

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
Handleman Category Management Company	FORMERLY Handleman Company	10/27/2006	CORPORATION: MICHIGAN
RECEIVING PARTY DATA			
Name:	LASALLE BANK MIDWEST NATIONAL ASSOCIATION		
Street Address:	2600 West Big Beaver Road		
City:	Troy		
State/Country:	MICHIGAN		
Postal Code:	48084		
Entity Type:	National Banking Association:		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	2481825	CHANNEL OF CHOICE	
Registration Number:	2481824	CHANNEL OF CHOICE	
Registration Number:	2499746	COOL TRAXX!	
CORRESPONDENCE DATA			
Fax Number:	(202)659-1559		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:	202-659-6941		
Email:	jmolinoff@dickinsonwright.com		
Correspondent Name:	Jeffrey Molinoff		
Address Line 1:	1901 L Street NW, Suite 800		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20036		
ATTORNEY DOCKET NUMBER:	25812-004		
NAME OF SUBMITTER:	Jeffrey S. Molinoff		

CH \$90.00 2481825

900062309

TRADEMARK
REEL: 003425 FRAME: 0831

Signature:

/JSM/

Date:

11/09/2006

Total Attachments: 9

source=handlema#page1.tif

source=handlema#page2.tif

source=handlema#page3.tif

source=handlema#page4.tif

source=handlema#page5.tif

source=handlema#page6.tif

source=handlema#page7.tif

source=handlema#page8.tif

source=handlema#page9.tif

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of October 21, 2006 by HANDLEMAN COMPANY, a Michigan corporation (the "Company") and each of the Subsidiaries of the Company signatories hereto (each Subsidiary, together with the Company, are individually hereinafter referred to as a "Grantor" or collectively hereinafter referred to as the "Grantors"), in favor of LASALLE BANK MIDWEST NATIONAL ASSOCIATION, in its capacity as agent for the Banks (in such capacity, the "Agent").

RECITALS

A. The Grantors have entered into an Amended and Restated Credit Agreement dated as of November 22, 2005 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with various financial institutions and the Agent, pursuant to which such financial institutions have agreed to make loans to, and issue or participate in letters of credit for the account of, Grantors.

B. The Grantors have entered into a Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Collateral Agreement") with the Agent pursuant to which certain Obligations owed to the Banks are secured.

C. Pursuant to the Collateral Agreement, the Grantors are required to execute and deliver to the Agent, for the ratable benefit of the Banks, this Agreement.

D. Pursuant to the terms of the Collateral Agreement, Grantors have granted to the Agent, for the benefit of the Banks, a security interest in substantially all the assets of the Grantors, including all right, title and interest of the Grantors in, to and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications and trademark licenses, and all products and proceeds thereof, to secure the payment of all amounts owing by the Grantors under the Credit Agreement.

In consideration of the mutual agreements set forth herein and in the Credit Agreement, the Grantors do hereby grant to the Agent, for the benefit of the Banks, a continuing security interest in all of Grantors' right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired:

- (1) each trademark and trademark application, including, without limitation, each trademark and trademark application referred to in Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof and all goodwill associated therewith;
- (2) each trademark license, including, without limitation, each trademark license listed on Schedule 1 annexed hereto, together with all goodwill associated therewith;

- (3) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantors against third parties for past, present or future infringement of any trademark, including, without limitation, any trademark referred to in Schedule 1 annexed hereto, any trademark issued pursuant to a trademark application referred to in Schedule 1 and any trademark licensed under any trademark license listed on Schedule 1 annexed hereto (items 1 through 3 being herein collectively referred to as the "Trademark Collateral");
- (4) each patent and patent application, including, without limitation, each patent and patent application referred to in Schedule 2 annexed hereto, together with any reissues, continuations or extensions thereof and all goodwill associated therewith;
- (5) each patent license, including, without limitation, each patent license listed on Schedule 2 annexed hereto, together with all goodwill associated therewith;
- (6) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantors against third parties for past, present or future infringement of any patent, including, without limitation, any patent referred to in Schedule 2 annexed hereto, any patent issued pursuant to a patent application referred to in Schedule 2 and any patent licensed under any patent license listed on Schedule 2 annexed hereto (items 4 through 6 being herein collectively referred to as the "Patent Collateral").

This security interest is granted in conjunction with the security interests granted to the Agent pursuant to the Collateral Agreement and subject to limitations set forth therein. The Grantors hereby acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral and the Patent Collateral made and granted hereby are more fully set forth in the Credit Agreement and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Collateral Agreement.

[signature page follows]

The Grantors have caused this Patent and Trademark Security Agreement to be duly executed by its respective duly authorized officer thereunto as of the date first set forth above.

HANDLEMAN COMPANY

By: Thomas C. Braun

Title: Ex. VP & CFO

HANDLEMAN CATEGORY MANAGEMENT
COMPANY

By: Thomas C. Braun

Title: Sr. VP, CFO & Treasurer

HANDLEMAN ENTERTAINMENT RESOURCES
L.L.C.

By: Thomas C. Braun

Title: VP & Corporate Controller

LIFETIME HOLDING, INC.

By: Thomas C. Braun

Title: Sr. VP, CFO & Treasurer

CRAVE ENTERTAINMENT GROUP, INC.

By: Thomas C. Braun

Title: Sr. VP

CRAVE ENTERTAINMENT, INC.

By: Thomas C. Braun

Title: Sr. VP

*Signature Page to Patent & Trademark
Security Agreement*

TRADEMARK
REEL: 003425 FRAME: 0835

ARTIST TO MARKET DISTRIBUTION LLC

By: Thomas C. Braun

Title: Sr. VP, Treasurer & CFO

HANDLEMAN REAL ESTATE, LLC

By: Thomas C. Braun

Title: Sr. VP, Treasurer & CFO

REPS, L.L.C.

By: Thomas C. Braun

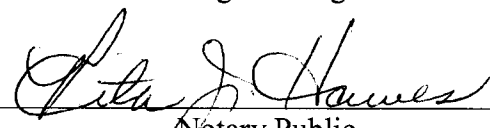
Title: Sr. VP & CFO

*Signature Page to Patent &
Trademark Security Agreement*

**TRADEMARK
REEL: 003425 FRAME: 0836**

STATE OF Mich.)
) ss
COUNTY OF Oakland)

On this 27th day of October 2006, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of the Grantor, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.



Notary Public

RYTA J. HAYES
NOTARY PUBLIC OAKLAND CO., MI
MY COMMISSION EXPIRES 12/31/2008

SVG DISTRIBUTION, INC.

By:

Title:

Thomas C. Braun
Sr. VP

Acknowledged:

LASALLE BANK MIDWEST NATIONAL ASSOCIATION,
as Agent

By: _____

Title: _____

*Signature Page to Patent &
Trademark Security Agreement*

TRADEMARK
REEL: 003425 FRAME: 0838

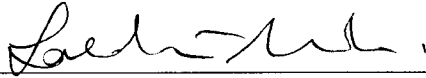
SVG DISTRIBUTION, INC.

By: _____

Title: _____

Acknowledged:

LASALLE BANK MIDWEST NATIONAL ASSOCIATION,
as Agent

By: 

Title: First Vice President

*Signature Page to Patent &
Trademark Security Agreement*

SCHEDULE 1
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Trademarks, Trademark Applications and Trademark Licenses

Trademark Number	Trademark Application Number	Trademark Registration Number	Date of Application	Date of Registration
Handleman Company	32060-001	75/917,087	2,481,825	2/11/2000
Handleman Company	32060-002	75/917,086	2,481,824	2/11/2000
Handleman Company	32060-003	75/909,280	2,499,746	2/3/2000

SCHEDULE 2
to
PATENT AND TRADEMARK SECURITY AGREEMENT

Patents, Patent Applications and Patent Licenses

Patent Number	Patent Application Number	Date Patent Issued	Date of Patent Application
None			

DETROIT 25812-4 962818v1