

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM327037

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
HANDI QUILTER, INC.		12/19/2014	CORPORATION: DELAWARE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Madison Capital Funding LLC		
<b>Street Address:</b>	30 South Wacker Drive Suite 3700		
<b>City:</b>	Chicago		
<b>State/Country:</b>	ILLINOIS		
<b>Postal Code:</b>	60606		
<b>Entity Type:</b>	CORPORATION: DELAWARE		
<b>PROPERTY NUMBERS Total: 26</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	4314602	TRUSTITCH	
<b>Registration Number:</b>	4314601	TRUSTITCH	
<b>Registration Number:</b>	4167083	HQ SWEET SIXTEEN	
<b>Registration Number:</b>	3980607	HANDI QUILTER	
<b>Registration Number:</b>	3976892	HANDI QUILTER	
<b>Registration Number:</b>	3919842	QUILTER'S ACADEMY	
<b>Registration Number:</b>	3919841	QUILTER'S ACADEMY	
<b>Registration Number:</b>	3980606	HANDI QUILTER	
<b>Registration Number:</b>	3980605	HANDI QUILTER	
<b>Registration Number:</b>	3980604	HANDI QUILTER	
<b>Registration Number:</b>	3980603	HANDI QUILTER	
<b>Registration Number:</b>	3980602	HANDI QUILTER	
<b>Registration Number:</b>	3976891	HANDI QUILTER	
<b>Registration Number:</b>	3942426	HANDI QUILTER	
<b>Registration Number:</b>	3942425	HANDI QUILTER	
<b>Registration Number:</b>	3976890	HANDI QUILTER	
<b>Registration Number:</b>	3976889	HANDI QUILTER	
<b>Registration Number:</b>	3914340	SEE.HEAR.LEARN.QUILT!	
<b>Registration Number:</b>	3270574	DESIGNED BY A QUILTER FOR QUILTERS	
<b>Registration Number:</b>	3559066	QUILTER'S HANDI LIBRARY	
<b>TRADEMARK</b>			

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Property Type	Number	Word Mark
Registration Number:	3280864	HANDI GADGETS
Registration Number:	2920821	HQ SIXTEEN
Registration Number:	3827292	AVANTÉ
Registration Number:	3758970	WHERE FUNCTION MEETS VISION
Registration Number:	3758969	HQ FUSION
Registration Number:	3538211	HQ PRO-STITCHER

**CORRESPONDENCE DATA**

Fax Number: 2127557306  
*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.*  
Phone: 212.326.3939  
Email: NYTEF@JONESDAY.COM  
Correspondent Name: Sheel A. Patel  
Address Line 1: 222 East 41st Street  
Address Line 4: New York, NEW YORK 10017

ATTORNEY DOCKET NUMBER:	108344-600027
NAME OF SUBMITTER:	Sheel A. Patel
SIGNATURE:	/Sheel A. Patel/
DATE SIGNED:	12/22/2014

**Total Attachments: 6**  
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**TRADEMARK SECURITY AGREEMENT**

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of December 19, 2014, is made by HANDI QUILTER, INC. ("Grantor"), in favor of Madison Capital Funding LLC, as agent (in such capacity, "Agent") for all Lenders party to the Credit Agreement referred to below.

WHEREAS, Grantor owns the trademarks and trademark applications listed on Schedule 1 annexed hereto;

WHEREAS, reference is made to that certain Credit Agreement dated as of December 19, 2014 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement") among Handi Quilter, Inc., a Delaware corporation, as borrower, the financial institutions from time to time party thereto (together with their respective successors and assigns, the "Lenders") and Agent;

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement dated as of December 19, 2014 (as amended, restated, supplemented or modified from time to time, the "Collateral Agreement") among Grantor, the other grantors party thereto, and Agent, as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity pursuant to the terms of such Collateral Agreement, "Grantee"), Grantor has granted to Grantee for the ratable benefit of the Lenders a continuing security interest in all of its Collateral, including all right, title and interest of Grantor in, to and under the Trademark Collateral (as defined below), whether now owned or existing or hereafter acquired or arising, to secure the Secured Obligations (as defined in the Collateral Agreement); and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee, to secure the Secured Obligations, a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter arising or acquired:

(a) any and all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto owned by Grantor, including, without limitation, each trademark registration and application listed on Schedule 1 hereto (but excluding any "intent-to-use" trademark applications filed under Section 1(b) of the Lanham Act, prior to the filing and acceptance of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto);

(b) all extensions and renewals of any of the foregoing;

(c) all of the goodwill of the business connected with the use of, or symbolized by, any of the foregoing; and

(d) all proceeds of and revenues from the foregoing, including, without limitation, all proceeds of and revenues from any claim by Grantor against third parties for past, present or future unfair competition with, violation of intellectual property rights in connection with, injury to, or infringement or dilution of any trademark owned by Grantor, including, without limitation, any trademark listed on Schedule 1 hereto, or injury to the goodwill associated with any of the foregoing.

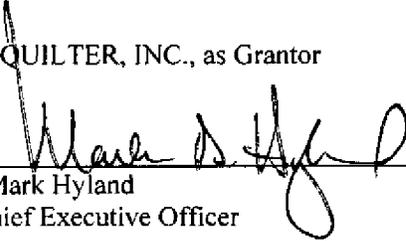
Grantor hereby irrevocably constitutes and appoints Grantee and any officer or agent of Grantee, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of Grantor, from time to time, in Grantee's discretion, so long as any Event of Default (as defined in the Credit Agreement) shall have occurred and be continuing, to take with respect to the Trademark Collateral any and all appropriate action which Grantor might take with respect to the Trademark Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Trademark Security Agreement and to accomplish the purposes hereof.

The foregoing security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Collateral Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to its security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event of any conflict between any provision of this Agreement and any provision of the Collateral Agreement, the Collateral Agreement will control.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

HANDI QUILTER, INC., as Grantor

By: 

Name: Mark Hyland

Title: Chief Executive Officer

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

ACKNOWLEDGED:

MADISON CAPITAL FUNDING LLC, as  
Agent and Grantee

By:   
Name: Michael Nativi  
Title: Director

**SCHEDULE 1**  
to  
**Trademark Security Agreement**

**U.S. Trademarks and Applications**

Mark	Appl. No.	Filed	Reg. No.	Reg. Date	Owner
TRUSTITCH 	85/583919	03/29/12	4314602	04/02/13	Handi Quilter, Inc.
TRUSTITCH	85/583886	03/29/12	4314601	04/02/13	Handi Quilter, Inc.
HQ SWEET SIXTEEN	85/442280	10/07/11	4167083	07/03/12	Handi Quilter, Inc.
HANDI QUILTER 	85/078884	07/06/10	3980607	06/21/11	Handi Quilter, Inc.
HANDI QUILTER	85/078874	07/06/10	3976892	06/14/11	Handi Quilter, Inc.
QUILTER'S ACADEMY	85/078828	07/06/10	3919842	02/15/11	Handi Quilter, Inc.
QUILTER'S ACADEMY	85/078825	07/06/10	3919841	02/15/11	Handi Quilter, Inc.
HANDI QUILTER 	85/078815	07/06/10	3980606	06/21/11	Handi Quilter, Inc.
HANDI QUILTER 	85/078812	07/06/10	3980605	06/21/11	Handi Quilter, Inc.
HANDI QUILTER	85/078803	07/06/10	3980604	06/21/11	Handi Quilter, Inc.

					
HANDI QUILTER 	85/078797	07/06/10	3980603	06/21/11	Handi Quilter, Inc.
HANDI QUILTER 	85/078790	07/06/10	3980602	06/21/11	Handi Quilter, Inc.
HANDI QUILTER	85/078781	07/06/10	3976891	06/14/11	Handi Quilter, Inc.
HANDI QUILTER	85/078769	07/06/10	3942426	04/05/11	Handi Quilter, Inc.
HANDI QUILTER	85/078748	07/06/10	3942425	04/05/11	Handi Quilter, Inc.
HANDI QUILTER	85/078736	07/06/10	3976890	06/14/11	Handi Quilter, Inc.
HANDI QUILTER	85/078727	07/06/10	3976889	06/14/11	Handi Quilter, Inc.
SEE.HEAR.LEAN.QUILT!	85/070041	06/23/10	3914340	02/01/11	Handi Quilter, Inc.
DESIGNED BY A QUILTER FOR QUILTERS	78/860733	04/13/06	3270574	07/24/07	Handi Quilter, Inc.
QUILTER'S HANDI LIBRARY	78/816389	02/16/06	3559066	01/06/09	Handi Quilter, Inc.
HANDI GADGETS	78/793195	01/17/06	3280864	08/14/07	Handi Quilter, Inc.
HQ SIXTEEN	78/352545	01/15/04	2920821	01/25/05	Handi Quilter, Inc.
AVANTÉ	77/846504	10/12/09	3827292	08/03/10	Handi Quilter, Inc.
WHERE FUNCTION MEETS VISION	77/635643	12/18/08	3758970	03/09/10	Handi Quilter, Inc.
HQ FUSION	77/635632	12/18/08	3758969	03/09/10	Handi Quilter, Inc.
HQ PRO-STITCHER	77/278932	09/13/07	3538211	11/25/08	Handi Quilter, Inc.