

08-19-2002



Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

RE 102194398

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): Distribution Dynamics, Inc. 8/14/02
Individual(s) Association General Partnership Limited Partnership Corporation-State California Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: Heller Financial, Inc. Internal Address: Street Address: 500 West Monroe Street City: Chicago State: IL Zip: 60661
Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Delaware Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance: Assignment Merger Security Agreement Change of Name Other
Execution Date: June 12, 2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 75/507,470 B. Trademark Registration No.(s) 2,279,179
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Josh S. Ridout, Esq. Internal Address: Paul, Hastings, Janofsky & Walker LLP Street Address: 515 South Flower Street 25th Floor City: Los Angeles State: CA Zip: 90071-2228

6. Total number of applications and registrations involved: 9
7. Total fee (37 CFR 3.41): \$ 240.00 Enclosed Authorized to be charged to deposit account
8. Deposit account number:

DO NOT USE THIS SPACE

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. Josh S. Ridout Name of Person Signing Signature Date 8/14/02

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

08/16/2002 AAHMED1 00000124 75507470 01 FC:481 40.00 OP 02 FC:482 200.00 OP

TRADEMARK REEL: 002565 FRAME: 0052

Marks

GLOBE AND RING Design

GLOBE AND RING Design

DISTRIBUTION DYNAMICS

DISTRIBUTION DYNAMICS

QA+ and Design

CELLPAK

CENTURY FASTENERS, INC.

Registration Nos.

Reg. No. 2,317,927

Reg. No. 2,279,062

Reg. No. 2,210,416

Reg. No. 2,277,375

Reg. No. 1,909,077

Reg. No. 2,076,770

Reg. No. 1,487,940

TRADEMARK SECURITY AGREEMENT

WHEREAS, Distribution Dynamics, Inc., a California corporation ("Grantor") with its principal place of business at 6450 Carlson Drive, Eden Prairie, Minnesota 55346, has adopted, used, is using and owns certain trademarks, service marks, trade names, logos and related marks, including without limitation those identified on Exhibit A and Exhibit B attached hereto; and

WHEREAS, pursuant to the terms of that certain Amended and Restated Security Agreement dated as of June __, 2002 (the "Security Agreement"), Grantor has pledged and mortgaged to Heller Financial, Inc., a Delaware corporation, a subsidiary of General Electric Capital Corporation ("Grantee"), and has granted Grantee a continuing security interest in and to, certain assets of Grantor, including without limitation, all right, title and interest of Grantor in and to all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), including without limitation the trademarks identified on Exhibit A and Exhibit B, all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; all reissues, extensions or renewals thereof; and all goodwill associated with or symbolized by any of the foregoing (collectively, the "Trademarks");

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, Grantor does hereby pledge and mortgage to Grantee, and does hereby grant to Grantee a continuing security interest in, the entire right, title and interest of Grantor, in the United States and throughout the world, in and to the following, whether currently owned or existing or hereafter used, adopted, created or acquired (all of the following items or types of property being hereinafter collectively referred to as the "Trademark Collateral"):

- (a) Each of the Trademarks (including without limitation the United States trademark and service mark registrations, and applications for registration, specifically identified in Exhibit A, and the foreign trademark and service mark registrations, and applications for registration specifically identified in Exhibit B);
- (b) The right (but not the obligation) to bring and prosecute opposition and cancellation proceedings, in the name of Grantor or in the name of Grantee, relating to any of the Trademarks, and all rights (but not obligations) corresponding thereto;
- (c) The right (but not the obligation) to sue, in the name of Grantor or in the name of Grantee, for past, present and future infringements of any of the Trademarks and all rights (but not obligations) corresponding thereto;
- (d) All general intangibles (as defined in Division 9 of the Uniform Commercial Code) relating to the foregoing Trademark Collateral; and

(e) All proceeds of any and all of the foregoing Trademark Collateral (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not the Grantee is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Trademark Collateral. For purposes of this Trademark Security Agreement, the term "proceeds" includes whatever is receivable or received when Trademark Collateral or proceeds are sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, all rights to payment, including returned premiums, with respect to any insurance relating thereto.

It is expressly understood and agreed that the Trademark Collateral granted hereunder shall include, without limitation, rights and interests pursuant to licensing or other contracts in favor of Grantor pertaining to the Trademarks now or in the future owned, adopted or used by third parties.

Grantor represents and warrants to Grantee that as of the date of this Trademark Security Agreement, Grantor does not own any Trademarks that are registered, or applied for registration, with the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or Territory thereof, or any other country or political subdivision other than the Trademarks listed in Exhibit A or Exhibit B attached hereto.

Except as expressly permitted under the Security Agreement, Grantor agrees not to sell, license, exchange, assign or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the foregoing Trademark Collateral.

Grantor hereby agrees, without the necessity of any further consideration whatsoever, to execute, acknowledge and deliver all such further instruments and to take all such further actions as may be reasonably required in order more fully and effectively carry out the purposes of this instrument and to vest in Grantee all rights hereby granted. Grantor hereby irrevocably constitutes and appoints Grantee its true and lawful attorney, in its name, place and stead, to make, execute, acknowledge, file, record and deliver any and all documents (including without limitation assignment documents) which would enable Grantor to protect or perfect its interest in the Trademark Collateral, which power of attorney is expressly coupled with an interest.

The security interests granted hereunder have been made 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.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer as of the __ day of _____, 2002.

DISTRIBUTION DYNAMICS, INC.,
a California corporation

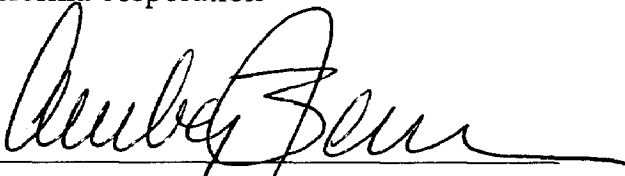
By: 
Name: ANDREW C. BARNETT
Title: CEO.

EXHIBIT A

United States Trademarks

<u>Marks</u>	<u>Registration/Serial Nos.</u>
THE RIGHT PART, TO THE RIGHT PLACE, AT THE RIGHT TIME, EVERYTIME	Serial No. 75/507,470
THE RIGHT PART, TO THE RIGHT PLACE, AT THE RIGHT TIME, EVERYTIME	Reg. No. 2,279,179
GLOBE AND RING Design	Reg. No. 2,317,927
GLOBE AND RING Design	Reg. No. 2,279,062
DISTRIBUTION DYNAMICS	Reg. No. 2,210,416
DISTRIBUTION DYNAMICS	Reg. No. 2,277,375
QA+ and Design	Reg. No. 1,909,077
CELLPAK	Reg. No. 2,076,770
CENTURY FASTENERS, INC.	Reg. No. 1,487,940

EXHIBIT B

Foreign Trademarks

CANADA:

Marks

DISTRIBUTION DYNAMICS

Registration No.

Reg. No. TMA532,689

MEXICO:

Marks

DISTRIBUTION DYNAMICS

Registration No.

660873

SCHEDULE 7.1

CONDITIONS TO INITIAL LOANS

- (A) DELIVERIES. Any documents listed below shall be duly executed, in form and substance satisfactory to Agent, in quantities designated by Agent (except for the Notes, of which only the originals shall be signed) and shall be delivered to Agent on or before the Closing Date. Capitalized terms used herein shall have the meanings set forth in the Credit Agreement.
- (1) Amended and Restated Credit Agreement and all Schedules and Exhibits thereto.
 - (2) Amended and Restated Term Notes.
 - (3) Amended and Restated Revolving Notes.
 - (4) Subordinated Term Notes.
 - (5) Braccini Subordinated Term Note.
 - (6) Braccini Note Purchase Agreement
 - (7) Braccini Release
 - (8) Braccini Subordination and Intercreditor Agreement.
 - (9) Warrant Acquisition Documents.
 - (10) Amended and Restated Security Agreement.
 - (11) Pledge Agreement by each common stock stockholder of Holdings.
 - (12) Power of Attorney.
 - (13) Release by each stockholder, noteholder and warrant holder of Holdings receiving warrants to purchase capital stock of Borrower.
 - (14) Proxy in favor of Andrew Barnett by each common stock stockholder of Holdings that receives warrants to purchase capital stock of Borrower.
 - (15) [Letter of Direction re Future Loans. A letter of direction from Borrower to Agent authorizing and requesting Agent to wire transfer proceeds of all future advances under the Revolving Loan to a bank account designated by Borrower.]

- (16) Insurance Policies and Endorsements. Copies of Borrower's and its Subsidiaries' insurance policies together with endorsements naming Agent and Lenders, as applicable, as lender's loss payee (with respect to all property insurance), additional insured (with respect to all liability insurance), and assignee (with respect to all business interruption insurance).
- (17) Bank Agency Agreements. Bank agency agreements for those banks designated by Agent at which Borrower or any of its Subsidiaries maintains depository accounts.
- (18) Consent and Waiver Letters. Bailee, consignee, processors and warehousemen consent and waiver letters as required by Agent.
- (19) Financial Statements. Financial statements referred to in subsection 5.5 of the Credit Agreement.
- (20) Amendment to Articles of Incorporation. Borrower shall have filed with the California Secretary of State an amendment to its Articles of Incorporation as set forth in Section 5.8 of the Warrant Purchase Agreement.
- (21) Charter and Good Standing. Certified copies of the certificates or articles of incorporation of Borrower and each Loan Party together with good standing certificates from the respective states of incorporation and the respective states in which the principal places of business of each is located and from all states in which the activities of such Persons require them to be qualified and/or licensed to do business, each to be dated a recent date prior to the Closing Date.
- (22) Bylaws. Copies of the bylaws of Borrower and each Loan Party certified as of the Closing Date by its corporate secretary or an assistant secretary.
- (23) Resolutions. Resolutions of the Boards of Directors of Borrower, and each Loan Party authorizing and approving the execution, delivery and performance of Warrant Acquisition Documents to which such Person is a party, certified as of the Closing Date by its corporate secretary or an assistant secretary as being in full force and effect without modification or amendment.
- (24) Incumbency Certificates. Signature and incumbency certificates of (a) the officers of Borrower executing the Loan Documents and (b) the officers of each Loan Party executing the Loan Documents to which any of them is a party.
- (25) Opinions of Counsel. Written opinions of Cadwalader, Wickersham & Taft, counsel for Borrower and the Loan Parties, and such other local

counsel as Agent may request, in form and substance satisfactory to Agent and its counsel, dated as of the Closing Date.

- (26) Termination of Prior Indebtedness Liens and Other Liens. Pay-off letters from each holder of Indebtedness of Holdings, Borrower and each of its Subsidiaries outstanding prior to consummation of the Warrant Transaction, duly executed UCC-3 termination statements, mortgage releases and such other instruments, in form and substance satisfactory to Agent, as shall be necessary to terminate and satisfy all Liens securing such Indebtedness and all other Liens except for Permitted Encumbrances.
- (27) Pre-closing Searches. UCC, tax and judgment search reports listing all effective financing statements, tax liens and judgment liens that name Holdings, Borrower or any Subsidiary of Borrower as debtor together with copies of such financing statements, tax liens and judgment liens, the contents of which shall be satisfactory to Agent.
- (28) Other Documents. Borrower shall have delivered such other documents as Agent may reasonably request.

(B) SUBSCHEDULES

- (1) Litigation. List of any outstanding judgments, actions, charges, claims, demands, suits, proceedings, petitions, governmental investigations or arbitrations now pending or, to the best knowledge of Borrower after due inquiry, threatened against any Loan Party or affecting any property of any Loan Party, along with status reports, annexed hereto as Subschedule 1.
- (2) Employee Benefit Plans. List of any employee benefit plans which any Loan Party maintains or contributes to, or has any current or potential obligations under, and copies of IRS Determination Letters for each such employee benefit plan, annexed hereto as Subschedule 2.
- (3) Closing Fees. List of any broker's, finder's, due diligence, structuring, debt or equity placement fees, commissions or similar compensation payable with respect to the consummation of the Warrant Transaction, annexed hereto as Subschedule 3.
- (4) Investments. List of any Investments in any Person by Borrower or any of its Subsidiaries, annexed hereto as Subschedule 4.
- (5) Derivatives. List of any contracts or other relationships entered into by Borrower or any of its Subsidiaries which involve the exchange, transfer or modification of risks associated with fluctuations in interest rates, currency exchange rates or commodity prices or any similar risks through caps, swaps, collars, futures contracts, forward exchange contracts or any other type of derivative arrangement, annexed hereto as Subschedule 5.

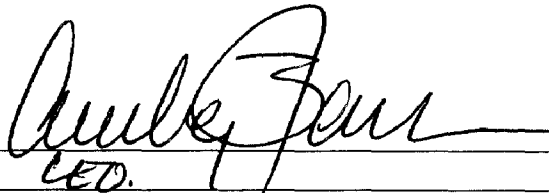
- (6) Bank Accounts. List of bank accounts, setting forth for each such bank account, the bank at which the account is maintained, the account number, the purpose of the account and the maximum balance of the account, annexed hereto as Subschedule 6.
- (7) Subsidiaries. List of Holdings' and Borrower's percentage ownership of each of their respective Subsidiaries, annexed hereto as Subschedule 7.

The foregoing deliveries and subschedules are true, correct and complete and are made and delivered this 12th day of June, 2002.

BORROWER:

DISTRIBUTION DYNAMICS, INC.

By:
Its:



CEO.