

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM335234

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Patent, Copyright, License and Trademark Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
American Card Services Holding, LLC		02/17/2015	LIMITED LIABILITY COMPANY: MINNESOTA
Production Services Associates, LLC	FORMERLY DMI Acquisition, LLC d/b/a American Card Services	02/17/2015	LIMITED LIABILITY COMPANY: MINNESOTA
RECEIVING PARTY DATA			
Name:	Medallion Capital, Inc.		
Street Address:	3000 West County Road 42		
Internal Address:	Suite 301		
City:	Burnsville		
State/Country:	MINNESOTA		
Postal Code:	55337-4287		
Entity Type:	CORPORATION: MINNESOTA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3616826	EFFECTIVE EFFICIENCY	
Registration Number:	4568498	RECYCLETHISCARD	
CORRESPONDENCE DATA			
Fax Number:	6124927077		
<i>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.</i>			
Phone:	612-492-7000		
Email:	ip@fredlaw.com		
Correspondent Name:	Patricia A. Larson, Senior Paralegal		
Address Line 1:	Fredrikson & Byron, P.A.		
Address Line 2:	200 S. Sixth Street, Suite 4000		
Address Line 4:	Minneapolis, MINNESOTA 55402-1425		
NAME OF SUBMITTER:	Patricia A. Larson		
SIGNATURE:	/Patricia A. Larson/		
DATE SIGNED:	03/16/2015		

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Total Attachments: 10

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THIS INSTRUMENT IS SUBJECT TO THE TERMS OF A SUBORDINATION AGREEMENT DATED AS OF FEBRUARY 17, 2015 IN FAVOR OF TCF NATIONAL BANK, WHICH AGREEMENT (AS AMENDED IN ACCORDANCE WITH ITS TERMS) IS INCORPORATED HEREIN BY REFERENCE.

PATENT, COPYRIGHT, LICENSE AND TRADEMARK SECURITY AGREEMENT

THIS PATENT, COPYRIGHT, LICENSE AND TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of February 17, 2015 by American Card Services Holding, LLC, a Minnesota limited liability company ("Holdings"), and Production Services Associates, LLC, a Minnesota limited liability company (f/k/a DMI Acquisition, LLC and d/b/a American Card Services) ("Borrower"; Holdings and Borrower are referred to herein, collectively, as "Obligors" and, individually, as an "Obligor"), in favor of Medallion Capital, Inc. (in its capacity as Agent for the ratable benefit of the Lenders referred to below) ("Agent").

WITNESSETH:

WHEREAS, Obligors, Agent and the lenders party thereto ("Lenders") have entered into that certain Subordinated Loan Agreement dated as of February 17, 2015 (as amended, modified or supplemented from time to time, the "Loan Agreement"); and

WHEREAS, it is a condition to the effectiveness of the Loan Agreement and any extensions of credit to or for the benefit of Borrower thereunder that, among other things, each Obligor execute and deliver to Agent (for the ratable benefit of the Lenders) this Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Obligor agrees 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. Terms used herein which are not defined herein but are defined in the Loan Agreement shall have the meanings ascribed to them therein.

2. Grant of Security Interest, Etc. To secure the complete and timely satisfaction of all of each Obligor's obligations owed to Agent and Lenders each Obligor hereby grants to the Agent (for the ratable benefit of the Lenders) a security interest in and to all of such Obligor's right, title and interest in, to and under all of the following, whether now existing or hereafter arising:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements

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thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a) through (d), inclusive, in which such Obligor now or hereafter has any right, title or interest are sometimes hereinafter individually and/or collectively referred to as the "Patents");

(ii) all copyrights, copyright registrations and copyright applications including, without limitation, the copyrights and applications listed on Schedule B attached hereto and made a part hereof, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a) through (d), inclusive, in which such Obligor now or hereafter has any right, title or interest are sometimes hereinafter individually and/or collectively referred to as the "Copyrights");

(iii) all such Obligor's rights and obligations pursuant to its license agreements with any other Person or Persons with respect to any Patents and Copyrights, whether such Obligor is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule C attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by such Obligor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "Patent and Copyright Licenses");

(iv) all service marks, trademarks, trademark or service mark registrations, trademark or service mark applications, domain names and trade names including, without limitation, the trademarks and service marks listed on Schedule D attached hereto and made a part hereof, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all the foregoing service marks, trademarks, registrations, applications and trade names, together with the items described in clauses (a) through (d), inclusive, with respect thereto in which such Obligor now or hereafter has any right, title or interest are sometimes hereinafter and/or collectively referred to as the "Marks");

(v) all such Obligor's rights and obligations pursuant to its license agreements with any other Person or Persons with respect to any Marks, whether such Obligor is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule E attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by such Obligor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to as "Trademark Licenses"; Patent and Copyright Licenses and Trademark Licenses are hereinafter referred to collectively as "Licenses"); and

(vi) the goodwill of such Obligor's business connected with and symbolized by the Marks.

3. Restrictions on Future Agreements. Each Obligor agrees and covenants that until all obligations owed to Agent and Lenders by each Obligor shall have been satisfied in full and the Loan Agreement shall have been terminated, such Obligor will not, without Agent's prior written consent, take any action or enter into any agreement, including, without limitation entering into any license agreement, which is inconsistent with such Obligor's obligations under this Agreement, and each Obligor further agrees and covenants that without Agent's prior written consent it will not take any action, or permit any action to be taken by others subject to its control, including its licensees, or fail to take any action which would affect the validity or enforcement or nature of the rights transferred to Agent under this Agreement. Each Obligor agrees and covenants not to sell or assign its interest in, or grant any license under, the Patents, Marks, Copyrights or Licenses, without receiving the prior written consent of Agent thereto.

4. Certain Covenants, Representations and Warranties of each Obligor. Each Obligor covenants, represents and warrants (to the best of such Obligor's knowledge with respect to any Patents, Marks and Copyrights which are licensed by third parties to such Obligor) that: (i) the Patents, Marks, Copyrights and Licenses are subsisting, have not been adjudged invalid or unenforceable in whole or in part, and are not currently being challenged in any way; (ii) none of the Patents, Marks, Copyrights and Licenses have lapsed or expired or have been abandoned, whether due to any failure to pay any maintenance or other fees or make any filing or otherwise; (iii) each of the Patents, Marks, Copyrights and Licenses is valid and enforceable and such Obligor is unaware of any invalidating prior art (including public uses and sales) relative to the Patents, and is unaware of any impairments to the Patents, Marks, Copyrights or Licenses which would have a material adverse effect on the validity and/or enforceability of the Patents, Marks, Copyrights or Licenses; (iv) to the best of such Obligor's knowledge, no claim has been made that the use of any of the Patents, Marks, Copyrights or Licenses constitutes an infringement; (v) such Obligor owns the entire right, title and interest in and to each of the Patents, Marks and Copyrights (other than those being licensed to such Obligor pursuant to the Licenses) free and clear of any liens and encumbrances of every kind and nature, and the Licenses are valid and subsisting licenses with respect to the Patents, Marks, Copyrights described therein, free and clear of any liens and encumbrances of every kind and nature arising by, through or under such Obligor, in each case except for (A) rights granted by such Obligor pursuant to the applicable licenses listed on Schedules C and E, and (B) liens and encumbrances in favor of Agent for the ratable benefit of the Lenders pursuant to this Agreement or the other Loan Documents; (vi) the Patents, Marks and Copyrights and Licenses listed on Schedules A, B, C, D and E constitute all such items in which such Obligor has any right, title or interest; (vii) such Obligor has the unqualified right to enter into this Agreement and perform its terms; (viii) such Obligor will use proper statutory notice in connection with its use of the Patents, Marks and Copyrights (except as to any thereof which is no longer material to such Obligor's business); and (ix) such Obligor will use standards of quality in its manufacture of products sold under the Marks consistent with those currently employed by it.

5. New Patents, Marks, Copyrights and Licenses. If, before the obligations owed to Agent and the Lenders by each Obligor shall have been satisfied in full and the Loan

Agreement shall have been terminated, any Obligor shall (i) obtain rights to any new patentable inventions, trademarks, service marks, trademark or service mark registrations, copyrights, copyright registrations, trade names or licenses, or (ii) become entitled to the benefit of any patent, trademark or service mark application, trademark, service mark, trademark or service mark registration, copyrights, copyright registrations, license or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Section 2 above shall automatically apply thereto and such Obligor shall give to Agent prompt written notice thereof. Each Obligor hereby authorizes Agent to modify this Agreement by noting any future acquired Patents, Marks, Copyrights on Schedule A, B or D and any Licenses and licensed Patents, Marks or Copyrights on Schedules C or E, as applicable; provided, however, that the failure of Agent to make any such notation shall not limit or affect the obligations of any Obligor or rights of Agent hereunder.

6. Royalties; Terms. Each Obligor hereby agrees that the security interest of Agent for the ratable benefit of the Lenders in all Patents, Marks, Copyrights and Licenses as described above shall be worldwide (or in the case of the Patents, Marks and Copyrights licensed to an Obligor such smaller geographic location if any is specified for such Obligor's use in the applicable License) and, without any liability for royalties or other related charges from Agent or any Lender to such Obligor. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Marks, Copyrights and Licenses assigned hereunder, or (ii) satisfaction and payment in full of all the obligations owed to Agent and the Lenders by each Obligor and termination of the Loan Agreement.

7. Inspection. In accordance with the terms of the Loan Agreement, Agent shall have the right to inspect any Obligor's premises and to examine any Obligor's books, records and operations, including, without limitation, any Obligor's quality control processes. From and after the occurrence and during the continuance of a Default and notice by Agent to each Obligor of Agent's intention to enforce its rights and claims against any of the Patents, Marks, Copyrights and Licenses, each Obligor agrees that Agent, or a conservator appointed by Agent, shall have the right to establish such additional product quality controls as Agent or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by such Obligor under the Marks consistent with the quality of products now manufactured by such Obligor.

8. Termination of Each Obligor's Interest. This Agreement is made for collateral purposes only. Upon payment and satisfaction in full of all the obligations owed to Agent and the Lenders and termination of the Loan Agreement, subject to any disposition thereof which may have been made by Agent pursuant hereto or pursuant to any of the other Loan Documents, the security interest granted hereunder shall automatically be extinguished. Agent shall, at the request of any Obligor and at each Obligor's reasonable expense, execute and deliver to such Obligor, all termination statements and other instruments as may be necessary or proper to evidence the termination of Agent's security interest granted to Agent for the ratable benefit of the Lenders pursuant to this Agreement, subject to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to any of the other Loan Documents. Any such termination statements and instruments shall be without recourse upon or warranty by Agent and Lenders.

9. Duties of the Obligors. Except to the extent the same is no longer material to such Obligor's business, each Obligor shall have the duty (i) to prosecute diligently any application with respect to Patents, Marks and Copyrights, in each case pending as of the date hereof or hereafter, (ii) to make application on unpatented but patentable inventions and on registerable but unregistered trademarks, service marks and copyrights, and (iii) to preserve, maintain and enforce against infringement all rights in patent applications and patents constituting the Patents, in trademark or service mark applications, trademarks, service marks, and trademark or service mark registrations constituting the Marks, and in copyright applications, copyrights and copyright registrations constituting the Copyrights. Any expenses incurred in connection with the foregoing (including, but not limited to, maintenance or renewal fees) shall be borne by the Obligors. Except to the extent the same is no longer material to such Obligor's business, each Obligor shall not abandon any pending patent application, trademark application, copyright application, service mark application, patent, trademark, service mark or copyright without the written consent of Agent.

10. Agent's Right to Sue. Subject to the terms of the Senior Subordination Agreement, from and after the occurrence and during the continuance of a Default, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, the Marks, the Copyrights and the Licenses, and any licenses thereunder, and, if Agent shall commence any such suit, each Obligor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement, and each Obligor shall promptly, upon demand, reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between any Obligor and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder 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.

12. 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.

13. Modification. This 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.

14. Further Assurances. Subject to the terms of the Senior Subordination Agreement, each Obligor shall execute and deliver to Agent, at any time or times hereafter at the request of Agent, all papers (including, without limitation, any as may be deemed desirable by Agent for filing or recording with any Patent and Trademark Office, and any successor thereto) and take all such actions (including, without limitation, paying the cost of filing or recording any

of the foregoing in all public offices reasonably deemed desirable by Agent), as Agent may request, to evidence Agent's interest in the Patents, Marks, Copyrights and Licenses and the goodwill associated therewith and enforce Agent's rights under this Agreement.

15. Cumulative Remedies; Power of Attorney; Effect on Loan Documents. All of Agent's rights and remedies with respect to the Patents, Marks, Copyrights and Licenses, whether established hereby, by any of the Loan Documents or otherwise, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each Obligor hereby constitutes and appoints Agent as such Obligor's true and lawful attorney-in-fact, with full power of substitution in the premises, with power at any time after the occurrence and during the continuance of a Default, to (i) endorse such Obligor's name on all applications, documents, papers and instruments determined by Agent as necessary or desirable for Agent in the use of the Patents, Marks, Copyrights and Licenses, (ii) take any other actions with respect to the Patents, Marks, Copyrights and Licenses as Agent deems in good faith to be in the best interest of Agent, (iii) grant or issue any exclusive or non-exclusive license under the Patents, Marks or Copyrights to any Person, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Marks, Copyrights or Licenses to any Person. Each Obligor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the obligations owed to Agent and the Lenders by the Obligors shall have been satisfied in full and the Loan Agreement shall have been terminated. Each Obligor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement or any of the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies 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 Patents, Marks, Copyrights or Licenses may be enforced. Each Obligor hereby releases the Agent and Lenders from any and all claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Agent under the powers of attorney granted herein.

16. Binding Effect; Benefits. This Agreement shall be binding upon each Obligor and its respective successors and assigns and shall inure to the benefit of Agent and its respective successors, assigns and nominees.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, AND ANY DISPUTE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS AND NOT THE CONFLICTS OF LAW PROVISIONS OF THE STATE OF MINNESOTA.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of an executed counterpart of a signature page or acceptance to

this Agreement by telecopier or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have entered into this Patent, Copyright, License and Trademark Security Agreement as of the date first above written.

AMERICAN CARD SERVICES HOLDING, LLC

By: 
Name: Stephen Jones
Title: Chief Financial Officer and Chief Operating Officer

PRODUCTION SERVICES ASSOCIATES, LLC
(F/K/A DMI ACQUISITION, LLC AND D/B/A AMERICAN CARD SERVICES)

By: 
Name: Stephen Jones
Title: Chief Financial Officer and Treasurer

The undersigned accepts and agrees to the foregoing Patent, Copyright, License and Trademark Security Agreement as of the date first written above.

MEDALLION CAPITAL, INC., as Agent

By: _____
Name: Stephen A. Lewis
Title: Senior Vice President

IN WITNESS WHEREOF, the parties hereto have entered into this Patent, Copyright, License and Trademark Security Agreement as of the date first above written.

AMERICAN CARD SERVICES HOLDING, LLC

By: _____
Name: Stephan Jones
Title: Chief Financial Officer and Chief Operating Officer

PRODUCTION SERVICES ASSOCIATES, LLC
(F/K/A DMI ACQUISITION, LLC AND D/B/A AMERICAN CARD SERVICES)

By: _____
Name: Stephan Jones
Title: Chief Financial Officer and Treasurer

The undersigned accepts and agrees to the foregoing Patent, Copyright, License and Trademark Security Agreement as of the date first written above.

MEDALLION CAPITAL, INC., as Agent

By:  _____
Name: Stephen A. Lewis
Title: Senior Vice President

SCHEDULE D
TRADEMARKS, SERVICE MARKS

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Owner/ Licensor</u>
EFFECTIVE EFFICIENCY	3616826	May 5, 2009	Production Services Associates, LLC
RECYCLETHISCARD	4568498	July 15, 2014	Production Services Associates, LLC f/k/a DMI Acquisition, LLC