

11-05-2003



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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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): 10-31-03 Stock Equipment Company, Inc. [ ] Individual(s) [ ] Association [ ] General Partnership [ ] Limited Partnership [X] Corporation-State [ ] Other Additional name(s) of conveying party(ies) attached? [X] Yes [ ] No

2. Name and address of receiving party(ies) Name: LaSalle Bank National Association Internal Address: Street Address: 135 S. LaSalle St. City: Chicago State: IL Zip: 60603 [ ] Individual(s) citizenship [ ] Association National Banking Association [ ] General Partnership [ ] Limited Partnership [ ] Corporation-State [ ] 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 [X] Security Agreement [ ] Change of Name [ ] Other Execution Date: 10/23/2003

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 2,144,938 Additional number(s) attached [ ] Yes [ ] No

6. Total number of applications and registrations involved: 13

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Kate Rowles Internal Address: Sachnoff & Weaver, Ltd. 29th Floor Street Address: 30 South Wacker Drive City: Chicago State: IL Zip: 60606

7. Total fee (37 CFR 3.41).....\$ 340.00 [X] Enclosed [ ] Authorized to be charged to deposit account 8. Deposit account number: 190011 (Attach duplicate copy of this page if paying by deposit account)

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. Kate Rowles Name of Person Signing [Signature] Signature 10/28/03 Date

Total number of pages including cover sheet, attachments, and document: 11

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

11/04/2003 6TON11 00000123 2144938 01 FC:8521 02 FC:8522 40.00 OP 300.00 OP

TRADEMARK REEL: 002856 FRAME: 0680

**Continuation of Item No. 1**

**Additional Names of Conveying Parties**

**Stock Equipment Holdings, Inc.**

Continuation of Item No. 4

Registered U.S. Trademarks

<b>MARK</b>	<b>REGISTRATION NO.</b>	<b>REGISTRATION DATE</b>
ACCUCHECK	2,144,938	March 17, 1998
ACCUFLEX	2,024,652	December 17, 1996
ACCUROLL	2,091,816	August 26, 1997
CONICAL	520,863	February 7, 1950
EURO CARD	1,391,416	April 29, 1986
FORRY	1,341,760	June 11, 1985
FORRY	2,719,296	May 27, 2003
SECO	2,591,180	July 9, 2002
SECOAL	2,672,046	January 7, 2003
STOCK	1,569,247	December 5, 1989
STOCK	2,033,593	January 28, 1997
STOCK 196	1,841,250	June 21, 1994
SOLVERA	2554113	March 26, 2002

## TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "**Agreement**") is dated for reference purposes only as of October 23, 2003, by and between Stock Equipment Company, Inc. (formerly Stock Equipment Acquisition, Inc.), a Delaware corporation ("**Borrower**"), Stock Equipment Holdings, Inc., a Delaware corporation ("**Parent**", together with Borrower collectively the "**Pledgor**") with their principal place of business at 16490 Chillicothe Road, Chagrin Falls, OH 44023, and LaSalle Bank National Association, a national banking association, with its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603 ("**Bank**").

### WITNESSETH:

WHEREAS, pursuant to the terms of that certain Loan and Security Agreement dated for reference purposes only as of even date herewith by and between Borrower, Parent and Bank (the "**Loan Agreement**"), Bank has, subject to the satisfaction of certain conditions precedent, agreed to lend monies and/or make advances, extensions of credit and other financial accommodations (collectively, the "**Loans**") to, on behalf or for the benefit of Borrower; and

WHEREAS, Bank has required as a condition, among others, to the making of the Loans to Borrower, in order to secure the prompt and complete payment, observance and performance of all of the Secured Obligations, that the Pledgor execute and deliver this Agreement to Bank.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Defined Terms. Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.
2. Incorporation of the Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.
3. Security Interest in Trademarks and Licenses; Right to Abandon in Ordinary Course of Business. To secure a prompt, complete and timely payment, performance and satisfaction of all of the Secured Obligations, Pledgor hereby grants to Bank, for the benefit of Bank, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Pledgor's now owned or existing or hereafter acquired or arising:

(a) trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, domain names and service mark applications, including, *without limitation*, the trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks, domain names and service mark applications listed on Schedule A attached hereto and made a part hereof, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements or dilutions thereof, (iv) the goodwill of Pledgor's business symbolized by the foregoing and connected therewith and (v) all of Pledgor's rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**"); and

(b) rights under or interests in any trademark license agreements or service mark license agreements with any other party in connection with any of the Trademarks or such other party's Trademarks and registered trademarks, trademark applications, service marks, registered service marks, service mark applications, trade names and trade styles, whether Pledgor is a licensor or licensee under any such license agreement, including, *without limitation*, those license agreements listed on Schedule B attached hereto and made a part hereof, and the right, upon the occurrence and during the continuation of an Event of Default, to prepare and sell any and all Inventory now or hereafter owned by Pledgor and now or hereafter covered by such licenses, and all books and all records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) pertaining to any of the foregoing (all of the foregoing are hereinafter referred to collectively as the "**Licenses**"), in each case to the maximum extent such rights or interests may be collaterally assigned without violating the provisions of any such agreements.

(c) *provided, however*, that upon thirty (30) days prior written notice to Bank of its intention to exercise such right, nothing herein shall affect Borrower's right to allow certain of the Trademarks to go abandoned if such Trademarks are not being used or will not be used in the ordinary course of business.

4. New Trademarks and Licenses. Pledgor hereby represents and warrants to Bank that (i) Schedule A sets forth all of the registered U.S. Trademarks and domain names owned by Pledgor as of the date of this Agreement, (ii) Schedule B sets forth all of the U.S. Licenses held by Pledgor as of the date of this Agreement and (iii) no other liens, claims or security interests have been granted by Pledgor to any other Person in such Trademarks and Licenses. Pledgor hereby agrees that if, prior to the termination of this Agreement, Pledgor shall obtain rights to any new Trademarks, file any application for registration thereof, become entitled to the reissue, division, continuation, renewal, extension or continuation-in-part of any Trademark or Licenses, or enter into any new License, then (i) the provisions of this Agreement shall automatically apply thereto, (ii) Pledgor shall promptly furnish written notice thereof to

Bank together with information sufficient to permit Bank, upon its receipt of such notice, to modify this Agreement, as appropriate, by amending Schedules A and B and (iii) Pledgor shall execute and deliver, with regard to any Trademarks, any agreements, instruments and documents that Bank may reasonably request from time to time to further effect and confirm the assignment and grant of security interest created by this Agreement in such Trademarks, and Pledgor hereby appoints Bank, at all times during the continuance of an Event of Default, its attorney-in-fact to execute, deliver and record any and all such agreements, instruments and documents for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed and such power, being coupled with an interest, shall be irrevocable for so long as this Agreement shall be in effect with respect to Pledgor.

5. Royalties. Pledgor hereby agrees that the use by Bank of the Trademarks and Licenses as authorized hereunder shall be coextensive with the Pledgor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Bank to Pledgor.

6. Termination of Bank's Security Interest. This Agreement is made for collateral security purposes only. Upon payment in full of all of the Secured Obligations and termination of the Loan Agreement, this Agreement shall terminate. Following such termination, Bank shall, upon the request of Pledgor, execute a written release confirming the termination and any and all other documents reasonably requested by Pledgor or the United States Patent and Trademark Office or any similar office or agency in any state, province or county, in connection with such termination.

7. Duties of the Pledgor. Subject to Section 3(c) above, Pledgor shall (i) prosecute diligently any Trademark or service mark application, if any, that is part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) make application on registrable trademarks or service marks as Pledgor deems appropriate, and (iii) take all reasonable steps to preserve and maintain all of Pledgor's rights in the Trademarks and Licenses whether now existing or hereafter acquired or arising, including, without limitation, making timely filings with the United States Patent and Trademark Office or any similar office or agency in any state, province or country or renewals and extensions and diligently monitoring unauthorized use hereof.

8. Bank's Right to Sue. After the occurrence and during the continuation of an Event of Default, Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks or Licenses and, if the Bank shall commence any such suit, Pledgor shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement. Pledgor shall, upon demand, promptly reimburse Bank for all Costs incurred by Bank in the exercise of such enforcement (including, without limitation, reasonable attorneys' fees).

9. Waivers. No course of dealing between Pledgor and Bank and no failure or delay on the part of Bank to exercise, or delay in exercising, any right, power or

privilege hereunder, under the Loan Agreement or under any other agreement, shall operate as a waiver of any of Banks' rights, powers or partial exercise of any right, power or privilege hereunder, under the Loan Agreement or under any other agreement.

10. Modification. This Agreement may not be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by Pledgor and Bank.

11. Cumulative Remedies; Power of Attorney. All of the rights and remedies of Bank with respect to the Trademarks or Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. After the occurrence and during the continuance of an Event of Default, Pledgor hereby appoints Bank and all Persons as Bank may designate, in its sole and absolute discretion, as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, to take any action and to execute any instrument which Bank may deem reasonably necessary or advisable to accomplish the purposes of this Agreement. Pledgor hereby ratifies all that such attorney-in-fact 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 all of the Secured Obligations shall have been paid in full and all financing arrangements between Bank and Pledgor shall have been terminated. Pledgor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Agreement or any of the other Loan Documents, but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks or Licenses may be located or deemed located.

12. Binding Effect; Benefits. This Agreement shall be binding upon Pledgor and its successors and assigns, and shall inure to Bank, for the benefit of Bank, and its nominees. Pledgor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Pledgor. Pledgor shall not assign its obligations hereunder without Bank's prior written consent.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) and decisions of the State of Illinois. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held invalid or prohibited under applicable law, such provision shall be ineffective only to the extent of such invalidity or prohibition, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

14. Notices. All notices or other communications required or desired to be served, given or delivered hereunder shall be served, given or delivered and shall be

deemed to have been validly served, given or delivered in accordance with Section 15.13 of the Loan Agreement.

15. Duty of Bank. Bank shall not be liable for any actions, omissions, errors of judgment or mistakes of fact or law with respect to the Trademarks or Licenses except as a result of the gross negligence or willful misconduct of Bank. Without limiting the generality of the foregoing, Bank shall not be under any obligation to take any action necessary to preserve rights in the Trademarks or Licenses against any other Persons but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of Pledgor and added to the Secured Obligations secured hereby.

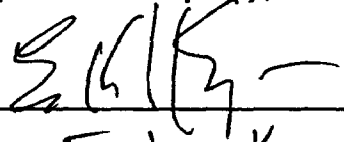
16. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

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IN WITNESS WHEREOF, the parties hereby have duly executed this Trademark Security Agreement, dated for reference purposes only as of the date first above written.

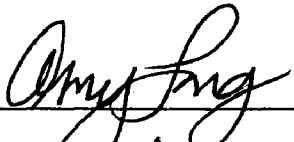
**Stock Equipment Company, Inc.**

By:   
Name: Erik Krieger  
Title: VP

**Stock Equipment Holdings, Inc.**

By:   
Name: Erik Krieger  
Title: VP

**LaSalle Bank National Association**

By:   
Name: Amy Lang  
Title: VP

**SCHEDULE A**  
**TO**  
**TRADEMARK SECURITY AGREEMENT**

**I. Registered U.S. Trademarks**

<b><u>GRANTOR</u></b>	<b><u>MARK</u></b>	<b><u>REGISTRATION NO.</u></b>	<b><u>REGISTRATION DATE</u></b>
Stock Equipment Company, Inc.	ACCUCHECK	2,144,938	March 17, 1998
Stock Equipment Company, Inc.	ACCUFLEX	2,024,652	December 17, 1996
Stock Equipment Company, Inc.	ACCUROLL	2,091,816	August 26, 1997
Stock Equipment Company, Inc.	CONICAL	520,863	February 7, 1950
Stock Equipment Company, Inc.	EURO CARD	1,391,416	April 29, 1986
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**SCHEDULE B  
TO  
TRADEMARK SECURITY AGREEMENT**

**Licenses**

None.