

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
FRANKLIN FRANCHISING HOLDINGS LLC		09/26/2007	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	PNC Bank, National Association
Street Address:	One South Wacker Drive,
Internal Address:	Ste. 2980
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60606
Entity Type:	Association:

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	2315564	BEN FRANKLIN CRAFTS
Registration Number:	1590260	BEN FRANKLIN CRAFTS
Registration Number:	1508646	CRAFT STATION
Registration Number:	1436497	MOTIONS
Registration Number:	846034	
Registration Number:	715184	BEN FRANKLIN

CORRESPONDENCE DATA

Fax Number: (866)459-2899
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 202-783-2700
 Email: carey.lening@federalresearch.com
 Correspondent Name: CBCInnovis dba Federal Research
 Address Line 1: 1023 Fifteenth Street, NW, Ste 401
 Address Line 2: attn: Carey Lening

CH \$165.00 2315564

Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

ATTORNEY DOCKET NUMBER: 396591

NAME OF SUBMITTER: Oleh Hereliuk

Signature: /oh/

Date: 10/04/2007

Total Attachments: 10
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**COLLATERAL ASSIGNMENT OF TRADEMARKS
(SECURITY AGREEMENT)**

This COLLATERAL ASSIGNMENT OF TRADEMARKS (SECURITY AGREEMENT) (this "Agreement"), dated September 26, 2007, between FRANKLIN FRANCHISING HOLDINGS LLC, a Delaware limited liability company (the "Pledgor") with offices at 7601 Durand Avenue, Racine, Wisconsin 53408, and PNC BANK, NATIONAL ASSOCIATION, with an office at One South Wacker Drive, Suite 2980, Chicago, Illinois 60606 ("Pledgee"), in its capacity as agent for and on behalf of itself and the Lenders (as defined below).

W I T N E S S E T H:

WHEREAS, Pledgor proposes to enter into a Revolving Credit and Security Agreement (together with all agreements entered into connection therewith, the "Financing Agreements") with Pledgee and the financial institutions from time to time party thereto as lenders (collectively, the "Lenders"), and Roosevelt Capital LLC, a Delaware limited liability company, dated as of the date hereof (as it may be amended, restated supplemented or modified from time to time, the "Credit Agreement"), pursuant to which Pledgee and the Lenders will extend certain loans and financial accommodations to Pledgor;

WHEREAS, Pledgor owns all right, title, and interest in and to, among other things, all the trademarks, United States trademarks and trademark registrations, and the trademark applications and tradenames, set forth on Exhibit A hereto (the "Trademarks"); and

WHEREAS, in order to secure the Obligations (as defined in the Financing Agreements), Pledgor has agreed to grant to Pledgee, for the ratable benefit of the Lenders, a security interest in the Trademarks and the goodwill and certain other assets with respect to the Trademarks, as further set forth herein, and Pledgee has requested Pledgor to enter into this Agreement to evidence such security interest.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for valuable consideration received and to be received, as security for the full payment and performance of the Obligations, and to induce Pledgee and the Lenders to make loans and advances to Pledgor, Pledgor hereby grants to Pledgee, for the ratable benefit of the Lenders, a security interest in:

- (a) the Trademarks;
- (b) all registrations of the Trademarks in any State of the United States and any foreign countries and localities;
- (c) all tradenames, trademarks and trademark registrations hereafter adopted or acquired and used, including, but not limited to, those which are based upon or derived from the Trademarks or any variations thereof (collectively, the "Future Trademarks");
- (d) all extensions, renewals, and continuations of the Trademarks and Future Trademarks and the registrations referred to in clause (b) above;

(e) all rights to sue for past, present and future infringements of the Trademarks and Future Trademarks;

(f) all packaging, labeling, trade names, service marks, logos, and trade dress including or containing the Trademarks and Future Trademarks, or a representation thereof, or any variation thereof;

(g) all licenses and other agreements under which Pledgor is licensor, and all fees, rents, royalties, proceeds or monies thereunder, relating to the Trademarks and Future Trademarks and the use thereof; and

(h) all goodwill of Pledgor's business connected with, symbolized by or in any way related to the items set forth in clauses (a) through (g) above.

All of the foregoing items set forth in clauses (a) through (h) are hereinafter referred to collectively as the "Collateral."

AND Pledgor hereby covenants with Pledgee as follows:

1. Pledgor's Obligations. Pledgor agrees that, notwithstanding this Agreement, it will perform and discharge and remain liable for all its covenants, duties, and obligations arising in connection with the Collateral and any licenses and agreements related thereto. Neither Pledgee nor any Lender shall have any obligation or liability in connection with the Collateral or any licenses or agreements relating thereto by reason of this Agreement or any payment received by Pledgee or any Lender relating to the Collateral, nor shall Pledgee or any Lender be required to perform any covenant, duty, or obligation of Pledgor arising in connection with the Collateral or any license or agreement related thereto or to take any other action regarding the Collateral or any such licenses or agreement.

2. Representations and Warranties. Pledgor represents and warrants to Pledgee that:

(a) Pledgor is the owner of the Collateral, and no adverse claims have been made with respect to its title to or the validity of the Collateral;

(b) the Trademarks are the only trademarks, trademark registrations, trademark applications and trade names in which Pledgor has any or all right, title and interest;

(c) none of the Collateral is subject to any mortgage, pledge, lien, security interest, lease, charge, encumbrance or license (by Pledgor as licensor), except for Pledgee's interests granted hereunder; and

(d) when this Agreement is filed in the United States Patent and Trademark Office (the "Trademark Office") and the Pledgee has taken the other actions contemplated in this Agreement and by the Financing Agreements, this Agreement will create a legal and valid perfected and continuing lien on and security interest in the Collateral in favor of Pledgee, for the ratable benefit of the Lenders, enforceable against

Pledgor, its affiliates and all third parties, subject to no other mortgage, lien, charge, encumbrance, or security or other interest.

3. Covenants. Pledgor will maintain the Collateral, defend the Collateral against the claims of all persons, and will maintain and renew all registrations of the Collateral; provided, however, that Pledgor will not be required to maintain any Collateral which no longer has any economic value. Pledgor will maintain the same standards of quality (which Pledgee has reviewed) for the goods and services in connection with which the Trademarks are used as Pledgor maintained for such goods and services prior to entering into this Agreement. Pledgee shall have the right to enter upon Pledgor's premises at all reasonable times to monitor such quality standards. Without limiting the generality of the foregoing, and so long as any Trademark or Future Trademark has economic value, Pledgor shall not permit the expiration, termination or abandonment of such Trademark or Future Trademark without the prior written consent of Pledgee. If, before the Obligations have been satisfied in full and the Financing Agreements have been terminated, Pledgor shall obtain rights to or be licensed to use any new trademark, or become entitled to the benefit of any trademark application or trademark registration, the provisions of Section 1 hereof shall automatically apply thereto and Pledgor shall give Pledgee prompt notice thereof in writing.

4. Use Prior to Default. Effective until Pledgee's exercise of its rights and remedies upon an Event of Default (as defined in the Credit Agreement), Pledgor shall be entitled to use the Collateral in the ordinary course of its business, subject to the terms and covenants of the Financing Agreements and this Agreement.

5. Remedies Upon Default. Whenever any Event of Default shall occur and be continuing, Pledgee shall have all the rights and remedies granted to it in such event by any of the Financing Agreements, which rights and remedies are specifically incorporated herein by reference and made a part hereof, and any and all rights and remedies of law available to Pledgee. Pledgee in such event may collect directly any payments due to Pledgor in respect of the Collateral and may sell, license, lease, assign, or otherwise dispose of the Collateral in the manner set forth in any of the Financing Agreements. Pledgor agrees that, in the event of any disposition of the Collateral upon and during the continuance of any such Event of Default, it will duly execute, acknowledge, and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of the Trademarks or Future Trademarks. In the event Pledgor fails or refuses to execute and deliver such documents, Pledgor hereby irrevocably appoints Pledgee as its attorney-in-fact, with power of substitution, to execute, deliver, and record any such documents on Pledgor's behalf. During the continuance of an Event of Default, Pledgor may not sell any merchandise or services bearing the Trademarks and Future Trademarks, unless and until it receives prior written consent from Pledgee. The preceding sentence shall not limit any right or remedy granted to Pledgee with respect to Pledgor's inventory under any of the Financing Agreements or any other agreement now or hereinafter in effect.

6. Cumulative Remedies. The rights and remedies provided herein are cumulative and not exclusive of any other rights or remedies provided by law. The rights and remedies provided herein are intended to be in addition to and not in substitution of the rights and remedies provided by the Financing Agreements.

7. Amendments and Waivers. This Agreement may not be modified, supplemented, or amended, or any of its provisions waived except in a writing signed by Pledgor and Pledgee; provided, however, that Pledgor hereby authorizes Pledgee to modify this Agreement by amending Exhibit A hereto to include any Future Trademarks and Pledgor shall promptly provide Pledgee with a copy of any such amendment.

8. Waiver of Rights. No course of dealing between the parties to this Agreement or any failure or delay on the part of any such party in exercising any rights or remedies hereunder shall operate as a waiver of any rights and remedies of such party or any other party, and no single or partial exercise of any rights or remedies by one party hereunder shall operate as a waiver or preclude the exercise of any other rights and remedies of such party or any other party. No waiver by Pledgee or any Lender of any breach or default by Pledgor shall be deemed a waiver of any other previous breach or default or of any breach or default occurring thereafter.

9. Assignment. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto; provided, however, that no interest herein or in or to the Collateral may be assigned by Pledgor without the prior written consent of Pledgee; and, provided further, that Pledgee may assign the rights and benefits hereof to any party acquiring any interest in the Obligations or any part thereof.

10. Future Acts. Until the Obligations shall have been paid in full, Pledgor shall have the duty to make applications on material unregistered but registrable as trademarks in any location where Pledgor does business, to prosecute such applications diligently, and to preserve and maintain all rights in the Trademarks and the other Collateral. Any expenses incurred in connection with such applications and other actions shall be borne by Pledgor. Pledgor shall not abandon any right to file a trademark application or registration for any trademark, or abandon any such pending trademark application or registration, without the consent of Pledgee, except to the extent that the trademark covered by such application or registration has no economic value.

11. Enforcement. Upon Pledgor's failure to do so after Pledgee's demand, or upon an Event of Default, Pledgee shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Trademarks and Future Trademarks and any license thereunder, in which event Pledgor shall at the request of Pledgee do any and all lawful acts and execute any and all proper documents required by Pledgee in aid of such enforcement and Pledgor shall promptly, upon demand, reimburse and indemnify Pledgee or its agents for all costs and expenses incurred by Pledgee in the exercise of its rights under this Section 11.

12. Release. At such time as Pledgor shall completely satisfy all of the Obligations, and all of the Financing Agreements have been terminated, other than upon enforcement of Pledgee's remedies under any of the Financing Agreements after an Event of Default, Pledgee will, at Pledgor's expense, execute and deliver to Pledgor a release or other instrument as may be necessary or proper to release Pledgor's lien in the Collateral, subject to any dispositions thereof which may have been made by Pledgee pursuant hereto.

13. Severability. If any clause or provision of this Agreement shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or unenforceability shall

attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such or any other clause or provision in any other jurisdiction.

14. Notices. All notices, requests and demands to or upon Pledgor or Pledgee under this Agreement shall be given in the manner prescribed by the Credit Agreement.

15. Governing Law; Jury Waiver.

(a) This Agreement shall be governed by and construed in accordance with the federal laws of the United States of America applicable to trademarks and the laws of the State of Illinois applied to contracts to be performed wholly within the State of Illinois. Any judicial proceeding brought by or against Pledgor with respect to this Agreement or any related agreement may be brought in any court of competent jurisdiction in the State of Illinois, United States of America, and, by execution and delivery of this Agreement, Pledgor accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Pledgor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Pledgor at its address set forth above and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at the Agent's option, by service upon Pledgor in any other manner provided under the rules of any such courts. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against Pledgor in the courts of any other jurisdiction. Pledgor waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Pledgor waives the right to remove any judicial proceeding brought against Pledgor in any state court to any federal court. Any judicial proceeding by Pledgor against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the County of Cook, State of Illinois.

(b) EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY

COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

16. Counterparts, etc. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

17. Supplement. This Agreement is a supplement to, and is hereby incorporated into, the Financing Agreements and made a part thereof.

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above written.

PLEDGOR

FRANKLIN FRANCHISING HOLDINGS LLC,
a Delaware limited liability company

By:

Name:

Title:

Lorraine Greenberg
LORRAINE GREENBERG
Manager

[Signature Page to Collateral Assignment of Trademarks - Franklin]

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PLEDGEE

PNC BANK, NATIONAL ASSOCIATION,
as collateral agent

By: 

Name: Lee LaBine

Title: Senior Vice President

[Signature Page to Collateral Assignment of Trademarks - Franklin]

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TRADEMARK
REEL: 003633 FRAME: 0746

EXHIBIT A

List of Trademarks

<u>Trademark</u>	<u>Registration Number</u>
BEN FRANKLIN CRAFTS	2,315,564
BEN FRANKLIN CRAFTS	1,590,260
CRAFT STATION	1,580,646
MOTIONS	1,436,497
DESIGN ONLY	846,034
BEN FRANKLIN	715,184