

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT																																				
NATURE OF CONVEYANCE:	SECURITY INTEREST																																				
CONVEYING PARTY DATA																																					
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TRADEMARK
REEL: 004198 FRAME: 0054

Registration Number:	2797852	FLEXMAX
Registration Number:	0692753	PLASTIFORM
Registration Number:	1894106	SAFEMAG
Registration Number:	2376320	THE WORLD'S LARGEST SELECTION OF MAGNETIC MATERIALS
Registration Number:	2057924	THIN MAG
Registration Number:	1087752	ULTRAMAG

CORRESPONDENCE DATA

Fax Number: (312)863-7865
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 312-201-3865
 Email: sharon.patterson@goldbergkohn.com
 Correspondent Name: Sharon Patterson, Paralegal
 Address Line 1: Goldberg Kohn, 55 E Monroe St.
 Address Line 2: Ste 3300
 Address Line 4: Chicago, ILLINOIS 60603

ATTORNEY DOCKET NUMBER:	6030.017
NAME OF SUBMITTER:	Sharon Patterson
Signature:	/sharon patterson/
Date:	05/04/2010

Total Attachments: 8
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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") made as of this 3rd day of May, 2010, by Arnold Magnetic Technologies Corporation, a Delaware corporation ("Arnold"), The Arnold Engineering Co., an Illinois corporation ("Arnold Engineering"), Flexmag Industries, Inc., an Ohio corporation ("Flexmag"), Magnetic Technologies Corporation, a Delaware corporation ("Magnetic Technologies"; Arnold, Arnold Engineering, Flexmag and Magnetic Technologies being referred to collectively as "Borrowers", and each as a "Borrower"), Arnold Magnetic Technologies Holdings Corporation, a Delaware corporation ("Holdings"), Arnold Investments, Ltd., a Delaware corporation ("Arnold Investments"), Arnold Magnetic Technologies UK, LLC, a Delaware limited liability company ("Arnold UK") and Precision Magnetics LLC, a Delaware limited liability company ("Precision Magnetics"; the Borrowers and each of Holdings, Arnold Investments, Arnold UK and Precision Magnetics being referred to collectively as "Grantors", and each as a "Grantor"), in favor of LBC Credit Partners II, L.P., in its capacity as Administrative Agent under the Credit Agreement described below ("Grantee"):

WITNESSETH

WHEREAS, Borrowers, Grantee and Lenders are parties to a certain Credit Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Credit Agreement") providing for the extensions of credit to be made to Borrowers by Lenders;

WHEREAS, each of the Grantors (other than the Borrowers) has executed and delivered to Grantee, for its benefit and the benefit of the Lenders, a certain Guaranty of even date herewith, pursuant to which such Grantors have guarantied the Obligations on the terms and provisions set forth therein;

WHEREAS, pursuant to the terms of a certain Security Agreement of even date herewith between Grantors and Grantee (as the same may be amended or otherwise modified from time to time, the "Security Agreement"), each Grantor has granted to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of such Grantor including all right, title and interest of such Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), together with the goodwill of the business symbolized by such Grantor's Trademarks, and all products and proceeds thereof, to secure the payment and performance of the Obligations;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the payment and performance of the Obligations, each Grantor hereby grants to Grantee, for its benefit and the benefit of Lenders, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in such Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now owned or existing or hereafter created, acquired or arising:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by such Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

[Signature page follows]

IN WITNESS WHEREOF, each Grantor has duly executed this Agreement as of the date first written above.

GRANTORS:

**ARNOLD MAGNETIC TECHNOLOGIES
CORPORATION**

By: Michael J. Stachura
Name: Michael J. Stachura
Title: Chief Financial Officer & Secretary

THE ARNOLD ENGINEERING CO.

By: Michael J. Stachura
Name: Michael J. Stachura
Title: Chief Financial Officer & Secretary

FLEXMAG INDUSTRIES, INC.

By: Michael J. Stachura
Name: Michael J. Stachura
Title: Chief Financial Officer, Vice President, Secretary & Treasurer

MAGNETIC TECHNOLOGIES CORPORATION

By: Michael J. Stachura
Name: Michael J. Stachura
Title: Chief Financial Officer, Secretary & Treasurer

**ARNOLD MAGNETIC TECHNOLOGIES
HOLDINGS CORPORATION**

By: _____
Name: _____
Title: _____

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CORPORATION**

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THE ARNOLD ENGINEERING CO.

By: _____
Name: _____
Title: _____

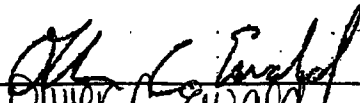
FLEXMAG INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

MAGNETIC TECHNOLOGIES CORPORATION

By: _____
Name: _____
Title: _____

**ARNOLD MAGNETIC TECHNOLOGIES
HOLDINGS CORPORATION**

By: 
Name: Oliver C. Ewald
Title: President + Secretary

ARNOLD INVESTMENTS, LTD.

By: Michael J. Stachura
Name: Michael J. Stachura
Title: Chief Financial Officer, Secretary
Treasurer

ARNOLD MAGNETIC TECHNOLOGIES UK, LLC

By: Michael J. Stachura
Name: Michael J. Stachura
Title: Chief Financial Officer

PRECISION MAGNETICS LLC

By: Michael J. Stachura
Name: Michael J. Stachura
Title: Chief Financial Officer

Agreed and Accepted
As of the Date First Written Above

LBC CREDIT PARTNERS II, L.P.,
as Administrative Agent

By _____
Name _____
Title _____

ARNOLD INVESTMENTS, LTD.

By: _____
Name: _____
Title: _____

ARNOLD MAGNETIC TECHNOLOGIES UK, LLC

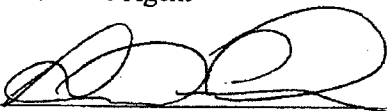
By: _____
Name: _____
Title: _____

PRECISION MAGNETICS LLC

By: _____
Name: _____
Title: _____

Agreed and Accepted
As of the Date First Written Above

LBC CREDIT PARTNERS II, L.P.,
as Administrative Agent

By: 
Name: David E. Fraimow
Title: Vice President

SCHEDULE 1

TRADEMARK REGISTRATIONS

Owner	Country	Trademark	Serial No./	Filing Date	Reg. No./	Registration Date
Arnold Magnetic Technologies Corporation	U.S.	ARKOMAX 800	72/408,893	11/29/71	973,855	11/27/73
Arnold Magnetic Technologies Corporation	U.S.	ARNOLD	74/537,924	6/15/94	1,900,505	6/20/95
Arnold Magnetic Technologies Corporation	U.S.	ARNOX	72/132,890	11/28/61	743,323	1/8/63
Arnold Magnetic Technologies Corporation	U.S.	ECONOMAG	78/299,241	9/11/03	308,6148	4/25/06
Arnold Magnetic Technologies Corporation	U.S.	ENVIROMAG	78/210,538	2/4/03	2,795,007	12/16/03
Arnold Magnetic Technologies Corporation	U.S.	FLEXMAG	75/646,152	2/19/99	2,416,906	1/2/01
Arnold Magnetic Technologies Corporation	U.S.	FLEXMAX	78/212,873	2/10/03	2,797,852	12/23/03
Arnold Magnetic Technologies Corporation	U.S.	PLASTIFORM	72/064,721	12/22/58	692,753	2/9/60

Owner	Country	Trademark	Serial No./	Filing Date	Reg. No./	Registration Date
Arnold Magnetic Technologies Corporation	U.S.	SAFEMAG & DESIGN	74/412,022	7/12/93	1,894,106	5/16/95
Arnold Magnetic Technologies Corporation	U.S.	THE WORLD'S LARGEST SELECTION OF MAGNETIC MATERIALS	75/868,025	12/10/99	2,376,320	8/8/00
Arnold Magnetic Technologies Corporation	U.S.	THIN MAG & Design	74/616,906	12/30/94	2,057,924	4/29/97
Arnold Magnetic Technologies Corporation	U.S.	ULTRAMAG	73/074,741	1/19/76	1,087,752	3/21/78

TRADEMARK APPLICATIONS

None.