

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
Sourcing Network Sales, LLC d/b/a Pandigital and Lamorinda Distributing		07/11/2007	LTD LIAB JT ST CO: CALIFORNIA
RECEIVING PARTY DATA			
Name:	PNC Bank, National Association		
Street Address:	Two Tower Center Boulevard		
City:	East Brunswick		
State/Country:	NEW JERSEY		
Postal Code:	08816		
Entity Type:	National Association:		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Serial Number:	78792512	PANDIGITAL	
Serial Number:	77172098	PANIMAGE	
CORRESPONDENCE DATA			
Fax Number:	(214)758-1550		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	214-758-3552		
Email:	dcollins@pattonboggs.com		
Correspondent Name:	Darren W. Collins		
Address Line 1:	2001 Ross Avenue		
Address Line 2:	Suite 3000		
Address Line 4:	Dallas, TEXAS 75201		
ATTORNEY DOCKET NUMBER:	009125.0100		
NAME OF SUBMITTER:	Darren W. Collins		

OP \$65.00 78792512

Signature:	/Darren W. Collins/
Date:	07/17/2007
Total Attachments: 9 source=Security Agreement#page1.tif source=Security Agreement#page2.tif source=Security Agreement#page3.tif source=Security Agreement#page4.tif source=Security Agreement#page5.tif source=Security Agreement#page6.tif source=Security Agreement#page7.tif source=Security Agreement#page8.tif source=Security Agreement#page9.tif	

PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement ("Agreement"), dated as of July 11, 2007, is made by and between Sourcing Network Sales, LLC, a California limited liability company, d/b/a Pandigital and Lamorinda Distributing ("Debtor"), and PNC Bank, National Association, for itself as a Lender, and as agent for the Lenders (as defined in the Credit Agreement defined below) (the "Secured Party").

Recitals

Debtor, Lenders and the Secured Party have entered into a Revolving Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party and Lenders may now or hereafter make certain loans or other financial accommodations to or for the account of Debtor.

As a further condition to making any loan or other financial accommodation under the Credit Agreement or otherwise, the Secured Party has required the execution and delivery of this Agreement by Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past, present and future infringement and all proceeds of infringement suits, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Trademarks" means all of Debtor's right, title and interest in and to trademarks, service marks, collective membership marks, the respective goodwill associated with each, all accounts, registrations and applications appurtenant thereto hereafter acquired, the right to sue for past, present and future infringements and all proceeds of infringements suits, licenses thereunder, all accounts, contract rights and general intangibles arising under and relating to each and every license, proceeds and products of any of the foregoing, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. As collateral security to secure payment of the Obligations, Debtor hereby grants to the Secured Party, as Agent for the benefit of itself and Lenders, a continuing first priority security interest, with power of sale to the extent permitted by law (the

“Security Interest”), in all of Debtor’s right, title and interest in, to and under the Patents and Trademarks and whether presently existing or hereafter created or acquired.

3. Representations, Warranties and Agreements. Debtor hereby represents, warrants and agrees as follows:

(a) ***Existence; Authority.*** Debtor is a limited liability company, having full power to and authority to make and deliver this Agreement. The execution, delivery and performance of this Agreement by Debtor have been duly authorized by all necessary actions on the part of or on behalf of Debtor’s board of directors or other governing body, and if necessary its members and do not and will not violate the provisions of, or constitute a default under, any presently applicable law or its organizational documents or any agreement presently binding on it. This Agreement has been duly executed and delivered by Debtor and constitutes Debtor’s lawful, binding and legally enforceable obligation. The correct name of Debtor is set forth on the signature page hereto. The authorization, execution, delivery and performance of this Agreement do not require notification to, registration with, or consent or approval by, any federal, state or local regulatory body or administrative agency.

(b) ***Patents.*** Exhibit A lists all Patents owned or controlled, through a license or otherwise, by Debtor as of the date hereof and accurately reflects the existence and status of registrations pertaining to the Patents as of the date hereof.

(c) ***Trademarks.*** Exhibit B lists all Trademarks owned or controlled, through a license or otherwise, by Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all registrations pertaining thereto as of the date hereof.

(d) ***Title.*** Except as permitted herein or in the Credit Agreement, Debtor (i) will have, at the time Debtor acquires any Patents or Trademarks hereafter arising, right, title and interest to each such Patent or Trademark free and clear of all security interests, liens and encumbrances, except the Security Interest and Permitted Encumbrances, and except as set forth on the exhibits attached hereto, (ii) will keep all Patents and Trademarks free and clear of all security interests, liens and encumbrances, except the Security Interest and Permitted Encumbrances.

(e) ***No Sale.*** Except as permitted herein or in the Credit Agreement, Debtor will not sell or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party’s prior written consent.

(f) ***Defense.*** To the extent reasonably advisable in its business, Debtor will at its own expense, and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all persons other than the Secured Party.

(g) **Maintenance.** Debtor will at its own expense maintain the Patents and the Trademarks, including, but not limited to, filing all renewals possible with respect to issued registrations. Debtor covenants that it will not abandon, nor fail to pay any maintenance fee or annuity due and payable on, any material Patent or Trademark, nor fail to file any required affidavit in support thereof, without first providing the Secured Party: (i) sufficient written notice, as provided in the Credit Agreement, to allow the Secured Party to timely pay any such maintenance fees or annuity which may become due on any of said Patents or Trademarks, or to file any affidavit with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit, should such be necessary or desirable.

(h) **Secured Party's Right to Take Action.** If Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), the Secured Party may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure.

(i) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon at the rate stated in the Credit Agreement from the date expended or incurred by the Secured Party at the highest rate then applicable to any of the Obligations.

(j) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (h) and exercising its rights under Section 6, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. Debtor hereby ratifies all actions that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

4. Debtor's Use of the Patents and Trademarks. Debtor shall be permitted to use and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default has occurred and is continuing.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if the Secured Party shall commence any suit for such enforcement, Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement has been duly and validly authorized by all necessary action, corporate or otherwise. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. The Secured Party shall not be obligated to preserve any rights Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by Debtor and delivered to the Secured Party, and Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the

validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Texas without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

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IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

SOURCING NETWORK SALES, LLC,
d/b/a Pandigital and Lamorinda Distributing

By: 

Dean Finnegan, Chief Executive Officer

PNC BANK, NATIONAL ASSOCIATION

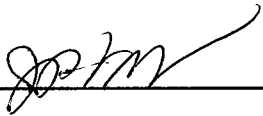
By: 
Name: _____
Title: **JEANETTE P. VANDENBERGH**
VICE PRESIDENT

EXHIBIT B

UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

Title	Trademrk # or Regis. #	Filing Date	Issue Date
Pandigital	78792512	January 16, 2006	N/A
Panimage	77172098	May 3, 2007	N/A

APPLICATIONS

SEE CHART ABOVE

UNREGISTERED MARKS

Common law use trademarks, for which registration has not been sought, include:

NONE