jurisdiction</u>	<u>Mark</u>	<u>Registration/ Application Date</u>	<u>Registration/ Application No.</u>
trademark	United States	ClickShip Direct	February 7, 2000	75-920,518
trademark	United States	Getting It Right to Your Customer's Door	March 3, 2000	75-951,059

Trademarks of Damark Financial Services, Inc.

none

Trademarks of Provell, Inc.

none

Trademarks of Texas Telemarketing, Inc.

none