

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
J.W. PEPPER & SON, INC.		07/31/2007	CORPORATION: PENNSYLVANIA

RECEIVING PARTY DATA

Name:	WACHOVIA BANK, NATIONAL ASSOCIATION
Street Address:	2240 Butler Pike
Internal Address:	PA5414, Suite 100
City:	Plymouth Meeting
State/Country:	PENNSYLVANIA
Postal Code:	19462
Entity Type:	NATIONAL ASSOCIATION: UNITED STATES

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	2817351	J.W. PEPPER
Registration Number:	2543737	J.W. PEPPER & SON
Registration Number:	2478940	JWPEPPER.COM
Registration Number:	2543738	PEPPER
Registration Number:	2621719	PEPPER MUSIC
Registration Number:	2966224	PIANOATPEPPER.COM

CORRESPONDENCE DATA

Fax Number: (215)979-1020
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 215-979-1255
 Email: swapicelli@duanemorris.com
 Correspondent Name: Samuel W. Apicelli
 Address Line 1: 30 S. 17th Street
 Address Line 2: Duane Morris LLP
 Address Line 4: Philadelphia, PENNSYLVANIA 19103-4196

TRADEMARK

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REEL: 003591 FRAME: 0781

CH \$165.00 2817351

ATTORNEY DOCKET NUMBER:	E0360-00132
NAME OF SUBMITTER:	Samuel W. Apicelli
Signature:	/Samuel W. Apicelli/
Date:	07/31/2007
Total Attachments: 7 source=e0360-00132securityagreement#page1.tif source=e0360-00132securityagreement#page2.tif source=e0360-00132securityagreement#page3.tif source=e0360-00132securityagreement#page4.tif source=e0360-00132securityagreement#page5.tif source=e0360-00132securityagreement#page6.tif source=e0360-00132securityagreement#page7.tif	

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT ("Agreement") is made and entered into as of the 31st day of July, 2007 between J.W. PEPPER & SON, INC., a Pennsylvania corporation having a mailing address at 2480 Industrial Boulevard, P.O. Box 1795, Paoli, PA 19302 (the "Borrower") and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association having a mailing address at PA5414, Suite 100, 2240 Butler Pike, Plymouth Meeting, PA 19462 (the "Bank").

BACKGROUND

A. In order to induce the Bank to make loans to the Borrower pursuant to a certain Loan Agreement dated of even date herewith by and between the Borrower and the Bank (as such agreement may be amended, modified or replaced, the "Loan Agreement"), the Borrower has agreed to grant to the Bank a security interest in certain trademarks, service marks, tradenames, and the goodwill of the business associated therewith, as herein provided.

B. Any term used but not defined herein shall have the meaning given to such term in the Loan Agreement.

NOW THEREFORE, in consideration of the premises and of the mutual covenants of the parties hereto, and intending to be legally bound hereby, it is hereby agreed as follows:

1. Grant of Security Interest in Marks. To secure the complete and timely payment and satisfaction of all of the Obligations (as hereinafter defined), the Borrower hereby grants, assigns and conveys to the Bank a security interest in and to all of the Borrower's trademark applications, trademarks (whether registered, unregistered or for which any application to register has been filed), service mark applications, service marks (whether registered, unregistered or for which any application to register has been filed) and tradenames, all of which are listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), including, without limitation, all renewals thereof and all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights owned by the Borrower corresponding thereto throughout the world (all of the foregoing are collectively called the "Marks"), together with that portion of the business and the goodwill of the business symbolized by each of the Marks and the registrations (if any) thereof.

As used herein, the term "Obligations" means the following obligations of the Borrower:

(a) To pay the principal, interest, commitment fees and any other liabilities of the Borrower to the Bank under the Loan Agreement and the other Loan Documents in accordance with the terms thereof;

(b) To satisfy all of the obligations of the Borrower under the Guaranty of even date herewith executed by the Borrower in favor of the Bank in connection with the loan in the principal amount of \$10,000,000 made by the Bank to Glenn Burtch (the "Guaranty");

(c) To satisfy all of the other liabilities of the Borrower to the Bank, whether hereunder or otherwise, whether now existing or hereafter incurred, whether or not evidenced by any note or other instrument, matured or unmatured, direct, absolute or contingent, joint or several, including any extensions, modifications, renewals thereof and substitutions therefor;

(d) To repay the Bank all amounts advanced by the Bank hereunder or otherwise on behalf of the Borrower in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Marks, or in defending or prosecuting any actions or proceedings arising out of or related to the Marks;

(e) To pay any and all of the Borrower's existing and future obligations under or in connection with any swap agreements (as defined in 11 U.S.C. §101) with the Bank or any of its affiliates; and

(f) To reimburse the Bank, on demand, for all of the Bank's expenses and costs, including the fees and expenses of its counsel, in connection with the negotiation, preparation, administration, amendment, modification, or enforcement of the Loan Agreement, this Agreement, the other Loan Documents and the Guaranty.

2. Warranties and Representations. The Borrower covenants and warrants that: (a) it is the sole and exclusive owner of the entire right, title and interest in each of the Marks, free and clear of any liens, pledges, assignments or other encumbrances, subject only to existing licenses; (b) it has the unqualified right to enter into this Agreement and perform its terms; (c) the Marks (excluding trademark applications) are subsisting and have not been adjudged invalid or unenforceable; (d) each of the Marks is valid and enforceable; (e) to the best of the Borrower's knowledge, no claim has been made that the use of any of the Marks does or may violate the rights of any third person; (f) the Borrower has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Marks; and (g) the Borrower has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products and delivery of services sold or provided under the Marks. The Borrower shall, in any event, for as long as the Borrower retains legal and equitable title to the Marks, indemnify and hold the Bank harmless from all losses, damages, costs and expenses, including legal costs and counsel fees, incurred by the Bank as the direct or indirect result of any action, claim or demand, whether or not groundless, alleging that the Marks infringe any trademarks held by third parties.

3. Right To Inspect. The Borrower hereby grants to the Bank and its employees and agents the right to visit the Borrower's plants and facilities where products sold or services provided under any of the Marks are manufactured, inspected, stored, or provided, and to inspect and review the products and quality control records relating thereto at reasonable times. The Borrower shall do any and all acts required by the Bank to ensure the Borrower's compliance with paragraph 2(g).

4. Right to Benefits. If, before the Obligations shall have been satisfied in full, the Borrower shall become entitled to the benefit of any additional trademarks or service marks, or registrations thereof, or any renewal or affidavit of any Mark, the provisions of paragraph 1 shall automatically apply thereto.

5. Future Marks. The Borrower shall notify the Bank promptly upon filing any additional applications for Marks or receiving any additional Marks and shall execute such further security Agreements thereof or amendments of this Agreement as the Bank may request in order to assign the same to the Bank on the terms of this Agreement, provided that no recordings of such amendments shall be required in any office other than the U.S. Patent and Trademark Office and recordings of such amendments with the U.S. Patent and Trademark Office shall only be made upon the Bank's request. The Borrower authorizes the Bank to modify this Agreement by amending Schedule A to include any future trademarks, service marks or tradenames which are Marks under paragraph 1 or paragraph 4 hereof provided that the Bank shall furnish a copy of such amendment to the Borrower.

6. Events of Default. The term "Event of Default", as used herein, shall mean: (a) any Event of Default under this Agreement or the Loan Agreement; and (b) any violation by the Borrower of any representation, warranty or covenant contained in this Agreement and any modification or amendment hereof.

7. Borrower's Right to Use Marks. Unless and until an Event of Default shall occur and be continuing, the Borrower shall retain the legal and equitable title to the Marks and shall have the right to use the Marks in the ordinary course of its business but shall not be permitted to sell, assign, transfer or otherwise encumber the Marks or any part thereof; provided, however, that nothing herein contained shall prohibit the Borrower from failing to renew or otherwise abandoning any item included within the Marks if, in the Borrower's good judgment, the retention of such item is not material to the proper conduct of its business, provided, however, that the Borrower shall give the Bank ten (10) days' prior written notice of any abandonment or failure to renew of any item included within the Marks.

8. Bank's Rights As Secured Party. If any Event of Default shall have occurred and be continuing, the Bank shall have, in addition to all other rights and remedies given it by this Agreement and the Loan Agreement, those 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 Marks may be located and, without limiting the generality of the foregoing, the Bank may immediately, without demand of performance and without advertisement, sell at public or private sale or otherwise realize upon, in Pennsylvania or elsewhere, the whole or from time to time any part of the Marks, the goodwill and that portion of the business and equipment associated therewith, or any interest which the Borrower has therein, and after deducting from the proceeds of said sale or other disposition of the Marks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds for the payment of the Obligations. Notice of any sale or other disposition of the Marks shall be given to the Borrower at least ten (10) calendar days before the time of any intended public or private sale or other disposition of the Marks is to be made, which the Borrower hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Bank may, to the extent permissible under applicable law, purchase the whole or any part of the Marks, the goodwill and that portion of the business and equipment associated therewith sold, free from any right of redemption on the part of the Borrower, which right is hereby waived and released.

9. Power of Attorney. If any Event of Default shall have occurred and be continuing, the Borrower hereby authorizes and empowers the Bank to make, constitute and

appoint any officer or agent of the Bank as the Bank may select in its exclusive discretion, as the Borrower's true and lawful attorney-in-fact including but not limited to a Power of Attorney for all purposes of the U.S. Patent and Trademark Office, and in accordance with the provisions of 37 C.F.R. §3.73, with the power to endorse the Borrower's names on all applications, documents, papers and instruments necessary for the Bank to use the Marks, or to grant or issue any exclusive or non-exclusive license under the Marks to any third person, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Marks, the goodwill and that portion of the business and equipment associated therewith, to any third person. The Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

10. Termination. At such time as the Borrower shall completely satisfy all of the Obligations and all other liabilities of the Borrower to the Bank under the Loan Agreement and the Guaranty or any agreement executed in connection therewith and the obligations of the Bank under the Loan Agreement and the Guaranty have terminated, this Agreement shall terminate and the Bank shall execute and deliver to the Borrower all deeds, assignments and other instruments as may be necessary or proper to re-vest in the Borrower the full unencumbered title to the Marks, and the goodwill associated therewith, subject to any disposition thereof which may have been made by the Bank pursuant hereto.

11. Fees and Expenses of Bank. If an Event of Default shall have occurred and be continuing, any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by the Bank in connection with the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Marks, or in defending or prosecuting any actions or proceedings arising out of or related to the Marks, shall be borne and paid by the Borrower on demand by the Bank, and until so paid shall be added to the principal amount of the Obligations under the Loan Agreement and shall bear interest at the highest rate prescribed in the Loan Agreement.

12. Protection of Marks.

(i) The Borrower shall take all actions reasonably necessary to protect and defend the Marks and shall institute such proceedings to enforce the Marks as it, in its reasonable business judgment, deems appropriate. The Bank shall, upon the reasonable request of the Borrower, do any and all lawful acts and execute any and all proper documents in aid of such protection, defense and enforcement, and the Borrower shall promptly, upon demand, reimburse and indemnify the Bank for all costs and expenses incurred by the Bank in connection therewith so long as such costs and expenses do not arise from gross negligence or willful misconduct of the Bank.

(ii) If an Event of Default shall have occurred and be continuing, the Bank shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Marks, in which event the Borrower shall at the request of the Bank do any and all lawful acts and execute any and all proper documents required by the Bank in aid of such enforcement, and the Borrower shall promptly, upon demand, reimburse and indemnify the Bank for all costs and expenses incurred by the Bank in the exercise of its rights under this paragraph 12, so long as such costs and expenses do not arise from gross negligence or willful misconduct of the Bank.

13. No Waiver. No course of dealing between the Borrower and the Bank nor any failure to exercise, nor any delay in exercising, on the part of the Bank, any right, power or privilege hereunder or under the Loan Agreement or the Guaranty 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 or the exercise of any other right, power or privilege.

14. Severability. 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.

15. Manufacture and Sale. The parties understand and agree that the collateral security interest in the Marks as provided for in this Agreement, together with other collateral provided to the Bank pursuant to the Loan Agreement and the Guaranty and the other loan documents referred to therein, will permit the Bank, upon the happening of an Event of Default as provided herein, to make use of all rights to the Marks, the goodwill associated therewith and certain equipment and machinery as set forth in the Loan Documents, all of which will permit the Bank to manufacture and sell any products for which the use of the Marks is associated and maintain substantially the same product specifications and quality as maintained by the Borrower.

16. Amendment. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 5.

17. Successors and Assigns. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.

18. Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the Commonwealth of Pennsylvania.

19. Judicial Proceedings. Each party to this Agreement agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by any party hereto or any successor or assign of any party, on or with respect to this Agreement or the dealings of the parties with respect hereto, shall be tried only by a court and not by a jury. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. Further, the Borrower waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. THE BORROWER ACKNOWLEDGES AND AGREES THAT THIS PARAGRAPH IS A SPECIFIC AND MATERIAL ASPECT OF THIS AGREEMENT AND THAT THE BANK WOULD NOT EXTEND CREDIT TO THE BORROWER IF THE WAIVERS SET FORTH IN THIS PARAGRAPH WERE NOT A PART OF THIS AGREEMENT.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement the day and year first above written.

J. W. PEPPER & SON, INC. a Pennsylvania corporation

By: 

Name: Glenn D. Burch

Title: Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION

By: 

Name: Matthew Soeter

Title: Vice President

SCHEDULE A

J.W. Pepper & Son, Inc.
Status Chart

<i>Mark</i>	<i>Registration No.</i>	<i>Registration Date</i>
J.W. PEPPER	2,817,351	02/24/04
J.W. PEPPER & SON	2,543,737	03/05/02
JWPEPPER.COM	2,478,940	08/21/01
PEPPER	2,543,738	03/05/02
PEPPER MUSIC	2,621,719	09/17/02
PIANOATPEPPER.COM	2,966,224	07/12/05