

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
Lawson Products, Inc.		08/08/2012	CORPORATION: ILLINOIS
Automatic Screw Machine Products Company, Inc.		08/08/2012	CORPORATION: ALABAMA

RECEIVING PARTY DATA

Name:	The PrivateBank and Trust Company
Street Address:	120 South LaSalle Street
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60603
Entity Type:	banking corporation: ILLINOIS

PROPERTY NUMBERS Total: 28

Property Type	Number	Word Mark
Registration Number:	2084033	AD
Registration Number:	0653655	SUPERTANIUM
Registration Number:	0671398	TANIUM
Registration Number:	0685400	SUPERTANIUM
Registration Number:	0719927	ROTANIUM
Registration Number:	0724744	CONDUCTO PLATE
Registration Number:	0731389	CERTANIUM
Registration Number:	0932247	VULCALLOY
Registration Number:	1277630	OPHTHALENE
Registration Number:	1369798	TUFF-TORQ
Registration Number:	1428109	QUALI-TORQ
Registration Number:	1536067	TRU-TORQ
Registration Number:	1565440	LAWSON

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Registration Number:	1569223	METRI-TORQ
Registration Number:	1572537	L
Registration Number:	1702716	EURO-BLACK
Registration Number:	1717308	ENVIROPRO
Registration Number:	1748071	ETP
Registration Number:	1793415	HARDFLEX
Registration Number:	2865355	KENT AUTOMOTIVE
Registration Number:	3286213	EARTH HARMONY
Registration Number:	3481395	OS OPERATION SAFETY
Registration Number:	3663231	METRI-12
Registration Number:	3747842	HEATMAX
Registration Number:	3747843	COOLMAX
Registration Number:	4049383	FREE FLOW
Registration Number:	4158770	ACCELERATING PERFORMANCE
Serial Number:	85597156	ACRYSOL

CORRESPONDENCE DATA

Fax Number: 3126095005
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.
Phone: 312-609-7897
Email: hmiller@vedderprice.com
Correspondent Name: Holly Miller
Address Line 1: 222 N. LaSalle Street - 24th Floor
Address Line 4: Chicago, ILLINOIS 60601

ATTORNEY DOCKET NUMBER:	40180.00.0063
NAME OF SUBMITTER:	Holly Miller
Signature:	/Holly Miller/
Date:	08/10/2012

Total Attachments: 10
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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this “**Security Agreement**”) made as of the 8th day of August, 2012, by **LAWSON PRODUCTS, INC.**, an Illinois corporation, and **AUTOMATIC SCREW MACHINE PRODUCTS COMPANY, INC.**, an Alabama corporation (individually each a “**Grantor**” and collectively “**Grantors**”), in favor of **THE PRIVATEBANK AND TRUST COMPANY** (“**Lender**”).

W I T N E S S E T H:

WHEREAS, Grantors, certain of Grantors’ affiliates and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the “**Loan Agreement**”) and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the “**Financing Agreements**”), which Financing Agreements provide (i) for Lender to, from time to time, extend credit to or for the account of Grantors or certain of their affiliates and (ii) for the grant by Grantors to Lender of a security interest in certain of Grantors’ assets, including, without limitation, its trademarks and trademark applications;

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, Grantors agree as follows:

1. Incorporation of Loan Agreement. The Loan 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 Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, each Grantor hereby grants to Lender, for the benefit of itself and the Secured Parties, and hereby reaffirms its grant pursuant to the Financing Agreements of, a continuing security interest in such Grantor’s entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, trade secrets, corporate names, company names, business names, designs, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than “intent to use” applications until a verified statement of use has not been filed and accepted by the United States Patent and Trademark Office with respect to such applications) in connection therewith, including, without limitation, the trademark registrations and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the “**Trademarks**”); all rights corresponding to any of the foregoing throughout the world and the

goodwill of such Grantor's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Each Grantor warrants and represents to Lender that:

(i) no Trademark of such Grantor has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any Trademark been cancelled, in whole or in part, and each Trademark of such Grantor is presently subsisting (other than those Trademarks which, in the commercially reasonable business judgment of such Grantor, are no longer necessary or desirable for the purposes of its business);

(ii) To the knowledge of such Grantor, such Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of its Trademarks, free and clear of any liens (other than Permitted Liens), charges and encumbrances, including without limitation, shop rights and covenants by Grantors not to sue third persons;

(iii) Such Grantor has no notice of any suits or actions commenced or threatened with reference to any of its Trademarks; and

(iv) Such Grantor has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Except as otherwise set forth herein or to the extent permitted by the Loan Agreement, Grantors agree that until the Obligations shall have been satisfied in full (other than contingent indemnification obligations for which no claims have been asserted) and the Financing Agreements shall have been terminated, Grantors shall not, without the prior written consent of Lender, such consent not to be unreasonably withheld, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Trademarks. Each Grantor represent and warrant that, based on a diligent investigation by such Grantor, the Trademarks of such Grantor listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use has not been filed and accepted by the United States Patent and Trademark Office with respect to such applications) now owned by such Grantor. If, before the Obligations shall have been satisfied in full (other than contingent indemnification obligations for which no claims have been asserted) or before the Financing Agreements have been terminated, Grantors shall (i) become aware of any existing Trademarks of which Grantors have not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Grantors shall give to Lender written notice thereof on a quarterly basis at the time Grantors are required deliver to Lender a compliance certificate and financial statements pursuant to Section 9.3(ii) and (iii) of the Loan Agreement. Grantors hereby authorize Lender to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of the Obligations (other than contingent indemnification obligations for which no claims have been asserted) and the termination of the Financing Agreements. Grantors agree that upon the occurrence and during the continuance of an Event of Default, the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to Grantors.

7. Product Quality. Grantors agree to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence and during the continuance of an Event of Default, Grantors agree that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment exercised in good faith, may deem necessary to assure maintenance of the quality of products sold by Grantors under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of the Obligations (other than contingent indemnification obligations for which no claims have been asserted) and termination of the Financing Agreements, Lender shall promptly following Grantors' request take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Grantors. All reasonable, out-of-pocket fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Grantors and until paid shall constitute Obligations.

10. Duties of Grantors. Grantors shall have the duty (i) to file and prosecute diligently, as commercially reasonable, any trademark applications pending as of the date hereof or hereafter until the Obligations shall have been paid in full (other than contingent indemnification obligations for which no claims have been asserted) and the Financing Agreements have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with the Obligations under this Section 10 shall be borne by Grantors.

11. Lender's Right to Sue. After the occurrence and during the continuance of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, Grantors shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Grantors shall promptly, upon

demand, reimburse and indemnify Lender for all reasonable, out-of-pocket costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Grantors and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Financing Agreements 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 thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each of the Grantors hereby authorizes Lender upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as such Grantor's true and lawful attorney-in-fact, with power to (i) endorse such Grantor's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Each of the Grantors hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations shall have been paid in full (other than contingent indemnification obligations for which no claims have been asserted) and the Financing Agreements have been terminated. Grantors acknowledge and agree that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Grantors and their respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Grantors agree to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Grantors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade in accordance with Section 17.2(b) of the Loan Agreement on the date of each borrowing under the Loan Agreement.

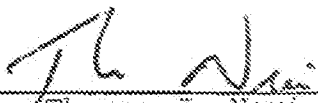
[Signature Page Follows]

(Signature Page to Trademark Security Agreement)


IN WITNESS WHEREOF, Grantors have duly executed this Security Agreement as of the date first written above.

GRANTORS:

LAWSON PRODUCTS, INC., an Illinois corporation

By: 
Name: Thomas J. Neri
Title: President & Chief Executive Officer

AUTOMATIC SCREW MACHINE PRODUCTS COMPANY, INC., an Alabama corporation

By: 
Name: Thomas J. Neri
Title: Chief Executive Officer

(Signature Page to Trademark Security Agreement)

Agreed and Accepted
As of the Date First Written Above

**THE PRIVATEBANK AND TRUST
COMPANY**

By: _____

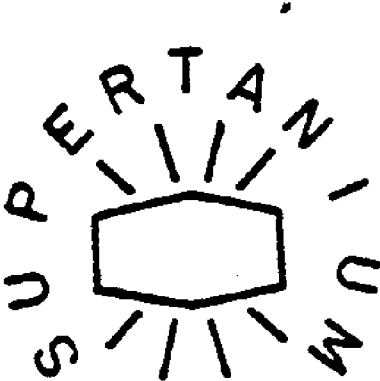
Joseph G. Fydacz
Managing Director



SCHEDULE A
TRADEMARK REGISTRATIONS

Automatic Screw Machine Products Company, Inc.

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
AD	2084033	07/29/1997

Lawson Products, Inc.

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
SUPERTANIUM	653655	10/29/1957
TANIUM	671398	12/23/1958
SUPERTANIUM and Design 	685400	09/22/1959
ROTANIUM	719927	08/15/1961
CONDUCTO PLATE	724744	12/05/1961
CERTANIUM	731389	05/15/1962
VULCALLOY	932247	04/11/1972
OPHTHALENE	1277630	05/15/1984
TUFF-TORQ	1369798	11/12/1985
QUALI-TORQ	1428109	02/10/1987
TRU-TORQ	1536067	04/25/1989
LAWSON	1565440	11/14/1989
METRI-TORQ	1569223	12/05/1989
L and Design	1572537	12/19/1989

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
		
EURO-BLACK	1702716	07/28/1992
ENVIROPRO	1717308	09/22/1992
ETP	1748071	01/26/1993
HARDFLEX	1793415	09/21/1993
KENT AUTOMOTIVE	2865355	07/20/2004
EARTH HARMONY	3286213	08/28/2007
OS OPERATION SAFETY and Design	3481395	08/05/2008
		
METRI-12	3663231	08/04/2009
HEATMAX	3747842	02/09/2010
COOLMAX	3747843	02/09/2010
FREE FLOW	4049383	11/01/2011
ACCELERATING PERFORMANCE	4158770	06/12/2012

TRADEMARK APPLICATIONS

Automatic Screw Machine Products Company, Inc.

None.

Lawson Products, Inc.

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
ACRYSOL	85/597156	04/13/2012