

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM402111

<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>
LAWSON PRODUCTS, INC.		09/30/2016	Corporation: ILLINOIS
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	THE PRIVATEBANK AND TRUST COMPANY		
<b>Street Address:</b>	120 SOUTH LASALLE STREET, SUITE 200		
<b>City:</b>	CHICAGO		
<b>State/Country:</b>	ILLINOIS		
<b>Postal Code:</b>	60602		
<b>Entity Type:</b>	BANKING ASSOCIATION: ILLINOIS		
<b>PROPERTY NUMBERS Total: 18</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	4995676	LAWSON	
<b>Registration Number:</b>	4995677	LAWSON PRODUCTS	
<b>Registration Number:</b>	5010441	L	
<b>Serial Number:</b>	86883981	LAWSON PRODUCTS	
<b>Serial Number:</b>	86883780	L	
<b>Registration Number:</b>	5040225	KENT AUTOMOTIVE	
<b>Registration Number:</b>	4442605	FALCONGRIP	
<b>Registration Number:</b>	4615065	FALCONGRIP	
<b>Registration Number:</b>	4718763	FALCON	
<b>Registration Number:</b>	4718762	FALCON TOOLS	
<b>Registration Number:</b>	4726122	REGENCY	
<b>Registration Number:</b>	4820462	PRO-BIT	
<b>Registration Number:</b>	4896104	PROS PROFIT ENHANCEMENT TOOL	
<b>Serial Number:</b>	87185797	JAVELIN	
<b>Serial Number:</b>	87186420	TRU-CRIMP	
<b>Serial Number:</b>	87186391	TRU-SEAL	
<b>Serial Number:</b>	87186374	TUFF-CRIMP	
<b>Serial Number:</b>	87186398	TUFF-SEAL	

CH \$465.00 4995676

**CORRESPONDENCE DATA****Fax Number:** 3126095005*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:** 312-609-7943**Email:** skowalski@vedderprice.com**Correspondent Name:** Sylvia Kowalski**Address Line 1:** 222 North LaSalle Street - 24th Floor**Address Line 4:** Chicago, ILLINOIS 60601**ATTORNEY DOCKET NUMBER:** 40180000063 - Hancock**NAME OF SUBMITTER:** Sylvia Kowalski**SIGNATURE:** /Sylvia Kowalski/**DATE SIGNED:** 10/14/2016**Total Attachments: 8**

source=02. Trademark Security Agreement#page1.tif

source=02. Trademark Security Agreement#page2.tif

source=02. Trademark Security Agreement#page3.tif

source=02. Trademark Security Agreement#page4.tif

source=02. Trademark Security Agreement#page5.tif

source=02. Trademark Security Agreement#page6.tif

source=02. Trademark Security Agreement#page7.tif

source=02. Trademark Security Agreement#page8.tif

TRADEMARK SECURITY AGREEMENT

**THIS TRADEMARK SECURITY AGREEMENT** (this “**Security Agreement**”) made as of the 30th day of September, 2016, by **LAWSON PRODUCTS, INC.**, an Illinois corporation (the “**Grantor**”), in favor of **THE PRIVATEBANK AND TRUST COMPANY** (“**Lender**”).

W I T N E S S E T H:

**WHEREAS**, Grantor, certain of Grantor’s affiliates and Lender are parties to a certain Loan and Security Agreement dated as of August 8, 2012 (as amended, amended and restated or otherwise modified from time to time, the “**Loan Agreement**”) and other related loan documents dated as of August 8, 2012 (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 Grantor or certain of its affiliates and (ii) for the grant by Grantor to Lender of a security interest in certain of Grantor’s 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, Grantor 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. 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, the 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 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 Grantor’s business connected with the use of and symbolized by the Trademarks.

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

(i) no Trademark of 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 Grantor is presently subsisting (other than those Trademarks which, in the commercially reasonable business judgment of Grantor, are no longer necessary or desirable for the purposes of its business);

(ii) To the knowledge of Grantor, 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 Grantor not to sue third persons;

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

(iv) 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, Grantor agrees 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, Grantor 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. Grantor represents and warrants that, based on a diligent investigation by Grantor, the Trademarks of Grantor listed on (i) Schedule A attached hereto and (ii) Schedule A attached to that certain Trademark Security Agreement dated as of August 8, 2012 by the Grantor in favor of Lender 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 Grantor and any other Loan Party. 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, Grantor shall (i) become aware of any existing Trademarks of which Grantor has 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 Grantor shall give to Lender written notice thereof on a quarterly basis at the time Grantor is required to deliver to Lender a compliance certificate and financial statements pursuant to Section 9.3(ii) and (iii) of the Loan Agreement. Grantor hereby authorizes 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. Grantor agrees 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 Grantor.

7. Product Quality. Grantor agrees 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, Grantor agrees 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 Grantor 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 Grantor's request to 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 Grantor. 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 Grantor and until paid shall constitute Obligations.

10. Duties of Grantor. Grantor 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 Grantor.

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, Grantor 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 Grantor 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 Grantor 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. Grantor 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 Grantor's true and lawful attorney-in-fact, with power to (i) endorse 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. Grantor 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. Grantor acknowledges and agrees 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 Grantor and its 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. Grantor agrees 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 Grantor 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.

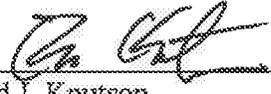
*[Signature Pages Follow]*

*(Signature Page to Trademark Security Agreement)*

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

**GRANTOR:**

**LAWSON PRODUCTS, INC.**, an Illinois corporation

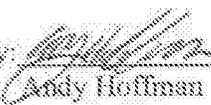
By:   
\_\_\_\_\_  
Ronald J. Knutson  
Executive Vice President and Chief  
Financial Officer

*(Signature Page to Trademark Security Agreement)*

Agreed and Accepted  
As of the Date First Written Above

**THE PRIVATEBANK AND TRUST  
COMPANY**

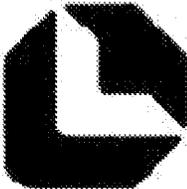
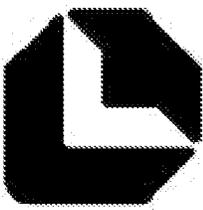
By: \_\_\_\_\_

  
Andy Hoffman  
Associate Managing Director

CHICAGO#2345591

**TRADEMARK  
REEL: 005900 FRAME: 0712**

**SCHEDULE A  
TRADEMARKS**

<u>Trademark Description</u>	<u>U.S. Application/Registration No.</u>	<u>Date Applied/Registered</u>
LAWSON	4995676	07/12/2016
<b>LAWSON PRODUCTS</b>	4995677	08/16/2013
L and Design 	5010441	08/02/2016
<b>LAWSON PRODUCTS</b>	86/883,981	01/22/2016
L and Design 	86/883,780	01/22/2016
<b>KENT AUTOMOTIVE</b>	5040225	09/13/2016
FALCONGRIP	4442605	12/03/2013
FALCONGRIP	4615065	09/30/2014
FALCON	4718763	04/14/2015
	4718762	04/14/2015
REGENCY	4762122	04/28/2015
PRO-BIT	4820462	09/29/2015
<b>PROS</b> PROFIT ENHANCEMENT TOOL	4896104	02/02/2016
JAVELIN	87185797	09/28/2016
TRU-CRIMP	87186420	09/28/2016
TRU-SEAL	87186391	09/28/2016
TUFF-CRIMP	87186374	09/28/2016
TUFF-SEAL	87186398	09/28/2016