

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
SED International, Inc.		09/21/2005	CORPORATION: GEORGIA
RECEIVING PARTY DATA			
Name:	Wachovia Bank, National Association, as Agent		
Street Address:	171 17th Street, N.W.		
Internal Address:	Mail Code GA 4524		
City:	Atlanta		
State/Country:	GEORGIA		
Postal Code:	30363		
Entity Type:	National Banking Association: UNITED STATES		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2022017	SED	
Registration Number:	2613139	WIRE STYLE	
Registration Number:	2278175	SED INTERNATIONAL	
Registration Number:	2292681	SED INTERNATIONAL	
CORRESPONDENCE DATA			
Fax Number:	(404)522-8409		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(404) 420-4321		
Email:	hroberts@phrd.com		
Correspondent Name:	Harrison J Roberts		
Address Line 1:	285 Peachtree Center Ave. N.E.		
Address Line 2:	1500 Marquis Two Tower		
Address Line 4:	Atlanta, GEORGIA 30303		
NAME OF SUBMITTER:	Harrison J Roberts		

OP \$115.00 2022017

Signature:

/Harrison J Roberts/

Date:

09/23/2005

Total Attachments: 10

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TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** is made this 21st day of September, 2005, between **SED INTERNATIONAL, INC.**, a Georgia corporation, having its principal place of business at 4916 N. Royal Atlanta Drive, Tucker, Georgia 30084 (the "Company"), and **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association, having an office at 171 17th Street, N.W., Atlanta, Georgia 30363, in its capacity as collateral and administrative agent for the Lenders (as defined below) (together with its successors in such capacity, "Agent").

Recitals:

The Company, SED International Holdings, Inc., a Georgia corporation, and SED Magna (Miami), Inc., a Delaware corporation (collectively, "Borrowers"), desire to obtain loans and other financial accommodations pursuant to that certain Loan and Security Agreement dated on or about the date hereof, by and among the Borrowers, Agent and the financial institutions party thereto as lenders from time to time (the "Lenders").

Agent and Lenders are willing to make loans and other financial accommodations to the Borrowers from time to time, pursuant to the terms of the Loan Agreement, provided the Company executes this Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other valuable consideration, and in consideration of the premises, the Company hereby agrees with Agent as follows:

1. Capitalized terms used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meanings ascribed to them in the Loan Agreement.

2. To secure the prompt payment and performance of the Obligations, the Company hereby pledges, assigns and grants to Agent, for the benefit of the Secured Parties, a continuing security interest in and lien upon all of the following property of the Company, whether now owned or existing or hereafter created or acquired (the "Trademark Collateral"):

(a) all trademarks, trademark registrations, tradenames and trademark applications, including, without limitation, the trademarks and applications listed on **Exhibit A** attached hereto and made a part hereof (as the same may be amended from time to time), and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, tradenames and applications, together with the items described in clauses (i)-(iv), are hereinafter collectively referred to as the "Trademarks");

(b) the goodwill of the Company's business connected with and symbolized by the Trademarks; and

(c) all proceeds of the foregoing.

3. The Company represents and warrants to Agent and each of the Secured Parties that:

(a) Each of the Trademarks is subsisting and has not been adjudged invalid or unenforceable;

(b) Upon filing of this Agreement in the United States Patent and Trademark Office, this Agreement will create a legal and valid perfected lien upon and security interest in the Trademark Collateral (other than foreign trademarks), enforceable against Company and all third Persons in accordance with its terms;

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third Person;

(d) The Company has the unqualified right to enter into this Agreement and perform its terms;

(e) Each of the Trademarks is valid and enforceable; and

(f) Except for implied licenses between the Company and any Affiliate or Subsidiary of the Company, the Company is the sole and exclusive owner of the entire right, title and interest in and to all of the Trademark Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by the Company not to sue third Persons.

4. The Company covenants and agrees with Agent that:

(a) The Company will maintain the quality of the products and services associated with the Trademarks, at a level consistent with the quality at the time of this Agreement, and will, upon Agent's request, provide Agent quarterly with a certificate to that effect in the form attached hereto as **Exhibit B** executed by an officer of the Company;

(b) The Company will not materially change the quality of the products and services associated with the Trademarks without Agent's prior written consent; and

(c) The Company will use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks, including, without limitation, filing an affidavit of use with the United States Patent and Trademark Office for each Trademark which has not been abandoned by the Company in accordance with the terms hereof, as required by applicable law to maintain the registration thereof without loss of protection therefor.

5. The Company hereby authorizes Agent, and its employees and agents, the right to visit the Company's facilities which store products sold under any of the Trademarks and to

inspect the products and quality control records relating thereto at reasonable times during regular business hours, in accordance with the terms of the Loan Agreement. The Company shall do any and all acts reasonably required by Agent to ensure the Company's compliance with paragraph 4(c) of this Agreement.

6. Until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated, the Company shall not enter into any license agreement relating to any of the Trademarks with any Person except implied licenses between the Company and any Affiliate or Subsidiary of the Company and non-exclusive licenses to customers of the Company in the regular and ordinary course of the Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with the Company's duties under this Agreement.

7. If, before the Obligations have been satisfied in full, the Company shall obtain rights to any new trademarks, or become entitled to the benefit of any trademark application or trademark or any renewal of any Trademark, the provisions of paragraph 2 hereof shall automatically apply thereto, and the Company shall give to Agent prompt notice thereof in writing.

8. The Company irrevocably authorizes and empowers Agent to modify this Agreement by amending Exhibit A to include any future trademarks and trademark applications within the definition of Trademarks under paragraph 2 or paragraph 7 hereof. Agent shall use its best efforts to promptly deliver a copy of any such amended Exhibit A to the Company, but a failure to do so shall not constitute a breach this Agreement or affect Agent's rights hereunder.

9. Upon and at any time after the occurrence of an Event of Default, Agent shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies under applicable law and all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Agent may immediately, without demand of performance and without notice (except as described in the next sentence, if required by applicable law), or demand whatsoever to the Company, each of which the Company hereby expressly waives to the extent permitted by applicable law, collect directly any payments due the Company in respect of the Trademark Collateral, or sell at public or private sale or otherwise realize upon all or from time to time, any of the Trademark Collateral. The Company hereby agrees that ten (10) days written notice to the Company of any public or private sale or other disposition of any of the Trademark Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by applicable law. At any such sale or disposition, Agent may, to the extent permitted by law, purchase the whole or any part of the Trademark Collateral sold, free from any right of redemption on the part of the Company, which right the Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Trademark Collateral all costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations in such order and manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Company. If any deficiency shall arise, the Company and each Guarantor of the Obligations shall remain jointly and severally liable to Agent therefor.

10. The Company hereby makes, constitutes and appoints Agent and any officer or agent of Agent as Agent may select, as the Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Company's name on all applications, documents, papers and instruments necessary for Agent to continue the registration of or to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Trademark Collateral to any other Person. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated.

11. At such time as all of the Obligations shall have been satisfied finally and in full and the Loan Agreement shall have been terminated, Agent shall execute and deliver to the Company, without representation, warranty or recourse and at the Company's expense, all releases or other instruments necessary to terminate Agent's security interest in the Trademark Collateral subject to any disposition thereof which may have been made by Agent pursuant to the terms of this Agreement or any of the Financing Agreements.

12. Any and all fees, costs and expenses, of whatever kind or nature (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Agent in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in any other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, liens or otherwise protecting, maintaining, or preserving the Trademark Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademark Collateral, shall be borne and paid by the Company (it being the intent of the Company and Agent that the Company shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all renewal fees with respect to the Trademarks) or, if paid by Agent in its sole discretion, shall be reimbursed by the Company **on demand** by Agent and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest per annum rate in effect from time to time under the Loan Agreement.

13. Consistent with good business judgment, the Company shall take all reasonable actions to detect any infringers of the Trademarks and shall notify Agent in writing of infringements detected. Subject to the Company's reasonable discretion in the ordinary course of its business or, during the existence of an Event of Default or a Default, promptly upon Agent's request, the Company shall, through counsel acceptable to Agent, prosecute diligently any trademark application for a Trademark pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full and the Loan Agreement terminated, make federal application on registrable but unregistered Trademarks, file and prosecute opposition and cancellation proceedings, file and prosecute lawsuits to enforce the Trademarks and do any and all acts which are deemed reasonably necessary or desirable by Agent to preserve and maintain all rights in the Trademarks, except for those that have been abandoned by the Company in accordance with the terms of this Agreement. Any expenses incurred in connection with such

applications or proceedings shall be borne by the Company. Subject to the Company's right to abandon Trademarks in its reasonable discretion in the ordinary course of its business (provided such abandonment could not be reasonably expected to have a Material Adverse Effect), the Company shall not abandon any right to file a trademark application, or any pending trademark application or trademark without the consent of Agent.

14. Notwithstanding anything to the contrary contained in paragraph 13 hereof, Agent shall have the right, but shall in no way be obligated, to bring suit instead in its own name to enforce the Trademarks and any license hereunder, or to defend any suit or counterclaim in its own name to protect the Trademarks or any license hereunder which have not been abandoned by the Company in accordance with the terms of this Agreement, in either of which events the Company shall at the request of Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent to aid such enforcement, or defense, and the Company shall promptly, **upon demand**, reimburse and indemnify Agent for all costs and expenses incurred in the exercise of Agent's rights under this paragraph 14.

15. If the Company fails to comply with any of its obligations hereunder, to the extent permitted by applicable law, Agent may do so in the Company's name or in Agent's name, in Agent's sole discretion, but at the Company's expense, and the Company agrees to reimburse Agent in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Trademarks or Agent's interest therein pursuant to this Agreement, provided, however, Agent shall not maintain, or incur expenses to maintain, any Trademarks which have been abandoned by the Company in accordance with the terms of this Agreement.

16. No course of dealing between the Company and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under any of the other Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

17. All of Agent's rights and remedies with respect to the Trademark Collateral, whether established hereby or by any of the other Financing Agreements, or by any other agreements or by applicable law shall be cumulative and may be exercised singularly or concurrently.

18. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

19. This Agreement, together with the other Financing Agreements, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements or conditions, whether

expressed or implied, oral or written. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 8 hereof.

20. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Agent (including any successor Agents) and upon the successors of the Company. The Company shall not assign its rights or delegate its duties hereunder without the prior written consent of Agent.

21. The Company hereby waives notice of Agent's acceptance hereof.

22. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.


23. To the fullest extent permitted by applicable law, the Company and Agent each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Trademark Collateral.

[Remainder of page intentionally left blank]


WITNESS the execution hereof under seal on the day and year first above written.

ATTEST:

SED INTERNATIONAL, INC.
("Company")



Name: Lyle Dickler
Title: Secretary

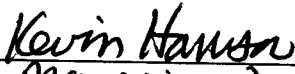
By: 

Name: Jean A. Diamond
Title: Chief Executive Officer

[CORPORATE SEAL]

Accepted in Atlanta, Georgia:

**WACHOVIA BANK, NATIONAL
ASSOCIATION as Agent ("Agent")**

By: 

Title: Managing Director

[Acknowledgments on following page]

STATE OF GEORGIA §
 §
COUNTY OF Fulton §

BEFORE ME, the undersigned authority, on this day personally appeared Jean A. Diamond, Chief Executive Officer of SED International, Inc., to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21 day of September, 2005.

Ma ayz
Notary Public
My Commission Expires: _____

Notary Public, Fulton County, Georgia
My Commission Expires Feb. 28, 2009
[NOTARIAL SEAL]

STATE OF GEORGIA)
)
COUNTY OF Fulton)

BEFORE ME, the undersigned authority, on this day personally appeared Kevin Harrison of Wachovia Bank, National Association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said bank.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 21 day of September, 2005.

Ma ayz
Notary Public
My Commission Expires: _____
Notary Public, Fulton County, Georgia
My Commission Expires Feb. 28, 2009

[NOTARIAL SEAL]

EXHIBIT A

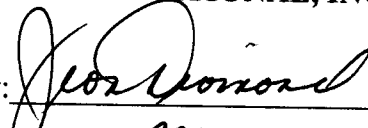
SED INTERNATIONAL, INC.					
U.S. and Foreign Trademark and/or Service Mark Applications/Registrations					
COUNTRY	MARK	SERIAL NO.	FILING DATE	REGISTRATION NO.	REGISTRATION DATE
UNITED STATES	SED	75/029000	12/07/95	2,022,017	12/10/96
UNITED STATES	WIRE STYLE & Design	75/871485	12/14/99	2,613,139	08/29/2002
ARGENTINA	SED	2,041,785	07/24/96	1,643,177	08/29/97
ARGENTINA	SED	2,042,983	08/02/96	1,644,441	09/12/97
ARGENTINA	SED	2,066,171	01/22/97	1763971	11/25/99
BOLIVIA	SED	31,515	09/17/96	64353-C	08/12/97
BRAZIL	SED	819481610	09/18/96	819481610	04/09/2002
CHILE	SED	367,141	01/27/97	499,874	12/26/97
CHILE	SED	367,142	01/27/97	495,629	10/29/97
COLOMBIA	SED	9736367	07/01/97	205,079	01/28/98
COLOMBIA	SED INTERNATIONAL	376230	09/03/03		Pending
COSTA RICA	SED		09/17/96	107,535	05/18/98
ECUADOR	SED	71914	09/16/96	376-98	03/03/98
EL SALVADOR	SED	3482/96	08/14/96	207	06/08/1999
GUATEMALA	SED	8681-96	11/08/96	091810	09/14/98
GUYANA	SED	15,694	10/14/96	15,694A	10/14/96
HONDURAS	SED	492/97	01/15/97	4,458	09/24/97
NICARAGUA	SED	96-03569	10/04/96	34,319C.C.	05/22/97
PANAMA	SED	086336	03/13/97	086336	03/13/97
PARAGUAY	SED	19208	09/17/96	198,388	12/01/97
PERU	SED	022894	10/04/96	011894	09/09/97
SURINAM	SED		10/02/96	15.184	10/02/96
URUGUAY	SED	288,383	07/16/96	288,383	08/13/1997
VENEZUELA	SED	15527/96	09/17/96	37,278	10/31/1997
UNITED STATES	SED INTERNATIONAL Plus Design	75560823	9/29/98	2,278,175	9/14/99
UNITED STATES	SED INTERNATIONAL Plus Design	75560822	9/29/98	2,292,681	11/16/99

EXHIBIT B
CERTIFICATE

The undersigned officer of SED International, Inc. (the "Company"), DOES HEREBY CERTIFY to Wachovia Bank, National Association, ("Agent") that the quality of the products and services associated with the Trademarks listed on Exhibit A of the Trademark Security Agreement dated September ____, 2005, between the Company and Agent (as amended from time to time to include future trademarks and trademark applications) (the "Agreement"), has not been materially changed from the quality of such products and services at the time of the execution of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate, this ____ day of _____, _____.

SED INTERNATIONAL, INC.

By: 
Title: CEO