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RECORDATION FORM COVER SHEET  
**TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

**Submission Type**

- New
- Resubmission (Non Recordation)  
Document ID#
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

**Conveyance Type**

- Assignment
- Security Agreement
- Merger
- Change of Name
- Other
- License
- Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year

**Conveying Party**

Mark if additional names of conveying parties attached

Name

Execution Date  
Month Day Year

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other

Citizenship/State of Incorporation/Organization

**Receiving Party**

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)   
City

State/County

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

01/23/2001 GTDN11 00000182 75585884

FOR OFFICE USE ONLY

01 FC:481  
02 FC:482

40.00 OP  
25.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**TRADEMARK**  
**REEL: 002218 FRAME: 0068**

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

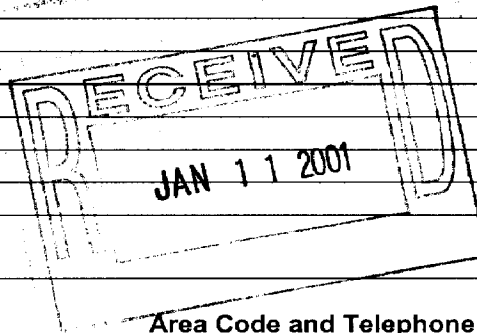
Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)



**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

**Trademark Application Number(s)**

**Registration Number(s)**

**Number of Properties**

Enter the total number of properties involved.

#2

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41):

\$65.00

Method of Payment: Enclosed  Deposit Account

**Deposit Account**

(enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#23-1925

Authorization to charge additional fees:

Yes  No

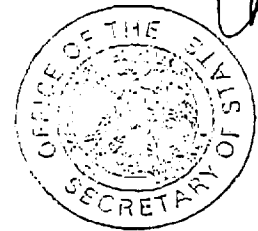
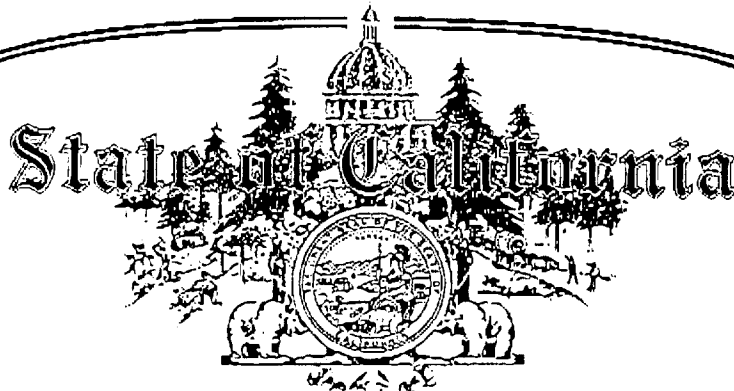
**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposition account are authorized, as indicated herein.

Howard S. Michael  
Name of Person Signing

Signature

January 9, 2001  
Date Signed



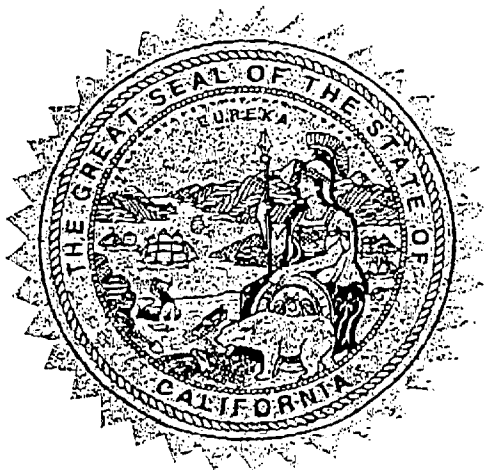
**SECRETARY OF STATE**

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 6 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

*IN WITNESS WHEREOF*, I execute this certificate and affix the Great Seal of the State of California this day of

AUG 25 1999



*Bill Jones*

Secretary of State

## AGREEMENT OF MERGER

THIS AGREEMENT OF MERGER (the "Agreement") is entered into as of this 20th day of August, 1999 by and between CARLTON HAIR INTERNATIONAL, INC., a California corporation ("CHI") and CAFE BEAUTY SUPPLY, INC., a California corporation ("Subsidiary" and, together with CHI, the "Constituent Corporations").

### RECITALS:

A. CHI is a corporation duly organized and existing under the laws of the State of California and has an authorized capital of 100,000 shares of Common Stock, no par value (the "CHI Stock"). Immediately prior to the date hereof, and without giving effect to any shares being issued hereunder, 200 shares of CHI Stock were issued and outstanding.

B. Subsidiary is a corporation duly organized and existing under the laws of the State of California and has an authorized capital of 1,000,000 shares of Common Stock, no par value (the "Subsidiary Stock"). As of the date hereof, there were 10,000 shares of Subsidiary Stock issued and outstanding.

C. CHI and Opal Concepts, Inc., a Delaware corporation ("Opal"), have entered into an Agreement and Plan of Merger (the "Opal Plan of Merger") pursuant to which Opal will acquire CHI. It is a requirement under the Opal Plan of Merger that Subsidiary be merged into CHI immediately prior to the consummation of the transactions contemplated by the Opal Plan of Merger. The respective Boards of Directors and the respective shareholders of CHI and Subsidiary have approved this Agreement in accordance with the applicable laws of the State of California and the Merger (as defined below) is to become effective immediately prior to the effective time of the transaction contemplated by the Opal Plan of Merger.

NOW, THEREFORE, the parties hereby agree as follows:

#### I. The Merger.

**1.1 Merger and Effectiveness.** In accordance with the provisions of this Agreement and the California General Corporation Law ("CGCL"), Subsidiary shall be merged with and into CHI (the "Merger"), with CHI as the surviving corporation (the "Surviving Corporation"). The Merger shall become effective in accordance with the CGCL upon the filing of this Agreement, together with a Certificate of Approval of each Constituent Corporation, with the Secretary of State of the State of California (the "Effective Time").

**1.2 Effect of the Merger.** Upon the Effective Time of the Merger, the separate existence of Subsidiary shall cease and CHI, as the Surviving Corporation, shall succeed, without other transfer, to all the rights and property of Subsidiary and shall be subject to all the debts and liabilities of Subsidiary in the same manner as if CHI itself incurred them. The Merger shall otherwise have the effects set forth in Section 1107 of the CGCL.

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

**AUG 20 1999**

**BILL JONES, Secretary of State**

## 2. Documents.

**2.1 Articles of Incorporation.** The Articles of Incorporation of CHI in effect immediately prior to the Effective Time shall be the Articles of Incorporation of the Surviving Corporation until amended in accordance with applicable law.

**2.2 Bylaws.** The Bylaws of CHI in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation until amended in accordance with applicable law.

## 3. Conversion of Stock.

**3.1 Exchange of Subsidiary Stock.** The number of fully paid and nonassessable shares of CHI Stock issuable at the Effective Time to holders of all the issued and outstanding shares of Subsidiary Stock shall be determined as follows:

(i) Each share of Subsidiary Stock owned by Subsidiary as treasury stock and any shares of Subsidiary Stock owned by CHI or any of its respective subsidiaries immediately prior to the Effective Time shall be canceled, and no payment shall be made with respect thereto;

(ii) Each share of CHI Stock outstanding immediately prior to the Effective Time shall remain outstanding and shall not be affected by the Merger; and

(iii) All of the shares of Subsidiary Stock, except as provided in Subsection 3.1(i) above, shall be converted into and CHI shall issue to the other holders of shares of Subsidiary Stock, excluding shares owned by the entities described in Subsection 3.1(i) above (the "Non-CHI Shareholders"), that number of shares of CHI Stock in exchange for all shares of Subsidiary Stock held by such Non-CHI Shareholders as is set forth opposite such Non-CHI Shareholders' names on Exhibit A attached hereto and incorporated herein by this reference.

**3.2 Fractional Shares.** Fractional shares of CHI Stock shall be issued.

## 4. General.


**4.1 Amendments; Waivers.** Any provision of this Agreement may be amended or waived prior to the Effective Time of the Merger if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by CHI and Subsidiary or in the case of a waiver, by the party against whom the waiver is to be effective. Any such amendment requiring shareholder approval of any of the parties under applicable law shall be approved by such shareholders.

**4.2 Governing Law.** This Agreement shall be construed, interpreted and enforced in accordance with and governed by the laws of the State of California, without regard to the conflicts of laws provisions thereof.

**4.3 Counterparts.** In order to facilitate the filing of this Agreement, the same may be executed in any number of counterparts all of which together shall constitute one and the same instrument and each of which shall be deemed to be an original.


IN WITNESS WHEREOF, CHI and Subsidiary have each caused this Agreement of Merger to be executed by their respective authorized officers as of the date first above written.

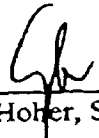
CARLTON HAIR INTERNATIONAL, INC.

By:   
\_\_\_\_\_  
Russell Hersowitz, Vice President

By:   
\_\_\_\_\_  
Gerhard Hoher, Secretary

CAFE BEAUTY SUPPLY, INC.

By:   
\_\_\_\_\_  
Russell Hersowitz, Vice President

By:   
\_\_\_\_\_  
Gerhard Hoher, Secretary

**EXHIBIT A**

**AGREED UPON EXCHANGE RATIO**

<u>Name of Non-CHI Shareholder</u>	<u>No. of Shares Held in Subsidiary</u>	<u>No. of CHI Shares to be Issued</u>
Ronald Love	1,000	0.570


**CERTIFICATE OF APPROVAL**  
**OF**  
**CARLTON HAIR INTERNATIONAL, INC.**


Russell Hersowitz and Gerhard Hoher hereby certify that:

1. They are the Vice President and the Secretary, respectively of CARLTON HAIR INTERNATIONAL, INC., a California corporation (the "Corporation").
2. The Agreement of Merger (the "Agreement of Merger") was duly approved by the Board of Directors and shareholders of the Corporation. Said Agreement of Merger is attached hereto.
3. The shareholder approval was by the holders of 100% of the outstanding shares of the Corporation.
4. There is only one class of shares and the number of shares outstanding is 200.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our own knowledge.

Date: August 20, 1999

  
\_\_\_\_\_  
Russell Hersowitz, Vice President

  
\_\_\_\_\_  
Gerhard Hoher, Secretary

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