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TRADEMARKS ONLY

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Submission Type

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

1-22-01

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 **CARLTON ACQUISITION CORPORATION**

Execution Date
Month Day Year
08/20/99

Formerly

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

Citizenship/State of Incorporation/Organization **California**

Receiving Party

Mark if additional names of receiving parties attached

Name **CARLTON HAIR INTERNATIONAL, INC.**

DBA/AKA/TA

Composed of

Address (line 1) **1400 Kellogg, Suite E**

Address (line 2)

Address (line 3) **Anaheim**

City

CA

State/County

92807

Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization **CALIFORNIA**

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.)

01/29/2001 DBYRNE 00000412 75572878

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01 FC:481
02 FC:482

40.00 DP
75.00 DP

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TRADEMARK
REEL: 002225 FRAME: 0001

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.

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

Method of Payment: Enclosed Deposit Account

Deposit Account

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

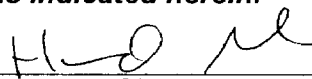
Deposit Account Number:

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 17, 2001
Date Signed

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER ("Agreement"), is entered into as of June 30, 1999, by and among OPAL CONCEPTS, INC., a Delaware corporation ("Parent"), CARLTON ACQUISITION CORP., a California corporation, and a wholly-owned subsidiary of Parent ("Acquisition Sub"), CARLTON HAIR INTERNATIONAL, INC., a California corporation ("CHI"), and those individuals and/or entities listed on Exhibit A hereto (individually, a "Major Shareholder" and collectively the "Major Shareholders"). CHI and the Shareholders are sometimes hereinafter referred to collectively as the "Selling Parties."

RECITALS:

A. CHI is engaged in the business of operating hair salons and selling hair care related products (the "Business");

B. The Major Shareholders are the registered and beneficial owners of an aggregate of 200 shares of common stock, no par value, of CHI, which, at the Closing, will represent approximately 78.8% of the issued and outstanding shares of capital stock of CHI;

C. On the Closing (as defined below), CHI will merge with and into Acquisition Sub pursuant to Section 1100 of the General Corporation Law of the State of California (the "California Code" or "CGCL"), thereby causing CHI to become a wholly-owned subsidiary of Parent; and

D. The transaction contemplated by this Agreement is intended by the parties to qualify as a tax-free reorganization pursuant to Section 368 (a) of the Internal Revenue Code of 1986, as amended (the "Code"), and this Agreement is intended to be and is adopted as a plan of reorganization.

NOW, THEREFORE, in consideration of the foregoing premises, the terms, covenants, and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. THE MERGER.

1.1 The Merger. Upon the terms and conditions set forth in this Agreement and in accordance with the California Code, Parent and the Major Shareholders shall, on the Closing Date, cause CHI to merge with and into Acquisition Sub, with Acquisition Sub as the surviving corporation (the "Surviving Corporation"), pursuant to Section 1100 of the California Code (the "Merger"). The Merger shall be effected in accordance with and pursuant to the Agreement of Merger attached hereto as Exhibit B. The closing of the Merger (the "Closing") shall take place at the offices of Stradling Yocca Carlson Rauth, 660 Newport Center Drive, Newport Beach, California 92660, at 9:00 a.m., local time, on the first business day following the satisfaction or waiver of all of the conditions set forth in Sections 5 and 6 hereof (the "Closing Date"), or at such other time and date as the parties hereto shall be written instrument designate, but in any event not later than October 25, 1999.

1.2 Effective Time of the Merger. The Merger shall be consummated by filing with the California Secretary of State the Agreement of Merger. The date and time the Merger becomes effective in accordance with the provisions of the California Code, or such later date and time as the parties may agree in writing, is the "Effective Time."

1.3 Effect of the Merger. At the Effective Time, the separate existence of CHI shall cease and the Surviving Corporation shall thereupon and thereafter possess all of the rights, privileges, immunities, powers, franchises and authority, and be subject to all of the restrictions, disabilities and duties of CHI and Acquisition Sub; and the rights, privileges, immunities, powers, franchises and authority of CHI and Acquisition Sub, and all assets and property of every description, real, personal and mixed and every interest therein wherever located, and all debts or other obligations belonging or due to CHI or Acquisition Sub, on whatever account, as well as all other things in action or belonging to CHI and/or Acquisition Sub, shall be vested in the Surviving Corporation; and all property, rights, privileges, immunities, powers, franchises and authority of CHI and/or Acquisition Sub, and each and every other interest of either of them, shall be thereafter the property of the Surviving Corporation, and the title to any real estate or interest therein vested by deed or otherwise shall not revert to or be in any way impaired by reason of the Merger; but all rights of creditors and all liens upon any property of CHI and/or Acquisition Sub shall be preserved and unimpaired, and the Surviving Corporation shall be liable for the debts, liabilities, duties and obligations of CHI and/or Acquisition Sub, and any claim existing, or action or proceeding pending, by or against CHI and/or Acquisition Sub may be prosecuted to judgment with right of appeal, as if the Merger had not taken place.

1.4 Articles of Incorporation. The Articles of Incorporation of the Surviving Corporation shall be as set forth on Schedule 1.4 hereto, as amended by the Agreement of Merger to be filed with the California Secretary of State pursuant to Section 1.2, and until further amended in accordance with applicable law.

1.5 Bylaws. The Bylaws of the Surviving Corporation shall be as set forth on Schedule 1.5 hereto until amended in accordance with applicable law.

1.6 Conversion of Shares. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of capital stock or other equity interests of CHI (the "CHI Shares") or any shares of capital stock of the Acquisition Sub:

(a) each CHI Share owned by CHI as treasury stock and any CHI Shares owned by Parent or Acquisition Sub or any of their respective subsidiaries immediately prior to the Effective Time shall be canceled, and no payment shall be made with respect thereto;

(b) each share of common stock of Acquisition Sub outstanding immediately prior to the Effective Time shall remain outstanding and shall not be affected by the Merger; and

(c) all of the CHI Shares, except as provided in Section 1.6(a) and 1.8 below, shall be converted into and the Parent shall issue to the holders of CHI Shares (the "Shareholders") an aggregate of (i) 9,200 shares of fully paid and nonassessable Series D Preferred Stock, \$.001 par value per share (the "Series D Shares"), with a liquidation preference equal to Nine

Million Two Hundred Thousand Dollars (\$9,200,000), which Series D Shares shall have the rights, preferences and privileges described in the Certificate of Designations in substantially the form attached hereto as Exhibit C (the "Series D Certificate of Designations"), and (ii) cash (the "Cash Consideration") in the amount of Nine Million Two Hundred Thousand Dollars (\$9,200,000) (collectively, the "Merger Consideration"), which Merger Consideration will be allocated proportionately to the Shareholders as set forth on Schedule 1.6 hereto, which Schedule 1.6 shall be delivered by CHI under separate cover concurrently with the execution hereof and incorporated herein by this reference. In no event shall the issuance of CHI Shares (i) in connection with the Subsidiary Merger Transactions (as described in Section 7.9 below) or (ii) to the Performance Shareholders (as described in Section 7.1 below), cause an increase in the aggregate amount of the Merger Consideration to be paid for all of the outstanding CHI Shares as of the Effective Time. A portion of the Cash Consideration payable to each of the Shareholders shall be allocated to the Non-Competition Agreements as defined in Section 7.3 below, in the amounts set forth opposite such Shareholder's name in Schedule 1.6 hereto.

In the event, prior to the Effective Time, of any recapitalization of either Parent, or CHI through a subdivision of its outstanding shares into a greater number of shares, or a combination of its outstanding shares into a lesser number of shares, or any reorganization, reclassification or other change in its outstanding shares into the same or a different number of shares of other classes, or a declaration of or dividend on its outstanding shares payable in shares of its capital stock (a "Capital Change"), then the amount of Merger Consideration to be received by each Shareholder shall be appropriately adjusted so as to maintain after such Capital Change the relative proportionate interests in the Merger Consideration (assuming consummation of the Merger) which the holders of CHI Shares and the holders of Series D Shares had immediately prior to such Capital Change; provided, however, there shall be no change in the aggregate Merger Consideration to be paid by Parent hereunder.

1.7 Surrender and Payment.

(a) Each holder of CHI Shares that have been converted into the Merger Consideration, upon surrender to the Parent of a certificate or certificates representing such CHI Shares (or in lieu of surrendering such certificate(s), any holder of CHI Shares who has lost or otherwise misplaced his certificate(s), may instead deliver to Parent a fully executed Affidavit of Lost Stock Certificate(s) in form and substance reasonably satisfactory to Parent), together with a properly completed letter of transmittal covering such CHI Shares and other customary documentation, will be entitled to receive the Merger Consideration payable in respect of such CHI Shares. As of the Effective Time, all such CHI Shares shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate previously representing any such CHI Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration upon surrender of either the certificates representing such CHI Shares or the Affidavit of Lost Stock Certificate(s) in lieu thereof, as contemplated hereby.

(b) If any portion of the Merger Consideration is to be paid to a person other than the registered holder of the CHI Shares represented by either the certificate or certificates or the Affidavit of Lost Stock Certificate(s) surrendered in exchange therefor, it shall be a condition to such payment that the certificate or certificates so surrendered shall be properly endorsed or

otherwise be in proper form for transfer and that the person requesting such payment shall pay to the Parent any transfer or other taxes required as a result of such payment to a person other than the registered holder of such CHI Shares or establish to the reasonable satisfaction of the Parent that such tax has been paid or is not payable. For purposes of this Agreement, "person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

(c) After the Effective Time, there shall be no further registration of transfers of CHI Shares. If, after the Effective Time, certificates (or Affidavit of Lost Stock Certificate(s)) representing CHI Shares are presented to the Surviving Corporation, they shall be canceled and exchanged for the Merger Consideration provided for, and in accordance with the procedures set forth, in this Article I.

(d) No dividends or other distributions declared or made after the Effective Time with respect to the Series D Shares for which the record date is after the Effective Time shall be paid to the holder of any certificate formerly representing CHI Shares until such certificate (or Affidavit of Lost Stock Certificate(s)) is surrendered to the Parent as provided herein. Following surrender of any such certificate (or Affidavit of Lost Stock Certificate(s)), there shall be paid to the holder of record of the certificates (or Affidavit of Lost Stock Certificate(s)) representing whole shares of Series D Shares issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Series D Shares and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but a payment date subsequent to surrender payable with respect to such whole shares of Series D Shares.

1.8 Fractional Shares. No fractional Series D Shares will be issued in connection with the Merger. In lieu of any fractional Series D Shares to which the holder of any CHI Share would otherwise be entitled to receive, such holder shall be entitled to receive an amount of cash equal to the value of such fractional shares, which shall be based upon \$1,000 per Series D Share. The fractional interests of each holder of CHI Shares will be aggregated so that no holder of CHI Shares will receive cash in an amount equal to or greater than the value of one whole Series D Share.

1.9 Dissenting Shares. Each outstanding CHI Share, the holder of which has not voted in favor of the Merger and has perfected such holders' right to an appraisal of such holder's CHI Shares in accordance with Chapter 13 of the CGCL (and has not effectively withdrawn or lost such right to appraisal), shall not be converted into the right to receive the Merger Consideration, but the holder thereof shall be entitled only to such rights as are granted by the applicable provisions of the CGCL.

1.10 Escrow Shares. At the Effective Time, 2,000 Series D Shares with an aggregate liquidation preference equal to \$2,000,000 issuable to CHI's Shareholders, on a pro rata basis (the "Escrow Shares"), shall be registered in the names of the Shareholders of CHI or in the name of the Shareholder's representative (the "Holders' Representative"), as agent for such Shareholders, but shall be deposited with an institution selected by Parent and CHI, as escrow agent (the "Escrow Agent"), pursuant to the terms of an escrow agreement substantially in the form of

Exhibit D hereto (the "Escrow Agreement") by and among Parent, CHI and CHI's Shareholders or the Holders' Representative.

1.11 Nature and Qualification of Merger. This Agreement contemplates, and the parties anticipate, that the Merger will be a "forward triangular" merger that is tax-deferred (except to the extent of any cash deemed received by the Shareholders) pursuant to subsections (a)(1)(A) and (a)(2)(D) of Section 368 of the Code.

2. REPRESENTATIONS AND WARRANTIES OF THE SELLING PARTIES.

The parties recognize that Parent is acquiring an ongoing business and not a specific set of individual assets, and it is not the intent of Parent to assert or claim a breach of any representation or warranty set forth in this Agreement made in good faith by CHI and the Major Shareholders that does not result individually or in the aggregate in a material adverse effect on the business, operations or financial condition of CHI as an ongoing concern (hereafter, a "Material Adverse Effect"). Accordingly, except as specifically set forth in the next sentence, an inaccuracy in or breach of any one or more of the representations or warranties set forth in this Section 2 shall not constitute a breach of this Agreement (and therefore shall not give rise to the Parent's right to seek indemnification pursuant to Section 9 hereof) unless (i) such representation or warranty was not made in good faith or (ii) any such one or more inaccuracies or breaches result in a Material Adverse Effect. Notwithstanding the foregoing, however, the parties hereto agree that any inaccuracy or breach whatsoever in the representations and warranties set forth in Sections 2.2 and 2.3 hereof shall be deemed to have the prohibited "Material Adverse Effect." Because of the overall "Material Adverse Effect" standard that applies to all of the representations and warranties set forth in this Section 2 (other than those set forth in Sections 2.2 and 2.3 hereof), the parties did not attempt to again reiterate that same "Material Adverse Effect" standard or qualification in each particular representation and warranty (and, in the event that the standard is reiterated, such reiteration does not change or modify the foregoing standard). Subject to the foregoing, CHI and each Shareholder jointly and severally represent and warrant to Parent as follows (for purposes of the following representations and warranties "CHI" shall mean CHI and its consolidated subsidiaries):

2.1 Corporate Organization. CHI is a corporation duly organized, validly existing and in good standing under the laws of the State of California. CHI has full corporate power and authority to own its properties and assets and to carry on its business and is duly qualified or licensed to do business as a foreign corporation and is in good standing in each jurisdiction in which the ownership of its property or the conduct of its business requires such qualification, except jurisdictions in which the failure to be so qualified or licensed would not have a Material Adverse Effect. CHI has caused to be delivered to Parent true and complete copies of the Articles of Incorporation and all amendments thereto to the date hereof (or comparable governing document) and the Bylaws (or comparable governing document) of CHI. Except for the subsidiaries (the "Subsidiaries") listed on Schedule 2.1 attached hereto, CHI does not own, directly or indirectly, any capital stock or other equity securities of any corporation or have any direct or indirect equity or ownership interest in any partnership, joint venture or other business. All Subsidiaries were caused to be formed by CHI and all stock held by CHI in all of the Subsidiaries were acquired by CHI directly from the Subsidiaries at original issuance by the Subsidiaries. Except for CHIMS, Inc., each of the Subsidiaries has at all times from the date of formation and will be at the Closing Date a member of the affiliated group (within the meaning of Code Section 1504(a)) of which CHI is the common parent. The total liabilities of each Subsidiary, including liabilities to CHI or any other

Subsidiary, is, and will be at the Closing, less than the fair market value of all of the assets of such Subsidiary (including goodwill). Except for CHIMS, Inc., each of the mergers of the Subsidiaries with and into CHI as contemplated in Section 7.9 below will be governed, and taxed in accordance with, Code Section 332.

2.2 Capital Stock. (a) The authorized capital stock of CHI consists of One Hundred Thousand (100,000) shares of common stock, no par value per share, of which 200 shares are currently issued and outstanding and, prior to the Closing, approximately 253.9166 shares will be issued and outstanding after giving effect to the Subsidiary Merger Transactions (as defined in Section 7.9 below) and the issuance of CHI Shares to the Performance Shareholders (as defined in Section 7.1 below), and no other shares of any other class or series of capital stock of CHI will be issued and outstanding at the Closing. Except as set forth in Schedule 2.2 attached hereto, there are no subscriptions, options, warrants, calls, rights, contracts, commitments, understandings, restrictions or arrangements relating to the issuance, sale, transfer or voting of any shares of capital stock of CHI, including any rights of conversion or exchange under any outstanding securities or other instruments. All CHI Shares will, at the Closing, be validly issued and fully paid, nonassessable and free of preemptive rights. Schedule 2.2-A, which shall be delivered concurrently with the execution hereof under separate cover, contains a true and complete list of the Shareholders and the approximate amount of CHI Shares that will be owned by each such Shareholder at the Closing (after giving effect to (i) the Subsidiary Merger Transactions described in Section 7.9 below and (ii) the issuance of the CHI Shares to the Performance Shareholders as described in Section 7.1 below). The Shareholders, as of the Closing, will own, beneficially and of record, his, her or its CHI Shares set forth opposite such Shareholder's name on Schedule 2.2-A free and clear of all Encumbrances other than restrictions imposed by federal and applicable state securities laws. Except for this Agreement, none of the Shareholders nor any of the CHI Shares owned by such Shareholders are or will be a party or subject to any agreement or commitment, written or oral, granting any rights or options in or to such CHI Shares or any interest therein or imposing any restrictions thereon.

(b) CHI acknowledges that the offering and sale of the Series D Shares to be issued in connection with the Merger is intended to be exempt from registration under the Securities Act by virtue of Section 4(2) of the Securities Act and the provisions of Regulation D promulgated thereunder ("Regulation D"). CHI represents and warrants to Parent and Acquisition Sub that the holders of all CHI Shares fulfill, and will fulfill as the Effective Time, the investor suitability requirements under Section 4(2) of the Securities Act and Regulation D.

2.3 Authorization, Etc. CHI has full power and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby. CHI's Board of Directors and Shareholders have duly approved and authorized the execution and delivery by CHI of this Agreement and the consummation of the transactions contemplated hereby, and no other corporate proceedings on the part of CHI necessary to approve and authorize the execution and delivery by CHI of this Agreement. This Agreement constitutes a valid and binding agreement of CHI and the Shareholders, enforceable against CHI and the Shareholders in accordance with its terms, except that (i) the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to

equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

2.4 Financial Statements. CHI has delivered to Parent CHI's preliminary unaudited balance sheets, statements of income and statements of cash flow and shareholders' equity as of and for the fiscal years ended 1997 and 1998 (the "Preliminary Financial Statements") and, prior to Closing, CHI will deliver CHI's final unaudited balance sheets, statements of income and statements of cash flow and shareholder's equity as of and for the fiscal years ended 1997 and 1998 (the "Financial Statements"). The Financial Statements fairly present the financial condition of CHI and the results of its operations as of the relevant dates thereof and for the respective periods covered thereby. Except as set forth in the Financial Statements or Schedule 2.4 attached hereto, CHI has no debts, obligations, liabilities or commitments of any nature, whether due or to become due, absolute or contingent, direct or indirect, recorded, potential or realized ("Liabilities"), other than Liabilities incurred after December 31, 1998 in the ordinary course of business and consistent with past practice. Except as otherwise set forth in Schedule 2.4 attached hereto, such post-December 31, 1998 Liabilities are not individually or in the aggregate, material in amount and have not had and are not expected to have, individually or in the aggregate, a Material Adverse Effect on CHI or the Business. The Financial Statements (a) present fairly in all material respects the financial position of CHI for the periods then ended, subject to normally reoccurring year-end adjustments, (b) were prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied (except as noted thereon or on Schedule 2.4), and (c) reflect that CHI has set aside adequate reserves for all unpaid taxes, federal, state, local, foreign or otherwise, with respect to the period then ended and all prior periods.

2.5 No Approvals or Conflicts. Except as described in Schedule 2.5 attached hereto, neither the execution and delivery of, nor the consummation of the transactions contemplated by, this Agreement will or could result in any of the following: (i) a default or an event that, with notice or lapse of time, or both, would be a default, breach or violation of the charter, bylaws or other governing instruments of CHI, or any contract, lease, license, franchise, promissory note, conditional sales contract, commitment, indenture, mortgage, deed of trust, security or pledge agreement, or other agreement, instrument or arrangement to which CHI is a party or by which any of its properties or any of its assets is bound; (ii) the termination or acceleration of any contract, lease, agreement, commitment or other obligation of CHI; (iii) the creation or imposition of any lien, charge or encumbrance on any of the respective assets or properties of CHI; (iv) a violation or breach of any writ, injunction or decree of any court or governmental instrumentality to which CHI is a party or by which any of its properties or any of its assets is bound; (v) a loss or adverse modification of any license (other than those licenses which will be replaced in ordinary course following the consummation of the Merger), franchise, permit, other authorization or right (contractual or other) to operate, granted to or otherwise held by CHI or used in the Business, which would have a Material Adverse Effect on the Business or Parent; or (vi) the cessation or termination of any other business relationship or arrangement between CHI and any third party that is material to the Business, or its operating results, condition (financial or otherwise) or prospects or its assets. Except as set forth in Schedule 2.5, neither CHI nor the Shareholders know(s) of any business relationship or arrangement with any third party (governmental or other) that is material to CHI that will cease or is likely to be terminated as a result of the consummation of the transactions contemplated by this Agreement.

2.6 Compliance with Law; Governmental Authorizations.

(a) Except as set forth in Schedule 2.6(a) attached hereto, CHI is, and has been, in compliance with all laws, ordinances, orders, decrees, rules or regulations of any governmental agency or authority, the noncompliance with which could have a Material Adverse Effect on the Business, CHI or its assets. Except as disclosed in Schedule 2.6(a), and without limiting the generality of this Section 2.6, there are no unresolved proceedings, investigations, charges or notices of deficiency instituted or brought or, to the best knowledge of CHI, threatened, by any governmental authorities against CHI or relating to the Business, including under any federal or state regulation or otherwise, which could have, individually or in the aggregate, a Material Adverse Effect on CHI and, to the best knowledge of CHI, there are no facts or circumstances upon which any such proceedings, investigations, charges or notices of deficiency may be instituted or brought hereafter.

(b) Schedule 2.6(b) attached hereto contains a true and correct list of all material governmental licenses, permits, authorizations, filings or certificates or rights (contractual or otherwise) to operate the Business, that are held by CHI (collectively, "Licenses and Permits"). Such Licenses and Permits are the only licenses, permits, authorizations, franchises, filings, certificates and rights to operate required for operation of the Business, and all of such Licenses and Permits are in full force and effect at the date hereof and will be as of the Closing (other than those Licenses and Permits which will be replaced in ordinary course following the consummation of the Merger). CHI has provided Parent with true, correct and complete copies of each of the Licenses and Permits. CHI is in compliance with all conditions or requirements imposed by or in connection with such Licenses and Permits.

2.7 Litigation. Except as set forth in Schedule 2.7 attached hereto, there is no action, suit, proceeding or investigation, or any counter or cross-claim in an action brought by or on behalf of CHI, whether at law or in equity, or before or by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator of any kind, that is pending and with respect to which CHI has been served or, to the best knowledge of CHI and the Shareholders, threatened (or pending but not served), against CHI. Except as set forth in Schedule 2.7, neither CHI nor any of the Shareholders have received notice that CHI is subject to any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental department, commission, board, bureau, agency or instrumentality having jurisdiction over CHI or any of its assets or the Business.

2.8 Absence of Certain Changes. Except as to transactions conducted in the ordinary course of business and except as set forth in Schedule 2.8 attached hereto, since December 31, 1998, there has not been with respect to or affecting CHI: (i) any amendment, termination or revocation, or any threat known to CHI of any amendment, termination, or revocation, of any material contract or agreement to which CHI is a party or of any of the Licenses and Permits required for the continued operation of the Business; (ii) any increase in the compensation paid or payable or in the fringe benefits provided to any employees of CHI; (iii) any damage, destruction or loss, whether or not covered by insurance, of any of the assets of CHI; (iv) any declaration, setting aside, or payment of a dividend or other distribution in respect to the capital stock of CHI, or any direct or indirect redemption, purchase, or other acquisition by CHI of any of its shares of capital stock; (v) the incurrence of any indebtedness, either for borrowed money or in connection with any

purchase of assets; (vi) any purchase or lease, or commitment for the purchase or lease, of vehicles, equipment, machinery, leasehold improvements or other capital items; (vii) the execution by CHI of any agreement or contract that is, or could reasonably be expected to become, material to the Business; or (viii) the occurrence of any other event or circumstance which might have a Material Adverse Effect on CHI or the Business, or impair the ability of CHI to consummate the transactions contemplated hereby.

2.9 Labor and Employment Agreements; Fringe Benefit Plans.

(a) Under separate cover, CHI shall deliver to Parent, concurrently with the execution of this Agreement, a list or print-out setting forth the name of each employee of CHI, together with a description of all compensation and benefits that are payable to such individuals as a result of their employment by or association with CHI ("Employee Benefits"). CHI has furnished to Parent copies of its employee handbooks and a description, in writing, of all material employment or personnel policies not set forth in such handbooks.

(b) Schedule 2.9(b) attached hereto contains a list of any collective bargaining or other labor, employment, deferred compensation, bonus, retainer, consulting, or incentive agreement, plan or contract, and all written or other personnel policies, of CHI or to which CHI is subject or bound. True, correct and complete copies of any such written agreements, plans, contracts and policies listed in Schedule 2.9(b) have been furnished to Parent. Except to the extent set forth in Schedule 2.9(b), (i) there has been no strike or other work stoppage by, nor to the best knowledge of CHI has there been, any union organizing activity among, any of the employees of CHI during the past five (5) years; (ii) CHI is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and neither is engaged in any unfair labor practice; and (iii) there is no unfair labor practice complaint pending (which means it has been served on CHI) or, to the best knowledge of CHI, threatened against CHI, nor, to the best knowledge of CHI, is there any factual basis for any such complaint.

(c) Schedule 2.9(c) attached hereto contains a complete list of CHI's Employee Plans. True, correct and complete copies or descriptions of such Employee Plans have been delivered to Parent. For purposes of this Section 2.9, the term "Employee Plan" includes all present (including those terminated or transferred within the past five (5) years) plans, programs, agreements, arrangements, and methods of contribution or compensation (including all amendments to and components of the same, such as a trust with respect to a plan) providing any remuneration or benefits, other than current cash compensation, to any current or former employee of CHI or to any other person who provides services to CHI. The term "Employee Plan" includes, but is not limited to, pension, retirement, profit sharing, stock option, stock bonus, and non-qualified deferred compensation plans and includes any Employee Plan that is a multiemployer plan as defined in Section 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The term "Employee Plan" also includes, but is not limited to, disability, medical, dental, worker's compensation, health insurance, life insurance, incentive plans, vacation benefits, and fringe benefits. Any and all tax returns, reports, forms or other documents required to be filed by CHI under applicable federal, state or local law with respect to the Employee Plans set forth on Schedule 2.9(c) have been timely filed (taking into account all extensions) and are correct and complete in all respects, and any and all amounts due by CHI to any governmental agency or entity

with respect to the Employee Plans have been timely and fully paid. Except as set forth in Schedule 2.9(c), all Employee Plans have now, and have always been, established, maintained and operated in accordance with all applicable laws (including, but not limited to, ERISA and the Internal Revenue Code of 1986, as amended) and all regulations and interpretations thereunder and in accordance with the plan documents.

2.10 Contracts, Agreements and Commitments. Schedule 2.10 attached hereto contains an accurate and complete list of all material contracts, agreements, leases, licenses and instruments, to which CHI is a party or is bound, or which could hinder consummation of the transactions contemplated by this Agreement, or which could affect Parent's title to CHI's assets or its ability to dispose of any of CHI's assets following the Closing. Schedule 2.10 includes, without limitation, all contracts, agreements, leases, commitments, licenses and instruments, which (i) grant a security interest or permit or provide for the imposition of any lien, mortgage, security interest or other encumbrance on, or provide for the disposition of, any of CHI's assets; (ii) require the consent of any third party to the consummation by CHI of the transactions contemplated by this Agreement; or (iii) would restrict the use or disposition by Parent after the Closing of any of CHI's assets. True, correct and complete copies of all items so listed in Schedule 2.10 have been furnished to Parent. Each of such contracts, agreements, leases, licenses and instruments so listed, or required to be so listed, on Schedule 2.10 is a valid and binding obligation of CHI and, to the best knowledge of the Selling Parties, the other parties thereto, enforceable in accordance with its terms, except as may be affected by bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and general principles of equity relating to the availability of equitable remedies. Except as otherwise set forth in Schedule 2.10 hereto, there are not presently any uncured defaults by CHI or, to the best knowledge of the Selling Parties, any uncured defaults or any claims of default or claims of unenforceability by the other party or parties, and there are not presently any facts or conditions that have occurred or that are anticipated to occur which, through the passage of time or the giving of notice, or both, would constitute a default by CHI, or to the best knowledge of the Selling Parties by the other party or parties, under any of such contracts, agreements, leases, licenses and instruments or would cause a creation of a lien, security interest or encumbrance upon any of CHI's assets or otherwise have a Material Adverse Effect.

2.11 Environmental Matters. Except as set forth in Schedule 2.11 attached hereto, CHI has complied, and is in compliance in all material respects with, all federal, state, local and regional statutes, laws, ordinances, rules, regulations and orders relating to the protection of human health and safety, natural resources or the environment, including, but not limited to, air pollution, water pollution, noise control, on-site or off-site hazardous substance discharge, disposal or recovery, toxic or hazardous substances, training, information and warning provisions relating to toxic or hazardous substances, or employee safety relating to the Business or CHI's assets; and no notice of violation of any such statutes, laws, ordinances, rules, regulations and orders with respect thereto or of any permit, license or other authorization relating thereto has been received, nor is any such notice pending or, to the best knowledge of the Selling Parties, threatened. CHI has not received any notice or claim to the effect that it is or may be liable to any governmental authority or private party as a result of the release or threatened release of any hazardous substances in connection with its operations or assets, and none of CHI's operations are the subject of any federal, state or local investigation evaluating whether any remedial action is needed to respond to a release or a threatened release of any hazardous substances at any of the real properties that have been used by CHI in the Business. For the purposes of this Section 2.11, "toxic or hazardous substances" shall

include any material, substance or waste that, because of its quantity, concentration or physical or chemical characteristics, is at any time deemed under any federal, state, local or regional statute, law, ordinance, regulation or order, or by any governmental agency pursuant thereto, to pose a present or potential hazard to human health or safety or the environment, including, but not limited to, (i) any material, waste or substance which is defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), as amended from time to time, and its related state and local counterparts, (ii) asbestos and asbestos containing materials and polychlorinated biphenyls, and (iii) any petroleum hydrocarbon including oil, gasoline (refined and unrefined) and their respective constituents and any wastes associated with the exploration, development or production of crude oil, natural gas or geothermal energy.

2.12 Insurance. Schedule 2.12 attached hereto contains an accurate description (including liability limits, deductibles and coverage exclusions) of all policies of fire, general liability, worker's compensation, errors and omissions, malpractice and other forms of insurance maintained by or on behalf of CHI in connection with the Business or as protection for its assets ("Policies"). All such Policies are in full force and effect and, except as noted in Schedule 2.12 hereto, similar policies covering similar risks and in substantially the same amounts have been in full force and effect continuously for the past five (5) years. CHI has not received any notice of cancellation or material amendment of any such Policies. Except as set forth in Schedule 2.12, no coverage thereunder is being disputed; and all material claims thereunder have been filed in a timely fashion.

2.13 Personal Property. Except as set forth in Schedule 2.13 attached hereto, CHI owns, leases or otherwise has the right to use (free of any burdensome conditions or restrictions) all of the property and assets, real, personal or mixed, tangible or intangible, now used in the operation of the Business, or the use of which is necessary for the performance of any contract or the conduct of the Business as now conducted and as presently contemplated to be conducted.

(a) Tangible Personal Property. CHI has delivered or made available an accurate description of all machinery, implements, supplies, equipment, computers, furniture, fixtures, vehicles, tools, and all other similar assets or tangible personal property owned, leased or used by CHI other than any of such items that are not necessary for the conduct of the Business as currently conducted. Since CHI does not otherwise maintain a comprehensive list/description of its tangible personal property, the lists/descriptions that have been (and/or will be) made available to Parent consist of the lists/descriptions of tangible personal property that is attached to CHI's tax returns. All references in this Agreement to lists/descriptions of CHI's tangible personal property, shall be referring to such lists/descriptions that are so contained in CHI's tax returns. The assets contained on such listing constitute all the tangible personal property reasonably necessary for the conduct by CHI of the Business, and such assets are in good operating condition and repair, ordinary wear and tear excepted, and have been properly maintained. Except as disclosed in Schedule 2.13(a), no personal property used by CHI in connection with the Business is held under any security agreement, conditional sales contract, or other title retention or security agreement, or is located other than in the possession of CHI.

(b) Intangible Personal Property. Schedule 2.13(b) attached hereto contains a true and correct list of all patents and patent applications, copyrights and applications

therefor, trademarks, trade names and service marks, whether or not registered, and whether owned or licensed for use by CHI, and any applications therefor, designs, drawings, processes, inventions, products, computer software, firmware or hardware and other trade secrets and know-how (the "Intangible Personal Property") owned by CHI or used in or necessary to the conduct of the Business. Schedule 2.13(b) also contains a list of all license agreements and other arrangements under which CHI uses, or licenses to any third party, any patents, trademarks or other intellectual property, true and complete copies of which have been provided to Parent. CHI owns or is licensed, or otherwise has the full right and authority to use, all Intangible Personal Property required for the conduct of the Business in the manner presently conducted, and, to the best knowledge of the Selling Parties, such use does not conflict with, infringe upon or violate any trademark, trade name, copyright, patent rights or trade secret rights of any other person or entity. Neither CHI nor any of its products or advertising or marketing materials, (i) to the best knowledge of the Selling Parties, has infringed, or is now infringing, any patent, trade name, trademark, service mark, copyright, trade secret, technology, know-how or process belonging to any other person, firm or corporation, which infringement would have a Material Adverse Effect on CHI or (ii) has breached or violated or is in breach or violation of any license agreement governing the use of any intellectual property by CHI which, in either case, would have a Material Adverse Effect on CHI. Except as disclosed in Schedule 2.13(b), neither CHI nor any of the Shareholders has received any written notice or other indication of any such claim of infringement or violation.

2.14 Accounts Receivable. CHI has delivered to Parent a complete and current aging of all accounts receivable of CHI as of December 31, 1998, as set forth on Schedule 2.14 attached hereto. All such accounts receivable represent, and all accounts receivable arising from the operation of the business of CHI between the date hereof and the Closing (collectively, the "Accounts Receivable") will represent, amounts due CHI for bona fide sales of products actually made or services actually performed on or prior to the date such Accounts Receivable were or will be recorded on the books of CHI, in the ordinary course of business and consistent with past practices, and are, or on or prior to the Closing Date will be, valid and collectible in full in the ordinary course of business. No reserves for invalid or uncollectible receivables have been made, and, in the opinion of the Selling Parties, no such reserves are necessary. There is no contest, claim or right of set-off contained in any oral or written agreement with any account debtor relating to the amount or validity of any Account Receivable.

2.15 Inventories. CHI has furnished to Parent a complete, current and correct list of all inventories of CHI as of April 30, 1999, which inventories reflect an "assumed value" for each store (the "Inventories"), as set forth in Schedule 2.15 attached hereto. The Inventories are, and as of the Closing Date will be, of a quality and quantity usable and salable in the ordinary course of business.

2.16 Related Party Transactions. Except as described on Schedule 2.16 attached hereto, no officer, director or Shareholder of CHI, and none of their relatives or affiliates, owns any interest in any competitor, lessor, lessee or customer or supplier of CHI (not including, however, the ownership of up to 1% of a publicly traded company); and CHI is not a party to any transaction or arrangement with any of its respective officers, directors or Shareholders, or any relative or affiliate of any of them, which relates to or affects the ownership, lease or use or disposition of any assets, properties or the operations of CHI or the sale, lease or use of goods or services, or the loan of money or any extension of credit or guaranty, by or to CHI, other than the payment of wages,

judgment, order, writ, injunction, decree, or order, which may have a Material Adverse Effect, or in the future could have a Material Adverse Effect. Except as disclosed in Schedule 2.21 attached hereto, CHI knows of no facts, circumstances or events which may result in any material adverse change in the condition (financial or otherwise), operating results, business or prospects of the Business or which may have a Material Adverse Effect.

2.22 Illegal or Improper Payments. During the past five (5) years neither CHI, nor its directors, officers or Shareholders have, in connection with the operation of the Business: (i) made any illegal political contribution; (ii) made or received payments, whether direct or indirect, to or from government officials, employees or agents for purposes other than the satisfaction of lawful obligations, or been involved in any transaction that has or had as its intended effect the transfer of funds or assets other than for the satisfaction of lawful obligations; or (iii) been involved in the willfully inaccurate recording of payments and receipts on its books or any other matter of a similar nature involving disbursements of funds or assets, and CHI is not aware of any material inaccurate recording of any payment or receipt on CHI's books.

2.23 Representations and Warranties. The representations and warranties of CHI and Shareholders contained herein and the materials contained in the Schedules attached hereto do not contain any statement of a material fact that was untrue when made or omit any material fact necessary to make the information contained therein not misleading. Information in any one Schedule delivered pursuant hereto need not be repeated in any other Schedule; rather, once a disclosure is made in any particular Schedule attached hereto, such disclosure shall also be deemed to have been made for purposes of all other relevant Schedules to this Agreement, whether or not such disclosure is again repeated or cross-referenced in such other Schedule. To the extent that representations provide that certain documents and information described on schedules have been delivered to Parent, such representation shall be true and correct as long as such documents have been made available to Parent prior to Closing.

3. INTENTIONALLY OMITTED.

4. REPRESENTATIONS AND WARRANTIES OF PARENT. The parties recognize that it is not the intent of CHI or its Shareholders to assert or claim a breach of any representation or warranty set forth in this Agreement made in good faith by Parent and Acquisition Sub that does not result individually or in the aggregate in a material adverse effect on the business, operations or financial condition of Parent and its subsidiaries (taken as a whole) (hereafter, a "Parent Material Adverse Effect"). Accordingly, except as specifically set forth in the next sentence, an inaccuracy in or breach of any one or more of the representations or warranties set forth in this Section 4 shall not constitute a breach of this Agreement (and therefore shall not give rise to Shareholders' right to seek indemnification pursuant to Section 9 hereof) unless (i) such representation or warranty was not made in good faith or (ii) any such one or more inaccuracies or breaches result in a Parent Material Adverse Effect. Notwithstanding the foregoing, however, the parties hereto agree that any inaccuracy or breach whatsoever in the representations and warranties set forth in Sections 4.2, 4.4 and 4.5 hereof shall be deemed to have the prohibited "Parent Material Adverse Effect." Because the overall "Parent Material Adverse Effect" standard that applies to all of the representations and warranties set forth in this Section 4 (other than those set forth in Section 4.2, 4.4 and 4.5 hereof), the parties did not attempt to again reiterate the same "Parent Material Adverse Effect" standard or qualification in each particular representation and warranty (and, in the

event the standard has been reiterated, such reiteration does not change or modify the foregoing standard). Subject to the foregoing, Parent and Acquisition Sub jointly and severally represent and warrant to CHI and the Shareholders as follows:

4.1 Organization. Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Acquisition Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Parent has full corporate power and authority to own its properties and assets and to carry on its business as now being conducted and is duly qualified or licensed to do business as a foreign corporation in good standing in the jurisdictions in which the ownership of its property or the conduct of its business require such qualification, except jurisdictions in which the failure to be so qualified or licensed would not have a Parent Material Adverse Effect.

4.2 Authorization, Etc. Each of Parent and Acquisition Sub has full corporate power and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby. The Board of Directors of Parent and Acquisition Sub has duly approved and authorized the execution and delivery of this Agreement and the documents and instruments contemplated hereby and the consummation of the transactions contemplated hereby and no other corporate proceedings on the part of Parent or Acquisition Sub is necessary to approve and authorize the execution and delivery by Parent or Acquisition Sub of this Agreement and the consummation by Parent and Acquisition Sub of the transactions contemplated hereby. This Agreement constitutes a valid and binding agreement of Parent and Acquisition Sub, assuming the due execution of this Agreement by the Selling Parties, enforceable against Parent and Acquisition Sub in accordance with its terms, except that (i) the enforcement hereof and thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally; and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the direction of the court before which any proceeding therefor may be brought.

4.3 No Conflicts. Neither the execution and delivery nor the performance of this Agreement or the issuance of the Series D Shares by Parent is prohibited by any law or statute, including, without limitation, the Delaware General Corporation Law, as amended (the "DGCL"), or the California Code, or will result in any of the following: (i) a default or an event that, with notice or lapse of time, or both, would constitute a default, breach or violation of the Certificate of Incorporation or Bylaws of Parent or Acquisition Sub, any contract, lease, license, franchise, promissory note, credit facility, loan agreement, conditional sales contract, commitment, indenture, mortgage, deed of trust, security or pledge agreement, or other agreement, instrument or arrangement to which Parent or Acquisition Sub is a party or is subject and which is material to Parent and its subsidiaries considered as a whole (a "Material Parent Contract"); (ii) the termination of any Material Parent Contract or the acceleration of the maturity of any indebtedness or other monetary obligation of Parent or Acquisition Sub; or (iii) a violation or breach of any law or statute, including, without limitation, the DGCL or the California Code, or of any writ, injunction or decree of any court or governmental instrumentality to which Parent or Acquisition Sub is a party or by which any of their respective properties are bound or any laws or regulations applicable to Parent or Acquisition Sub.

4.4 The Series D Shares and the Conversion Shares. Parent has taken all requisite corporate action to authorize the issuance of, and has reserved for issuance, the Series D Shares and the Conversion Shares. Except as hereinabove set forth, Parent is not making or has not made any representations or warranties to the Shareholders, with respect to the Conversion Shares, including as to the value thereof or as to the likelihood that Parent will consummate an initial public offering.

4.5 Capitalization. The authorized capital stock of the Parent consists of 20,000,000 shares of Common Stock, of which 19,000,000 shares have designated as Series A Common Stock, of which 4,313,322 shares are issued and outstanding, and 1,000,000 shares have been designated as Series B Common Stock, of which 135,000 shares are issued and outstanding; 11,227,245 shares of Preferred Stock, of which 8,000,000 shares have been designated as Series A Preferred Stock (the "Series A Preferred"), of which 5,372,408 shares are issued and outstanding, 3,200,000 shares have been designated as Series B Preferred Stock (the "Series B Preferred"), of which 2,803,832 shares are issued and outstanding, 2,245 shares have been designated as Series C Preferred Stock (the "Series C Preferred"), all of which shares are issued and outstanding, and 25,000 shares have been designated as Series D Preferred Stock ("Series D Preferred"), 9,200 of which will be issued and outstanding following the Closing. The issuance and sale of the Series D Shares pursuant to this Agreement will not result in any adjustment, and no adjustments have been made, to the conversion prices applicable to the outstanding shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, or the exercise prices applicable to any outstanding warrants to purchase shares of capital stock of Parent. All of the issued and outstanding shares of capital stock and other securities of Parent have been duly authorized and validly issued, and are fully paid and nonassessable and issuance of all such shares and other securities on or before the date hereof has been made in compliance with the Securities Act and all applicable state securities or blue sky laws. The Parent has reserved up to 5,372,408 shares of Common Stock for issuance upon conversion of the issued and outstanding shares of Series A Preferred, 2,803,832 shares of Common Stock for issuance upon conversion of the issued and outstanding shares of Series B Preferred, such number of shares of Common Stock as may be necessary for issuance upon conversion of the issued and outstanding shares of Series C Preferred, and such number of shares of Common Stock as may be necessary for issuance upon conversion of the issued and outstanding shares of Series D Preferred. All outstanding securities of Parent were issued in compliance with applicable federal and state securities laws. Except as set forth on Schedule 4.5 and except for the Conversion Shares, on the Closing Date, there will be no shares of Common Stock or any other equity security of Parent issuable upon conversion or exchange of any security of Parent nor will there be any rights, options or warrants outstanding or other agreements to acquire shares of Common Stock nor will Parent be contractually obligated to purchase, redeem or otherwise acquire any of its outstanding shares. Except as set forth on the Schedule 4.5, no shareholder of Parent is entitled to any preemptive rights, rights of first refusal or similar rights to subscribe for shares of capital stock of Parent. The Common Stock has a par value of \$.000004 per share and the Series A Preferred, Series B Preferred, and Series C Preferred and Series D Preferred each has a par value of \$.01.

True and correct copies of the Certificate of Incorporation of Parent, as amended to the Effective Time, have been delivered to CHI, which sets forth the rights, preferences and privileges that are applicable to the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred. Schedule 4.5 hereto also sets forth a list of each shareholder of Parent (the "Parent

Shareholders”), together with the amount of shares (whether Common Stock, Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred) owned by each such Parent Shareholder as of the date hereof.

4.6 Financial Statements. Parent has delivered to Shareholders (i) its consolidated financial statements consisting of audited balance sheets, statements of income and statements of cash flow and shareholders’ equity as of and for the fiscal years ended June 30, 1997 and 1998, certified by Deloitte & Touche LLP, certified public accountants (the “Parent Audited financial Statements”), and (ii) its unaudited consolidated interim financial statements consisting of balance sheets and related statements of income for the nine months ended March 27, 1999 (the “Parent Unaudited Financial Statements,” and together with the Parent Audited Financial Statements, the “Parent Financial Statements”). The Parent Financial Statements fairly present the financial condition of Parent and its subsidiaries and the results of its operations as of the relevant dates thereof and for the respective periods covered thereby.

4.7 No Brokers’ or Other Fees. No broker, finder or investment banker is entitled to any fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Parent.

4.8 Representations and Warranties. The representations and warranties of Parent contained herein and the materials contained in Schedules attached hereto do not contain any statement of a material fact that was untrue when made or omit any material fact necessary to make the information contained therein not misleading.

5. CONDITIONS TO SELLING PARTIES’ OBLIGATIONS. The obligations of the Selling Parties to effect the Closing of the Merger under this Agreement are subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions, unless waived in writing by the Selling Parties.

5.1 Representations and Warranties. The representations and warranties made by Parent in this Agreement shall be true and correct on the Closing Date as though such representations and warranties were made at and as of such date, except for changes expressly permitted or contemplated by this Agreement.

5.2 Performance. Parent shall have performed and complied in all material respects with all agreements, obligations and covenants required by this Agreement to be so performed or complied with by Parent prior to the Closing Date.

5.3 Officer’s Certificate. Parent shall have delivered to Shareholders certificates, dated the Closing Date and executed by the President or a Vice President of Parent, certifying to the satisfying of the conditions specified in Sections 5.1 and 5.2 hereof.

5.4 Good Standing Certificate. Parent shall have delivered to Shareholders a good standing certificate of Parent and Acquisition Sub, as of a recent date, from the Secretary of State of the State of Delaware.

5.5 Injunctions. There shall be no injunction, writ, preliminary restraining order or other order in effect of any nature issued by a court or governmental agency of competent

jurisdiction prohibiting or otherwise restricting consummation of the transactions provided for herein.

5.6 Actual or Threatened Litigation. No governmental agency or private party shall have instituted, and no governmental agency shall have expressly stated in writing that it will institute, any action, suit or proceeding before any court or administrative body which seeks to enjoin, questions the legality of, or materially and adversely affects the consummation of the transactions contemplated by this Agreement.

5.7 Series D Certificate of Designations. Parent shall have taken all corporate actions necessary to file the Series D Certificate of Designations with the Secretary of State of the State of Delaware, and the Series D Certificate of Designations shall have been so filed.

5.8 Delivery of Registration Rights Agreement. Parent shall have executed and delivered to the Shareholders the Registration Rights Agreement, as provided for in Section 7.8 below.

5.9 No Material Adverse Changes. There shall not have been any material adverse change in the assets, liabilities, financial condition or business of Parent and its subsidiaries, taken as a whole, since the date hereof.

5.10 Delivery of Employment Agreements. Acquisition Sub shall have executed and delivered to each of Jean Mayer and Russell Hersowitz the Employment Agreements (as provided in Section 7.4 below).

5.11 Delivery of Consulting Agreement. Acquisition Sub shall have executed and delivered to Michael O'Rourke the Consulting Agreement (as provided in Section 7.5 below).

5.12 Delivery of Escrow Agreement. Parent shall have executed and delivered to the Shareholders or Holders' Representative the Escrow Agreement (as provided in Section 1.10).

5.13 Consents. Any governmental and third-party consents necessary to effect the Closing shall have been obtained, including, but not limited to, the consent of "Parent's Lender" (as defined in Section 6.7 below), except such consents that have been waived by Parent and would not have a Material Adverse Effect or a Parent Material Adverse Effect.

6. CONDITIONS TO PARENT'S OBLIGATIONS. The obligations of Parent to effect the Closing of the Merger under this Agreement are subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions, unless waived in writing by Parent.

6.1 Representations and Warranties. The representations and warranties made by the Selling Parties in this Agreement shall be true and correct on the Closing Date as though such representations and warranties were made at and as of such date, except for changes expressly permitted or contemplated by the terms of this Agreement.

6.2 Performance. The Selling Parties shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be so performed or complied with by the Selling Parties prior to the Closing.

6.3 Officers' and Shareholders' Certificate. The Selling Parties shall have delivered to Parent a certificate, dated the Closing Date and, with respect to CHI, executed by the President or a Vice President of CHI, certifying to the fulfillment of the conditions specified in Sections 6.1 and 6.2 hereof and, if such certificate provides for any changes or differences from the conditions specified in Sections 6.1 and 6.2 hereof, and Parent, notwithstanding such changes, elects to consummate the Merger, then such conditions shall be deemed waived by Parent.

6.4 Good Standing Certificates. CHI shall have delivered to Parent good standing certificates, as of a recent date, from the Secretary of State of the states in which CHI is incorporated and qualified to do business.

6.5 No Material Adverse Changes. There shall not have been any material adverse change in the assets, liabilities, financial condition or business of CHI since the date hereof, other than any such changes that may have resulted from CHI's attempt to obtain the landlord consents to the Merger.

6.6 Injunctions. There shall be no injunction, writ, preliminary restraining order or other order in effect of any nature issued by a court or governmental agency of competent jurisdiction prohibiting or otherwise restricting consummation of the transactions provided for herein.

6.7 Consents. Any governmental consent necessary to effect the Closing and the consent of The Chase Manhattan Bank ("Parent's Lender") shall have been obtained prior to Closing.

6.8 Actual or Threatened Litigation. No governmental agency or private party shall have instituted, and no governmental agency shall have expressly stated in writing that it will institute, any action, suit or proceeding before any court or administrative body which seeks to enjoin, questions the legality of, or materially and adversely effects the consummation of the transactions contemplated by this Agreement.

6.9 Delivery of Shareholder Non-Competition Agreements. Shareholders shall have executed and delivered the Non-Competition Agreements (as provided in Section 7.3 below).

6.10 Delivery of Employment Agreements. Each of Jean Mayer and Russell Hersowitz shall have executed and delivered to Acquisition Sub the Employment Agreements (as provided in Section 7.4 below).

6.11 Delivery of Consulting Agreement. Michael O'Rourke shall have executed and delivered to Acquisition Sub the Consulting Agreement (as provided in Section 7.5 below).

6.12 Delivery of Registration Rights Agreement. The Shareholders shall have executed and delivered to Parent the Registration Rights Agreement (as provided in Section 7.8 below).

6.13 Escrow Agreement. The Holders' Representative shall have executed and delivered to Parent the Escrow Agreement (as provided in Section 1.10 above).

6.14 Financial Statements. CHI shall have delivered the Financial Statements within five (5) business days prior to Closing, and there shall not be any material adverse change (in the reasonable discretion of Parent) in the Financial Statements (taken as a whole) compared to the Preliminary Financial Statements. Parent agrees to notify CHI in writing within three (3) business days following receipt of the Financial Statements whether or not Parent reasonably believes that there is a material adverse change in the Financial Statements (taken as a whole) compared to the Preliminary Financial Statements. Failure of Parent to notify CHI in writing within the foregoing time period or Parent's election to consummate the Merger shall be deemed approval of the Financial Statements and a waiver of this condition.

6.15 Termination of Ownership Interest. Piero Broccardo shall have relinquished or terminated his right to any ownership interest in CHI as described in that certain letter dated April 22, 1997 from CHI to Broccardo for legally valid consideration, as reasonably determined by Parent.

7. COVENANTS AND AGREEMENTS.

7.1 Conduct of Business. The Selling Parties covenant that, except (i) for actions taken to implement this Agreement and the transactions contemplated hereby (including issuing CHI Shares to those shareholders (the "Performance Shareholders") who have the right to acquire CHI Shares pursuant to the performance agreements currently in effect and listed on Schedule 7.1 hereto), (ii) in the ordinary course of business consistent with past practice, (iii) as set forth in Schedule 7.1, (iv) for the Subsidiary Merger Transactions, or (v) as consented to by Parent, from and after the date of this Agreement and until the Closing Date, the Selling Parties shall:

(a) Use commercially reasonable best efforts to preserve intact the present business organization of CHI and to maintain the property of CHI and CHI's relationship with its customers and employees;

(b) Refrain from (i) causing to be issued or sold any shares of capital stock or other securities of CHI or any options, warrants or commitments of any kind with respect thereto; (ii) directly or indirectly causing to be purchased, redeemed or otherwise acquired or disposed of any shares of capital stock of CHI; (iii) declaring, setting aside or paying any dividend or other distribution; (iv) permitting or allowing CHI to borrow or agree to borrow any funds or incur, whether directly or by way of guarantee, any obligation for borrowed money, other than in the ordinary course of business and consistent with past practice; (v) subjecting any of the property or assets of CHI (real, personal or mixed, tangible or intangible) to any mortgage, pledge, lien or encumbrance or otherwise permitting or allowing the disposition of any material property or assets of CHI (real, personal or mixed, tangible or intangible), other than in the ordinary course of business and consistent with past practice; (vi) making any change in compensation payable or to become payable to any employee or in the benefits offered to any employee other than in the ordinary course of business, consistent with past practice; or (vii) agreeing to do any of the foregoing; and

(c) Maintain the books and records of CHI in accordance with prior practice.

7.2 Exclusivity. From and after the date hereof and continuing until the termination of this Agreement pursuant to Section 8.1 hereof, neither CHI, nor the Shareholders will,

directly or indirectly, solicit, initiate, or encourage the submission of or participate in any negotiations or discussions with respect to any proposal or offer from any person relating to the acquisition of the CHI Shares or CHI (or all or substantially all of the assets thereof), including any acquisition structured as a merger, consolidation or share exchange.

7.3 Non-Competition Agreements. Concurrently with the Closing, each Shareholder and Parent shall enter into a Non-Competition Agreement (the "Non-Competition Agreements") in substantially the form of Exhibit E hereto.

7.4 Employment Agreements. Concurrently with the Closing, Jean Mayer shall enter into an Employment Agreement with Parent in substantially the form to be agreed by Jean Mayer and Parent (the "Mayer Employment Agreement"), and Russell Hersowitz and Parent shall enter into an Employment Agreement in substantially the form to be agreed to by Russell Hersowitz and Parent (the "Hersowitz Employment Agreement" and, together with the Mayer Employment Agreement, the "Employment Agreements"). Notwithstanding anything to the contrary contained herein, the form of such Employment Agreements shall be agreed to in writing (pursuant to a separate instrument) by the applicable parties concurrently with or prior to the execution and delivery of this Agreement.

7.5 Consulting Agreement. At or prior to Closing, Michael O'Rourke and Parent shall enter into a Consulting Agreement in substantially the form to be agreed by Michael O'Rourke and Parent in writing (pursuant to a separate instrument) concurrently with or prior to the execution and delivery of this Agreement.

7.6 Registration Rights Agreement. At the Closing, Parent and Shareholders shall enter into a Registration Rights Agreement in substantially the form attached hereto as Exhibit I.

7.7 Post-Closing Obligations of Parent with Respect to its Stock. During the period of time commencing on the date hereof and continuing until such time as 80% of the Series D Shares (issued to the Shareholders) have been converted into the Common Stock of Parent, Parent shall not issue any additional Common Stock (or other shares that are convertible into Common Stock of Parent) to any then existing 3% (or greater) shareholder of Parent, unless such issuance is for fair and adequate consideration; provided, however, that the following issuances shall be excluded from the foregoing restriction:

(a) shares of Common Stock issued or issuable upon conversion of any shares of the Company's Preferred Stock;

(b) shares of Common Stock issued or issuable pursuant to the Convertible Debenture due September 30, 2001, originally issued to Duke Specialty Ventures, Inc.;

(c) shares of Common Stock issued or issuable in a public offering registered under the Securities Act;

(d) shares of Common Stock or related options exercisable for such Common Stock issued to employees, officers, and directors of the Corporation, or consultants,

customers and vendors to the Corporation, pursuant to an arrangement previously approved by the Board of Directors of the Corporation;

(e) shares of Common Stock issued or issuable as a result of an adjustment in the conversion prices of the Preferred Stock of Parent as set forth in Parent's Certificate of Incorporation of record as of the date of this Agreement;

(f) the warrants issued or issuable to Allen & Company Incorporated on or about August 31, 1995 to purchase not more than 455,748 shares of Common Stock, and the shares of Common Stock issued upon the exercise of such warrants;

(g) shares of Common Stock issued or issuable in connection with the acquisition by the Corporation of all of the outstanding voting stock or substantially all of the assets of another unrelated entity; provided, however, that such acquisition is an arms length transaction;

(h) shares of Common Stock or related warrants exercisable for such Common Stock issued to (i) any lessor of capital equipment or (ii) any lender for borrowed monies pursuant to financing arrangements with such lessor or lender approved by the Board of Directors of Parent; and (i) shares of Common Stock issued pursuant to a transaction described in Sections A.5(d)(ii) or B.5(d)(ii) in the Certificate of Incorporation of Parent.

7.8 Non-Solicitation of Employees. During the period of time commencing with date hereof and ending one (1) year following the termination of this Agreement pursuant to Section 8.1 hereof (the "Non-Solicitation Period"), (i) Parent, Acquisition Sub and Parent's other subsidiaries and affiliates (collectively, the "Parent Group") shall not solicit any employee of CHI or any of CHI's subsidiaries or other affiliates (collectively, the "CHI Group"), of whom the Parent Group became aware prior to the termination of this Agreement, and (ii) no member of the CHI Group shall solicit any employee of the Parent Group of whom the CHI Group became aware prior to the termination of this Agreement; provided, however, that the foregoing restrictions in clause (i) or (ii) above shall not apply to a general advertisement by either the Parent Group or the CHI Group.

7.9 Subsidiary Merger Transactions. Immediately prior to the Effective Time, CHI shall cause each of its subsidiaries that are not 100% owned by CHI and which are listed on Schedule 7.9 hereto to be merged with and into CHI such that each of the shareholders of such subsidiaries (other than CHI) shall become shareholders of CHI (collectively, the "Subsidiary Merger Transactions").

7.10 Taxes. The parties hereto acknowledge and agree that (a) the fair market value of the Series D Shares and other cash consideration received by the Shareholders of CHI will be approximately equal to the aggregate fair market value of the CHI Shares surrendered in the Merger and (b) none of the compensation received by any shareholder - employee of CHI after the Merger will be separate consideration for, or allocable to, any of his or her CHI Shares; none of the Series D Shares received by any shareholder - employee of CHI in the Merger will be separate consideration for, or allocable to, any employment agreement; and the compensation paid to any shareholder - employee after the Merger pursuant to arrangements entered into after the Merger will be for services actually rendered and will be commensurate with amounts paid to third parties bargaining at arm's length for similar services.

7.11 Performance Shareholders. Prior to the Effective Time, CHI plans to issue CHI Shares to the Performance Shareholders pursuant to the performance agreements currently in effect and listed on Schedule 7.1 hereto in which case the Performance Shareholders shall have the right to receive a certain pro rata portion of the Merger Consideration as described in Schedule 1.6 to be delivered concurrently with the execution of the Merger Agreement. If, prior to or subsequent to the Closing, any of the Performance Shareholders request a payment in cash in lieu of the CHI Shares as contemplated by the performance agreements, Parent hereby agrees to effect the Closing of the Merger (subject to any other conditions in Section 6 hereof) without any reduction in the Merger Consideration; provided, however, that Parent shall have the right to withhold from the Cash Consideration portion of the Merger Consideration an amount sufficient to pay to any such Performance Shareholder such amount of cash in lieu of the Merger Consideration, in which event the other Shareholders would have the right to their pro rata portion of the Merger Consideration that was otherwise allocated to any such Performance Shareholder.

8. TERMINATION.

8.1 Termination. This Agreement may be terminated and abandoned at any time prior to the Closing:

- (a) By the mutual consent of Parent and the Selling Parties;
- (b) By either Parent or the Selling Parties, in the event the Closing has not occurred on or before October 25, 1999 (the "Cut-Off Date");
- (c) By either Parent or the Selling Parties in the event any court or governmental agency of competent jurisdiction shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated hereby and such order, decree or ruling or other action shall have become final and nonappealable; or
- (d) By either Parent or the Selling Parties in the event the other party is in material breach of any representation, warranty, covenant or agreement in this Agreement, which is not cured before the earlier of the Closing Date or five (5) days after written notice thereof has been given to the other party.

Any decision to be made or action to be taken by the Selling Parties pursuant to this Section 8.1 shall be taken or made by CHI and those Shareholders holding more than 50% of the CHI Shares (a "Majority-In-Interest"). Any such action taken or decision made by CHI and a Majority-In-Interest of the CHI Shares shall be unconditionally binding on all Selling Parties, even those Shareholders who did not wish to make such decision or take such action. Accordingly, in those circumstances, all Shareholders shall execute any and all agreements, documents or instruments that are necessary, desirable, appropriate or reasonably requested by the Majority-In-Interest of the CHI Shares, in order to further evidence, memorialize or implement such decision or action that has been made or taken by CHI and a Majority-In-Interest of the CHI Shares.

8.2 Procedure and Effect of Termination. In the event of the termination and abandonment of this Agreement pursuant to Section 8.1 hereof, written notice thereof shall forthwith

be given to the other parties. If the transactions contemplated by this Agreement are terminated as provided herein:

(a) Each party will redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same; and

(b) No party to this Agreement will have any further rights, obligations or liabilities under this Agreement except (i) as stated in subparagraph (a) of this Section 8.2; (ii) for any breach of any provision of this Agreement; and (iii) the provisions of Section 7.8 shall continue in full force and effect during the Non-Solicitation Period.

9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION.

9.1 Survival of Representations and Warranties. The several representations and warranties, and the several covenants and agreements of the parties contained in this Agreement or in any instrument delivered pursuant hereto shall survive the Closing Date and will remain in full force and effect until one (1) year following the Closing Date.

9.2 Indemnification Provisions for the Benefit of Parent.

(a) Subject to the provisions of this Article IX, Shareholders and, prior to the Closing, CHI hereby agree that they will, jointly and severally, indemnify, hold harmless and defend Parent and its directors, officers, shareholders, employees, agents and successors and assigns (collectively, the "Parent Indemnified Parties" or, individually, a "Parent Indemnified Party") from and against any and all Parent Liabilities (as hereinafter defined) that arise from or are in connection with: (i) any facts, circumstances or events, the existence or happening of which constitutes a breach of any of the representations or warranties of CHI or Shareholders contained in this Agreement or in any Exhibits or Schedules hereto or any certificates or other documents delivered hereunder by or on behalf of any of CHI or the Shareholders; or (ii) any breach or default by any of CHI or the Shareholders of any of their respective covenants or agreements contained in this Agreement (all such Parent Liabilities that arise from or in connection with the facts, circumstances or events described in clauses "(i)" and/or "(ii)" next above, are hereinafter referred to as the "Indemnifiable Parent Liabilities"). Notwithstanding the foregoing, Parent shall not be entitled to indemnification hereunder until the Indemnifiable Parent Liabilities exceed \$25,000 and thereafter shall be entitled to indemnification for all Indemnifiable Parent Liabilities subject to the restrictions and limitations described in Section 9.2(b) below. "Parent Liabilities," as used in this Agreement, shall mean: all liabilities, damages, taxes, costs, losses and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Parent Indemnified Parties that result from demands, claims, actions, suits, and legal or other proceedings brought against any or all of the Parent Indemnified Parties, and any judgments rendered therein or settlements thereof.

(b) Escrow Fund. The Escrow Shares shall be registered in the names of the Shareholders or in the name of the Holders' Representative, but shall be deposited with the Escrow Agent (together with stock assignment duly executed in blank), such deposit to constitute an escrow fund to be governed by the terms set forth herein and in the Escrow Agreement (the "Escrow

Fund"). The adoption and approval of this Agreement by CHI's Shareholders in accordance with the CGCL shall constitute approval for the Escrow Agreement and of all of the arrangements relating thereto, including without limitation the placement of the Escrow Shares in escrow and the appointment of the Holders' Representative to act for and on behalf of the Shareholders of CHI to give and receive notices and communications, to authorize delivery of any of the Escrow Shares from the Escrow Fund in satisfaction of claims by Parent, to object to such deliveries, to agree to, negotiate and enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of such representative for the accomplishment of the foregoing. At any time on or before 365 days after the Effective Time (the "Indemnification Period"), if Parent makes a claim for Indemnifiable Parent Liabilities and is entitled to indemnification pursuant to Section 9.2(a) hereof, the Escrow Agent shall, upon compliance with the procedures set forth in the Escrow Agreement, release to Parent from the Escrow Fund such number of Escrow Shares with a liquidation preference that is equal in value to such Indemnifiable Parent Liabilities with respect to which Parent is entitled to indemnification pursuant to Section 9.2(a) hereof. Upon distribution by the Escrow Agent to Parent pursuant to this Section, the Escrow Fund will be correspondingly reduced. At the end of the Indemnification Period, the Escrow Agent shall release to the Shareholders of CHI on a pro rata basis the remaining Escrow Shares. Notwithstanding anything to the contrary contained herein, Parent agrees that, after the Closing, the sole and exclusive remedy of Parent against CHI and its Shareholders for any damage, loss, liability or expense (including without limitation the Indemnifiable Parent Liabilities) under this Agreement or in connection with the transactions contemplated hereunder (whether arising as a result of a breach of representation or warranty or as a result of a breach of covenant) shall be limited to the Escrow Fund.

9.3 Indemnification for Benefit of Shareholders. Parent hereby agrees that it will indemnify, hold harmless and defend Shareholders and its agents and successors and assigns (collectively, the "Seller Indemnified Parties" or, individually, a "Seller Indemnified Party") from and against any and all Seller Liabilities (as hereinafter defined) that arise from or are in connection with: (i) any facts, circumstances or events the existence or happening of which constitutes a breach of any of the representations or warranties of the Parent contained in this Agreement or in any Exhibits or Schedules hereto or any certificates or other documents delivered hereunder by or on behalf of Parent; or (ii) any breach or default by Parent or Acquisition Sub of any of its covenants or agreements contained in this Agreement. "Seller Liabilities" as used in this Agreement, shall mean: (x) demands, claims, actions, suits, and legal or other proceedings brought against any or all of the Seller Indemnified Parties, and any judgments rendered therein or settlements thereof, and (y) all liabilities, damages, losses, taxes, including interest and penalties, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by any or all of the Seller Indemnified Parties, whether or not they have arisen from or were incurred in or as a result of any demand, claim, action, suit, assessment or other proceeding or any settlement or judgment, and whether sustained before or after the Closing Date.

9.4 Notice of Indemnification Claims.

(a) To be effective, any claim for indemnification under this Section 9 by any of the Parent Indemnified Parties or Seller Indemnified Parties (collectively, the "Indemnified Parties") must be made by a written notice (a "Notice of Claim") to the indemnifying parties (the

"Indemnifying Parties"), given in accordance with the provisions of Section 10.5 hereof, accompanied by documentation supporting the claim. In the event of the assertion, in writing, of a third-party claim or dispute which, if adversely determined would entitle any of the Indemnified Parties to indemnification hereunder, the Indemnified Parties shall promptly notify the Indemnifying Parties thereof in writing. The Indemnifying Parties may elect, by written notice to the Indemnified Parties, to assume and direct, at their sole expense, the defense of any such third-party claim, and may, at their sole expense, retain counsel in connection therewith, provided that such counsel is reasonably acceptable to the Indemnified Parties. After the assumption of such defense by the Indemnifying Parties with counsel reasonably acceptable to the Indemnified Parties, and for so long as the Indemnifying Parties conduct such defense on a diligent and timely basis, the Indemnifying Parties shall not be responsible for the payment of legal fees incurred thereafter by the Indemnified Parties (who may, however, continue to participate in the defense thereof with separate counsel); provided, that, the Indemnifying Parties shall be responsible for paying the fees and expenses of one separate counsel for the Indemnified Parties if the Indemnifying Parties and the Indemnified Parties have conflicting positions with respect to such third party claim or dispute or if the Indemnifying Parties, on the one hand, or the Indemnified Parties, on the other hand, have defenses not available to the other. If the Indemnifying Parties fail to and until the Indemnifying Parties do undertake the defense of any such third party claim or dispute, or if the Indemnifying Parties discontinue the diligent and timely conduct thereof, any of the Indemnified Parties may undertake such defense and the Indemnifying Parties shall be responsible for reimbursing the Indemnified Parties for their legal fees and expenses as and when incurred by them. Notwithstanding anything to the contrary contained herein, to the extent the Shareholders are the Indemnifying Parties, (i) the Shareholders shall be entitled to be reimbursed on a dollar-for-dollar basis from the Escrow Fund for any and all amounts so paid or incurred by the Shareholders pursuant to this Section 9.4(a), and (ii) the overall restrictions and limitations described in Section 9.2(b) hereof shall also apply to and encompass the obligations of the Shareholders under this Section 9.4(a). No party hereto may settle or compromise any such third-party claim or dispute without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld.

(b) Upon receipt of a Notice of Claim, the Indemnifying Parties shall have fifteen (15) calendar days to contest their indemnification obligation with respect to such claim, or the amount thereof, by written notice to the Indemnified Parties (a "Contest Notice"). Such Contest Notice shall specify the reasons or bases for the objection of the Indemnifying Parties to the claim, and if the objection relates to the amount of the Liabilities asserted, the amount, if any, which the Indemnifying Parties believe is due the Indemnified Parties. If no such Contest Notice is given within such 15-day period, the obligation of the Indemnifying Parties to pay to the Indemnified Parties the amount of the Liabilities set forth in the Notice of Claim shall be deemed established and accepted by the Indemnifying Parties (subject to the restrictions and limitations set forth in Section 9.2(b) hereof). If, on the other hand, the Indemnifying Parties contest a Notice of Claim within such 15-day period, the Indemnified Parties and the Indemnifying Parties shall thereafter attempt in good faith to resolve their dispute by agreement. If they are unable to so resolve their dispute within the immediately succeeding thirty (30) days, such dispute shall be resolved by binding arbitration in Orange County, California, in accordance with Section 10.11 below. The award of the arbitrator shall be final and binding on the parties and may be enforced in any court of competent jurisdiction. Upon final determination of the amount of the Liabilities that is the subject of an indemnification claim (whether such determination is the result of the Indemnifying Parties' acceptance of, or failure to contest, a Notice of Claim, or of a resolution of any dispute with respect thereto by agreement of

the parties or binding arbitration), such amount shall be payable by the Indemnifying Parties to the Indemnified Parties who have been determined to be entitled thereto within five (5) days of such final determination of the amount of the Parent Liabilities or Seller Liabilities (the "Liabilities"), as the case may be, due by the Indemnifying Parties (subject, however, to the restrictions and limitations set forth in Section 9.2(a) hereof). Notwithstanding anything to the contrary contained elsewhere in this Section 9, if the Indemnifying Parties are contesting only the amount of any Liabilities, then as a condition precedent to the effectiveness of any Contest Notice, the Indemnifying Parties shall pay to the Indemnified Parties concurrently with the delivery of such Contest Notice the portion of the Liabilities which are not contested (and if the Shareholders are the Indemnifying Parties, the Shareholders shall pay such amount by instructing the Escrow Agent to release an appropriate amount of Escrow Shares from the Escrow Fund). Any amount that becomes due hereunder and is not paid when due shall bear interest at a rate of nine percent (9%) per annum until paid (subject, however, to the restrictions and limitations set forth in Section 9.2(b) hereof).

10. MISCELLANEOUS.

10.1 Governing Law. This Agreement shall be construed under and governed by the laws of the State of California without regard to the conflicts of laws provisions thereof.

10.2 Amendment. This Agreement may not be amended, modified or supplemented except upon the execution and delivery of a written agreement executed by Parent, and the Selling Parties.

10.3 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by the Selling Parties without the prior written consent of Parent. Parent may not assign this Agreement to any one other than one of Parent's affiliates; provided, however, that Parent shall not be released from its duties, liabilities and obligations hereunder as a result of any such assignment.

10.4 Waiver. Any of the terms or conditions of this Agreement which may be lawfully waived may be waived in writing at any time by each party which is entitled to the benefits thereof. Any waiver of any of the provisions of this Agreement by any party hereto shall be binding only if set forth in an instrument in writing signed on behalf of such party. No failure to enforce any provision of this Agreement shall be deemed to or shall constitute a waiver of such provision and no waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. The adoption and approval of this Agreement by CHI's Shareholders in accordance with the CGCL shall constitute approval for the Escrow Agreement and all of the arrangements relating thereto (as described in Section 9.2 of this Agreement), as well as the Registration Rights Agreement, and the same may be amended or waived by the Shareholders holding a majority of CHI Shares in accordance with the CGCL.

10.5 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given by delivery, by telex, telecopier or by mail (registered or certified mail, postage prepaid, return receipt requested) to the respective parties as follows:

If to Parent:

Opal Concepts, Inc.
1400 N. Kellogg, Suite E
Anaheim, California 92807
(714) 779-6864 (telecopier)
(714) 779-0545 (telephone)
Attention: Randall P. Spackman, Esq.

with a copy to:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
(949) 725-4100 (telecopier)
(949) 725-4000 (telephone)
Attention: C. Craig Carlson, Esq.

If to CHI or Shareholders:

c/o Mr. Russell Hersowitz
Carlton Hair International, Inc.
7 Corporate Park, Suite 100
Irvine, California 92606
(949) 261-0385 (telecopier)
(949) 261-9045 (telephone)

with a copy to:

Voss, Cook & Thel, LLP
840 Newport Center Drive, Suite 700
Newport Beach, California 92660-6310
(949) 720-0300 (telecopier)
(949) 720-1508 (telephone)
Attention: Albert J. Thel, Jr., Esq.

or to such other address as any party hereto may, from time to time, designate in a written notice given in like manner.

10.6 Complete Agreement. This Agreement and the other documents and writings referred to herein or delivered pursuant hereto or concurrently herewith contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof; provided, however, that the letter agreement regarding confidentiality dated February 9, 1999 between Parent and CHI shall not be superseded hereby and shall continue in full

force and effect, notwithstanding the execution and delivery of this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

10.7 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

10.8 Headings. The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

10.9 Severability. Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any over jurisdiction.

10.10 Third Parties. Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or corporation, other than the parties hereto and their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.


10.11 Arbitration. Except as provided below, no civil action concerning any dispute under this Agreement shall be instituted before any court, and all such disputes shall be submitted to final and binding arbitration before the American Arbitration Association. The place for any arbitration shall be in Orange County, California, and the laws of the State of California shall govern, and the arbitrator solely shall apply them to, the interpretation and construction of this Agreement. Such arbitration shall be conducted in accordance with the Commercial Rules of the American Arbitration Association then in effect ("Commercial Rules") before a single neutral arbitrator; except that either party may request an expedited arbitration pursuant to the Commercial Rules. If possible, the choice of arbitrators presented to the parties shall include persons who have at least ten years experience with corporate and commercial matters. Discovery shall be allowed in arbitration in accordance with the statutory discovery provisions of the state in which the arbitration is conducted. Any award issued shall be made in accordance with the governing law of the state in which the arbitration is conducted and shall include the award to the prevailing party of its costs and expenses (including, but not limited to, attorneys' fees and costs and arbitration costs and arbitrator's fees and the costs of all dispute resolution proceedings (including, but not limited to, those incurred in or relating to any and all trial and appellate proceedings)). An award shall be final and binding and may not be appealed or reviewed, except upon the ground of malfeasance or fraud by the arbitrator. Judgment upon the award may be enforced in any court of competent jurisdiction, wherever located. Notwithstanding the foregoing, either party shall have the right, at its sole discretion, to seek equitable relief from a court of competent jurisdiction without being limited in recourse to arbitration, in the event that a breach by the other party of this Agreement shall result in irreparable injury to it or if monetary damages would be inadequate and impossible to calculate adequately, which equitable relief shall include (but not be limited to) the entering of a temporary restraining order and/or a preliminary injunction. This Section shall survive the termination of this Agreement for any reason.

10.12 Confidentiality. Each party agrees to hold in strict confidence the terms and provisions of this Agreement and all of the documents and agreements contemplated by this Agreement, except that either party may disclose such documents and information in order to comply with federal and state laws.

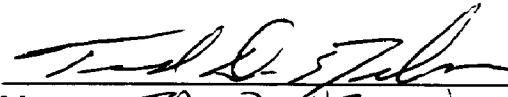
10.13 Action by Shareholders. Notwithstanding anything to the contrary contained herein, any decision to be made or action to be taken by the Shareholders under this Agreement, shall be taken or made by those Shareholders holding more than 50% of the CHI Shares (a "Majority-In-Interest"). Any such action taken or decision made by a Majority-In-Interest of the CHI Shares shall be unconditionally binding on all Shareholders, even those who did not wish to make such decision or take such action. Accordingly, under those circumstances, all Shareholders shall execute any and all agreements, documents or instruments that are necessary, desirable, appropriate or reasonably requested by a Majority-In-Interest of the CHI Shares, in order to further evidence, memorialize or implement such decision or action that has been made or taken by a Majority-In-Interest of the CHI Shares.

IN WITNESS WHEREOF, Parent, Acquisition Sub and CHI have caused this Agreement to be executed by their duly authorized officers, and Shareholders have executed and delivered this Agreement, as of the day and year first above written.

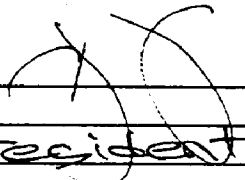
OPAL CONCEPTS, INC.

By: 
Name: TEO D. NELSON
Title: CEO


CARLTON ACQUISITION CORP.


By: 
Name: TEO D. NELSON
Title: CEO

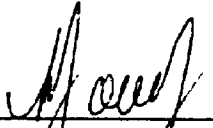
CARLTON HAIR INTERNATIONAL, INC.

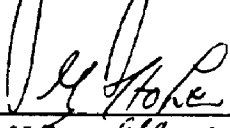
By: 
Name: _____
Title: President

MAJOR SHAREHOLDERS


Jean (Johann) Mayer


Russell Hersowitz, individually and as trustee of the
Russell Hersowitz Family Trust


Michael O'Rourke


Gerhard Hoher

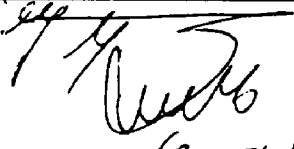
 His Attorney-in-Fact

EXHIBIT A

LIST OF MAJOR SHAREHOLDERS

**Name of
Major Shareholder**

Jean (Johann) Mayer

Russell Hersowitz

Michael O'Rourke

Gerhard Hoher

EXHIBIT B

AGREEMENT OF MERGER

See Tab 22

AUG 20 1999

AGREEMENT OF MERGER

BILL JONES, Secretary of State

THIS AGREEMENT OF MERGER (the "Agreement") is entered into as of this 20th day of August, 1999 by and among OPAL CONCEPTS, INC., a Delaware corporation ("Opal"), CARLTON ACQUISITION CORP., a California corporation and wholly-owned subsidiary of Opal ("Acquisition Sub"), CARLTON HAIR INTERNATIONAL, INC., a California corporation ("CHI" and, together with Acquisition Sub, the "Constituent Corporations") and Jean (Johann) Mayer, Russell Hersowitz, Michael O'Rourke and Gerhard Hoher (individually, a "Major Shareholder" and collectively the "Major Shareholders").

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"). As of the date hereof, 256.653 shares of CHI Stock were issued and outstanding.

B. Acquisition Sub is a corporation duly organized and existing under the laws of the State of California and has an authorized capital of 100 shares, all of which are designated common stock (the "Acquisition Sub Stock"). As of the date hereof, there were 100 shares of Acquisition Sub Stock issued and outstanding.

C. Major Shareholders are the registered and beneficial owners of 200.430 shares of CHI Stock, which represent 78.094% of the issued and outstanding shares of capital stock of CHI.

D. The respective Boards of Directors of CHI and Acquisition Sub have approved this Agreement and the respective shareholders of CHI and Acquisition Sub have duly approved, in accordance with the applicable laws of the State of California, the principal terms of (i) the Agreement and Plan of Merger, dated as of June 30, 1999 (the "Plan"), by and among others, CHI, Major Shareholders, Acquisition Sub and Opal, and (ii) this Agreement. Nothing in this Agreement alters any provision of the Plan. Capitalized terms used in this Agreement and not otherwise defined herein shall have the same meanings given to such terms in the Plan.

NOW, THEREFORE, the parties hereby agree as follows:

1. The Merger.

1.1 Merger and Effectiveness. In accordance with the provisions of this Agreement and the California General Corporation Law ("CGCL"), CHI shall be merged with and into Acquisition Sub (the "Merger"), with Acquisition Sub 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 CHI shall cease and Acquisition Sub, as the Surviving Corporation, shall succeed, without other transfer, to all the rights and property of CHI and shall be subject to all the debts and liabilities of CHI in the same manner as if Acquisition Sub itself incurred them. The Merger shall otherwise have the effects set forth in Section 1107 of the CGCL.

2. Documents.

2.1 Articles of Incorporation. The Articles of Incorporation of the Surviving Corporation shall be amended and restated as set forth in Exhibit A attached hereto and incorporated herein by this reference at the Effective Time of the Merger.

2.2 Bylaws. The Bylaws of Acquisition Sub 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 CHI Stock and Preferred Stock. The number of fully paid and nonassessable shares of Series D Preferred Stock, \$.001 par value, of Opal ("Opal Stock"), issuable at the Effective Time to holders of all the issued and outstanding shares of CHI Stock shall be determined as follows:

(i) Each CHI Share owned by CHI as treasury stock and any CHI Shares owned by Opal or Acquisition Sub or any of their respective subsidiaries immediately prior to the Effective Time shall be canceled, and no payment shall be made with respect thereto;

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

(iii) Fractional shares of Opal Stock that would be issuable to any holder of CHI Stock shall be treated in accordance with Section 3.2; and

(iv) All of the CHI Shares, except as provided in Subsection 3.1(i) above and Section 3.2 below, shall be converted into and Opal shall issue to the holders of CHI Shares (the "Shareholders") an aggregate of (i) 9,200 shares of fully paid and nonassessable Series D Preferred Stock, \$.001 par value per share (the "Series D Shares"), and (ii) cash in the amount of Nine Million Two Hundred Thousand Dollars (\$9,200,000) (collectively, the "Merger Consideration"), which will be allocated proportionately to the Shareholders on a pro rata basis, based upon each of such Shareholders' percentage of ownership of the CHI Shares, first taking into account the cancellation of those CHI Shares owned by CHI as treasury stock and any CHI Shares owned by Opal or Acquisition Sub or any of their respective subsidiaries immediately prior to the Effective Time, except the right to receive the shares of Opal Stock and any cash in lieu of fractional shares of Opal Stock to be issued or paid in consideration therefor (determined in accordance with Section 3.2).

3.2 Fractional Shares. No fractional shares of Opal Stock shall be issued, but in lieu thereof, each holder of shares of CHI Stock who would otherwise be entitled to receive a fraction of a share of Opal Stock (after aggregating all fractional shares of Opal Stock to be received by such holder), shall receive from Opal an amount of cash (rounded up to the nearest whole cent) equal to the product of the fraction of a share of Opal Stock to which such holder would otherwise be entitled, times \$1,000.

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, the Major Shareholders, Acquisition Sub and Opal 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, Opal, Acquisition Sub and CHI have each caused this Agreement of Merger to be executed by their respective authorized officers and Major Shareholders have executed this Agreement as of the date first above written.


OPAL CONCEPTS, INC.

By: 
Ted D. Nelson, Chairman of the Board


By: 
Randall P. Spackman, Secretary

CARLTON ACQUISITION CORP.

By: 
Ted D. Nelson, Chairman of the Board

By: 
Randall P. Spackman, Secretary

CARLTON HAIR INTERNATIONAL, INC.

By: 
Russell Hersowitz, Vice President

By: 
Gerhard Hoher, Secretary

[signatures continued on next page]

MAJOR SHAREHOLDERS

Johann Mayer by T. J. [Signature]

Jean (Johann) Mayer

[Signature]
HIS ATTORNEY-
IN-FACT

Russell Hersowitz individually and as trustee of the
Russell Hersowitz Family Trust

Michael O'Rourke

Michael O'Rourke

[Signature]
ATTORNEY-
IN-FACT

G. H. [Signature]

Gerhard Hoher

EXHIBIT C

**CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES D
PREFERRED STOCK**

See Tab 32

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "OPAL CONCEPTS, INC.", FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF AUGUST, A.D. 1999, AT 2:01 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.



A handwritten signature in cursive script, reading "Edward J. Freel", is written over a horizontal line.

Edward J. Freel, Secretary of State

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AUTHENTICATION: 9927102

DATE: 08-18-99

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REEL: 002225 FRAME: 0041

**CERTIFICATE OF DESIGNATIONS,
PREFERENCES AND RIGHTS
OF SERIES D PREFERRED STOCK
OF
OPAL CONCEPTS, INC.**

(Pursuant to Section 151 of the General Corporation Law of the State of Delaware)

Opal Concepts, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies, pursuant to the authority contained in the Certificate of Incorporation of the Corporation and in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware:

1. That the following resolution has been duly adopted by the Board of Directors of the Corporation creating a series of its preferred stock designated as Series D Preferred Stock; and

2. That holders of the necessary number of shares of capital stock of the Corporation, voting together and as separate classes, as required by statute and by the Certificate of Incorporation, gave their written consent in favor of the following resolution in accordance with the provisions of Section 228 of the Delaware General Corporation Law, and written notice thereof was provided to stockholders who did not so consent.

RESOLVED, that the Series D Preferred Stock shall have the following powers, designations, preferences and relative, participating, optional and other rights, and the qualifications, limitations and restrictions thereof:

Series D Preferred Stock

1. **Dividends.** Subject to the preferences and priorities of the Series C Preferred Stock, the holders of outstanding shares of Series D Preferred Stock shall be entitled to receive, in preference and priority to any dividend on the Series A Preferred Stock, Series B Preferred Stock and Common Stock, out of funds legally available therefor, cumulative mandatory dividends on each share of Series D Preferred Stock payable in cash at a rate of \$80.00 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares) per annum, subject to proration for partial years on the basis of a 365-day year (the "Series D Dividends"). Series D Dividends will accumulate commencing as of the date of issuance of the Series D Preferred Stock, will be payable quarterly in arrears on each March 31, June 30, September 30 and December 31 and will be cumulative, whether or not they have been declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends. If the Corporation shall fail to pay a Series D Dividend or pays an amount less than the total amount of such Series D Dividend at the time accumulated and payable on all outstanding shares of Series D Preferred Stock as a result of (i) a default under the Corporation's senior credit facility or (ii) an insufficient amount of profits, surplus or other funds of the Corporation legally available for the payment of such Series

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
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D Dividends (collectively, a "Blockage Default"), and such Blockage Default shall continue unremedied for a period of 10 days after receipt of written notice of such Blockage Default, then an amount equal to 15% of the amount of such overdue Series D Dividend shall be added to the dividend payable pursuant to this Section 1 and such amount shall become part of the Series D Dividends. If the Corporation shall fail to pay a Series D Dividend or pays an amount less than the total amount of such Series D Dividend at the time accumulated and payable on all outstanding shares of Series D Preferred Stock for any reason other than a Blockage Default, and such default shall continue unremedied for a period of 10 days after receipt of written notice of such default, then an amount equal to 50% of the amount of such overdue Series D Dividend shall be added to the dividend payable pursuant to this Section 1 and such amount shall become part of the Series D Dividends. Series D Dividends not paid or paid in an amount less than the total amount of such dividends at the time accumulated and payable on all outstanding shares of Series D Preferred Stock shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding and shall be applied in the chronological order in which such Series D Dividends became due and payable. Subject to the preferences and priorities of the Series C Preferred Stock, no dividends shall be paid on the Series A Preferred Stock, Series B Preferred Stock or Common Stock of the Corporation during any fiscal year of the Corporation until the earlier to occur of (a) an initial public offering constituting an Event of Conversion, or (b) liquidation of the Corporation, and then only after dividends in the total amount of \$80.00 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares), plus all other amounts as provided above, on the Series D Preferred Stock shall have been paid or declared and set apart during that fiscal year and any prior year in which dividends accumulated but remain unpaid.

2. Rights on Liquidation, Dissolution or Wind Up.

(a) Subject to the preferences and priorities of the Series C Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether Voluntary or involuntary, the holders of the Series D Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to the stockholders, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of Series A Preferred Stock, Series B Preferred Stock or Common Stock of the Corporation by reason of their ownership thereof, the amount of \$1,000 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares), plus all accrued but unpaid dividends on such share for each share of Series D Preferred Stock then held by them (the "Series D Liquidation Preference"). After payment in full of the Series D Liquidation Preference to holders of all shares of Series D Preferred Stock, the Series D Preferred Stock shall not be entitled to receive any additional cash, property or other assets of the Corporation upon the liquidation, dissolution or winding up of the Corporation. If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series D Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire assets and funds of the Corporation legally available for distribution among the holders of Series D Preferred Stock shall be distributed ratably among the holders of the Series D Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) For purposes of this Section 2, a sale of all or substantially all of the assets of the Corporation, or any acquisition of the Corporation by means of a merger or other form of corporate reorganization in which outstanding shares of the Corporation are exchanged for securities

or other consideration issued, or caused to be issued, by the acquiring corporation or its subsidiary. If, immediately following the consummation of any such transaction, persons that were holders of the Corporation's voting stock immediately prior to the consummation of such transaction will not own at least a majority of the outstanding voting stock of the acquiring corporation (in the case of a sale of assets), or the surviving corporation (in a merger, consolidation or reorganization), or of a corporation that possesses a majority of the voting power of such acquiring corporation or surviving corporation (other than a mere reincorporation transaction or a transaction solely with a corporation or organization that is, directly or indirectly, a majority-owned subsidiary of the Corporation) (a "Change of Control Transaction"), shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series D Preferred Stock to receive the amounts specified in Section 2(a) above.

(e) Whenever the distribution provided for in this Section 2 shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

3. Redemption.

(a) After the date which is twenty (20) years and one (1) month following the initial issuance date of the Series D Preferred Stock, each holder of the Series D Preferred Stock may, at its option, require the Corporation to redeem all or part of the Series D Preferred Stock held by it by delivery of a written notice requesting such redemption and the number of shares to be redeemed (the "Redemption Notice"). The Corporation shall redeem the number of shares of Series D Preferred Stock so requested to be redeemed, on the date set forth in the Redemption Notice (the "Redemption Date"), which shall in no event be less than 30 days after the date on which the Corporation receives the Redemption Notice, at a purchase price per share of Series D Preferred Stock equal to Series D Liquidation Preference (the "Redemption Price").

(b) On or before the Redemption Date, each holder of shares of Series D Preferred Stock to be redeemed shall surrender the certificate or certificates representing such shares to the office of the transfer agent for the Series D Preferred Stock (or to the principal office of the Corporation if the Corporation serves as its own transfer agent), and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be cancelled and retired. In the event less than all of the shares represented by such certificate are redeemed, a new certificate representing the unredeemed shares shall be issued to the holder of such shares. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders as to the shares of Series D Preferred Stock requested to be redeemed (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(c) If the funds of the Corporation legally available for redemption of shares of Series D Preferred Stock on the Redemption Date are insufficient to redeem the total number of such shares to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares proportionately among the holders of such shares to be

redeemed based upon the aggregate Redemption Price of their holdings of Series D Preferred Stock as of the Redemption Date. The shares of Series D Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein, subject to an adjustment of the dividend rate as provided below in this Section 3(c). At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series D Preferred Stock such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on the Redemption Date but which it has not redeemed in accordance with the foregoing provisions.

4. Voting.

(a) The holders of Series D Preferred Stock shall be entitled to one vote for each share of Series D Preferred Stock held of record by such holder, and each such holder of Series D Preferred Stock shall be entitled to vote on all matters as to which holders of Common Stock shall be entitled to vote, in the same manner and with the same effect as such holders of Common Stock, voting together with the holders of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, and Common Stock, as provided in Sections A.4 and B.4 of Article Fourth of the Certificate of Incorporation, as one class; provided, however, that the holders of the Series D Preferred Stock shall have separate class voting rights with respect to proposed actions by the Corporation, as provided in Section 6 below, in addition to any rights that such holders may otherwise have to vote on such actions together with the holders of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, and Common Stock, as one class.

(b) Anything contained in the Certificate of Incorporation to the contrary notwithstanding, the number of authorized shares of Common Stock and/or Series D Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding or reserved for issuance upon the conversion, exercise or exchange of securities, options, warrants or rights then outstanding) by the affirmative vote of the holders of a majority of the shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Common Stock, voting together as one class.

5. Conversion. The holders of Series D Preferred Stock shall have conversion rights as follows (the "Series D Conversion Rights"):

(a) Automatic Conversion. Each share of Series D Preferred Stock then outstanding shall automatically be converted upon the occurrence of an Event of Conversion (as defined in Section A.1 of this Article Fourth) into such number of shares of fully paid and nonassessable shares of Common Stock equal to the aggregate Series D Liquidation Preference of the shares of Series D Preferred Stock to be converted, together with any accrued and unpaid Series D Dividends, divided by the IPO Price (as defined below). On and after this conversion date, notwithstanding that any certificates for shares of the Series D Preferred Stock shall not have been surrendered for conversion, the shares of Series D Preferred Stock evidenced thereby shall be deemed to be no longer outstanding, and all rights with respect thereto shall forthwith cease and terminate, except only the rights of the holder to receive the shares of Common Stock to which such holder shall be entitled upon conversion thereof.

(b) IPO Price. For purposes of Section 5(a), the "IPO Price" shall be an amount equal to the price at which the shares of Common Stock are offered and sold to the public in connection with the initial public offering constituting an Event of Conversion, without reduction for any underwriting discounts, commissions or other expenses payable by the Corporation in connection therewith.

(c) Conversion Price Upon Change of Control. In the event that the Board of Directors of the Corporation approves a Change of Control Transaction in which the consideration (the "Transaction Consideration") that is to be received by the holders of capital stock of the Corporation consists of securities traded on the Nasdaq National Market or a national securities exchange, or a combination of cash and such securities, the Board of Directors shall cause to be given to each of the record holders of the Securities D Preferred Stock then outstanding a written notice of such Change of Control Transaction (the "Transaction Notice"), as soon as practicable, but in no event later than the tenth (10th) day immediately preceding the date on which the stockholders of the Corporation are scheduled to vote on approval of the proposed Change of Control Transaction. Such Transaction Notice (which may be satisfied by delivery of a proxy or information statement relating to the Change of Control Transaction) shall describe the principal economic terms of the proposed Change of Control Transaction and the anticipated allocation of the Transaction Consideration to be received in such Change of Control Transaction among the holders of the Corporation's capital stock. Each share of Series D Preferred Stock may be convertible, at the option of the holder thereof, by delivering written notice to the Corporation in accordance with Section 5(d) below not later than ten (10) days after the mailing to such holder of the Transaction Notice by the Corporation, into a number of shares of Common Stock of the Corporation equal to the result obtained by dividing (A) the aggregate Series D Liquidation Preference of the shares of Series D Preferred Stock to be converted, together with any accrued and unpaid Series D Dividends by (B) one hundred (100%) of the per share fair market value of Common Stock of the Corporation as determined in good faith by the Board of Directors of the Corporation in connection with such Change of Control Transaction (the "Change of Control Conversion Price").

(d) Mechanics of Conversion. Upon a conversion of the Series D Preferred Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of this Corporation or of any transfer agent for the Series D Preferred Stock, and give written notice to this Corporation at its principal corporate office of such holder's election (if applicable under Section 5(a) or (c) hereof) to convert the same, and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. This Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series D Preferred Stock, or to the nominee or nominees of such holders, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. The conversion shall be conditioned upon the closing of such Event of Conversion or Change of Control Transaction such that the persons entitled to receive the Common Stock upon conversion of the Series D Preferred Stock shall not be deemed to have converted such Series D Preferred Stock until immediately prior to the closing of the Event of Conversion or Change of Control Transaction.

(e) No Impairment. This Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by this

Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the holders of Series D Preferred Stock against impairment.

(f) No Fractional Shares.

(i) No fractional shares shall be issued upon the conversion of any share or shares of Series D Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series D Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Reservation of Stock Issuable Upon Conversion. This Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series D Preferred Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series D Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series D Preferred Stock, in addition to such other remedies as shall be available to the holder of such Series D Preferred Stock, this Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to these articles.

(iii) Notices. Any notice required by the provisions of this Certificate to be given to the holders of shares of Series D Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of this Corporation.

6. Protective Provisions. For so long as there are outstanding shares of Series D Preferred Stock with an aggregate Series D Liquidation Preference of \$500,000 or more, the Corporation shall not after the date hereof, without the affirmative vote of the holders of shares representing at least 66-2/3% in voting power of the Series D Preferred Stock then outstanding, voting separately as one class, given by written consent (in the manner provided by law) or by vote at a meeting called for such purpose, for which notice shall have been given to the holders of the Series D Preferred Stock:

(a) in any manner alter or change the designations or the powers, preferences or rights, or the qualifications, limitations or restrictions of the Series D Preferred Stock in any respect prejudicial to the holders thereof; provided, however, that any such alteration that changes the amount of the Series D Dividend, the time of payment of the Series D Dividend, the consequences of the failure to pay timely the Series D Dividend, or the Series D Conversion Rights, shall require the affirmative vote of the holders of one hundred percent (100%) in voting power of the Series D Preferred Stock then outstanding, voting separately as a class, given by written consent (in the

manner provided by law) or by vote at a meeting called for such purpose, for which notice shall be given to the holders of Series D Preferred Stock;

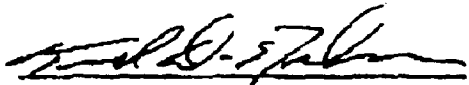
(b) authorize or issue shares of any new class of equity security having a preference over, or being on a parity with, the Series D Preferred Stock with respect to dividends or the distribution of assets upon any Event of Liquidation.

(c) redeem for consideration the Series A or B Preferred Stock of the Corporation unless, at such time, the Corporation shall have redeemed one hundred percent (100%) of the outstanding shares of Series D Preferred Stock at the Redemption Price; provided, however, that nothing herein provides holders of the Series D Preferred Stock or the Corporation with a right to such redemption; and

(d) following the date hereof, enter into one or more agreements or instruments evidencing indebtedness for money borrowed if such agreements or instruments prohibit or restrict the Corporation from paying the Series D Dividends when due unless the Corporation is in default under such agreements or instruments.

IN WITNESS WHEREOF, Opal Concepts, Inc. has caused this Certificate of Designations to be signed by Ted D. Nelson, its duly authorized Chairman and Chief Executive Officer, and attested to by Charles W. Stevens, Jr., its duly authorized Chief Financial Officer and Treasurer, this 17th day of August, 1999.

OPAL CONCEPTS, INC.

By: 
Ted D. Nelson
Chairman and Chief Executive Officer

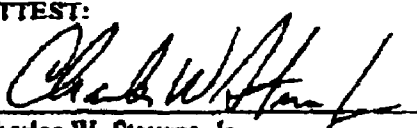
ATTEST:

Charles W. Stevens, Jr.
Chief Financial Officer and Treasurer

EXHIBIT D

FORM OF ESCROW AGREEMENT

See Tab 35

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement"), is made as of August 20, 1999, by and among OPAL CONCEPTS, INC., a Delaware corporation ("OPAL"), the persons listed on the signature pages hereto (collectively, the "Holders"), Russell Hersowitz, individually, and as the representative (the "Holder's Representative") of the Holders and Southern California Bank, The Escrow Division (the "Escrow Agent").

WITNESSETH

WHEREAS, OPAL, Carlton Acquisition Corp., a California corporation and wholly owned subsidiary of OPAL, Carlton Hair International, Inc., a California corporation ("CHI"), and some of the Holders have entered into an Agreement and Plan of Merger dated as of June 30, 1999 (the "Merger Agreement"), a copy of which has been delivered to the Escrow Agent and to the Holders (all capitalized terms not otherwise defined in this Agreement having the meanings set forth in the Merger Agreement); and

WHEREAS, Section 9.2(b) of the Merger Agreement provides that OPAL will issue the Escrow Shares in the names of the Holders and deliver them to the Escrow Agent to be held as the Escrow Fund (pursuant to the terms of Section 9.2(b) of the Merger Agreement) as the sole and exclusive recourse and remedy for OPAL's claims for indemnification pursuant to Section 9.2(a) of the Merger Agreement; and

WHEREAS, the Escrow Agent is willing to act as escrow agent for OPAL and the Holders on the terms and conditions hereinafter set forth:

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions set forth herein, the parties agree as follows:

1. Establishment of Escrow; Escrow Share Certificates. Concurrently with the Closing and in accordance with the exchange procedures set forth in the Merger Agreement, OPAL will issue the Escrow Shares in the names of the Holders or in the name of the Holders' Representative (as defined in Section 7 below) as agent for the Holders, and cause them to be delivered, together with assignments in blank to be executed by the Holders, or the Holders' Representative, as applicable, to the Escrow Agent. The Escrow Agent agrees to accept delivery of such Escrow Shares and to hold such Escrow Shares delivered to it in escrow subject to the terms and conditions of this Agreement until the Escrow Agent is required to release such Escrow Shares, or a portion of them, pursuant to the terms of this Agreement.

2. Claims Against Escrow Fund. Pursuant to Section 9.2 of the Merger Agreement, OPAL is entitled to make claims against the Escrow Fund for certain indemnifiable damages sustained or incurred by the Parent Indemnified Parties, all as more particularly set forth in the Merger Agreement (the "Indemnifiable Damages"). Unless this Agreement is terminated at an earlier date, OPAL shall be entitled to make claims against the Escrow Fund for such purpose at any time through and including the first anniversary of the Closing (the "Escrow Period") (unless this Agreement is terminated at an earlier date pursuant to Section 5 hereof), but not thereafter. Any claim by OPAL against the Escrow Fund for Indemnifiable Damages or reasonably anticipated

Indemnifiable Damages during the above time period shall be presented to the Escrow Agent as follows:

(a) OPAL shall notify the Escrow Agent and the Holders' Representative in writing of any Indemnifiable Damages that OPAL claims are subject to indemnification under Section 9.2 of the Merger Agreement. The Notice shall be accompanied by documentation describing the claim in detail and specifying the amount thereof (with appropriate supporting documentation as to the amount as well).

(b) The Holders' Representative may contest OPAL's claim on behalf of all the Holders by giving the Escrow Agent and OPAL written notice of such contest within 15 calendar days after receipt of such claim for indemnification. If OPAL's indemnification claim remains in dispute and unresolved for 30 days following OPAL's receipt of the written notice of contest (the end of this 30 day period constitutes the starting point for counting the 30 day period after which arbitration can be requested pursuant to Section 8 below), the disputed claim shall be submitted to arbitration in accordance with Section 8 below.

(c) If the Holders Representative does not contest OPAL's indemnification claim pursuant to Section 2(b) above, then the Escrow Agent shall deliver to OPAL an amount of the Escrow Fund equal to the dollar amount of the Indemnifiable Damages claimed by OPAL in its written notice. For this purpose, Escrow Shares so delivered shall be valued at \$1,000 per share plus any accrued but unpaid dividends or, in the event that the Holders elect to exchange the Escrow Shares into shares of Common Stock of Opal (the "Exchange Shares") in accordance with the terms of the letter dated as of the date hereof from OPAL to the Holders' Representative, then the Exchange Shares shall be valued at (i) \$4.35 per share or (ii) the average trading price of such shares for the five (5) trading days immediately preceding the anticipated date of transfer of such Exchange Shares, if such Exchange Shares are registered under the Securities Exchange Act of 1934 and trade on the New York or American Stock Exchanges or on the Nasdaq National Market (the "Escrow Share Price"). No claim may be made against the Escrow Shares for indemnification pursuant to Section 9.2(a) of the Merger Agreement (and, accordingly, no claim may be made for indemnification hereunder) unless the aggregate amount of all Indemnifiable Damages exceed the Twenty-Five Thousand Dollars (\$25,000) (the "Indemnity Threshold"). If the Indemnity Threshold is reached, the Indemnifiable Damages for such Holders shall be such amounts that are in excess of the Indemnity Threshold; provided, that in no event shall the Indemnifiable Damages exceed the value (as determined pursuant to this Section 2(c)) of the Escrow Shares or Conversion Shares, as the case may be, issued in the names of the Holders or Holders' Representative, as applicable.

(d) If the Holders' Representative contests OPAL's indemnification claim pursuant to Section 2(b) above, the Escrow Agent shall not deliver the appropriate amount from the Escrow Fund to OPAL until receipt of either:

(i) a copy of a written settlement agreement signed by both OPAL and the Holders' Representative stating the agreed upon amount of the Indemnifiable Damages, or

(ii) a copy of a final and nonappealable arbitration award pursuant to the arbitration procedure in Section 8 below.

The amount to be delivered to OPAL by the Escrow Agent under this Section 2(d) shall be equal to the dollar amount of Indemnifiable Damages in excess of the Indemnity Threshold, as set forth in settlement agreement or the arbitration award, as applicable, determined using the Escrow Share Price, and shall be delivered in the manner set forth in Section 2(c).

3. Dividends, Stock Splits and Other Distributions. Other than taxable dividends (which shall be distributed to the Holders and shall not be made part of the Escrow Fund), distributions declared in respect of the Escrow Shares (including without limitation stock splits and non-taxable stock dividends) during the term of this Agreement shall be made part of the Escrow Fund. If the Escrow Shares are reclassified or exchanged for the Exchange Shares or other securities or property pursuant to a reclassification of all shares of OPAL Common Stock or a merger of OPAL, then such reclassified shares or other securities or property, as the case may be, shall be made part of the Escrow Fund.

4. Voting Rights of Escrow Shares. Each Holder shall have the right to vote his or her pro rata number of Escrow Shares in the Escrow Fund (as set forth in Schedule A of this Agreement) on any issues that come for a vote before the shareholders of OPAL. Prior to any vote of OPAL stockholders during the term of this Agreement, OPAL shall cause to be delivered to the Holders appropriate voting and proxy materials in the same manner as provided to other stockholders of OPAL so as to permit the Holders to exercise their voting rights with respect to the Escrow Shares.

5. Termination. This Agreement shall terminate and the Escrow Agent shall have no further responsibilities hereunder (other than as specified below in this Section 5) upon the earlier to occur of (a) the expiration of the Escrow Period set forth in Section 2 above or (b) OPAL's delivery to the Escrow Agent of written notice that OPAL has elected to terminate this Agreement (which election shall be at OPAL's sole option and in its sole discretion). Upon the occurrence of such an event, (x) the Escrow Agent shall reserve from an Holders' pro rata portion of the Escrow Fund an amount sufficient to pay any outstanding Escrow Agent fees due pursuant to Schedule B (but only to the extent such amounts are the Holder's responsibility hereunder) and (y) any outstanding claims ("Reserve Claims") of OPAL against the Holders on that date, but only to the extent such Reserve Claims have been properly tendered (in accordance with the provisions of Section 2(a) above) on or before the end of the Escrow Period. For purposes of establishing the reserve, any Escrow Shares so reserved shall be valued at the Escrow Share Price. This Agreement shall continue in force as to the amount so reserved until the resolution of such Reserve Claims in accordance with the terms hereof. The Escrow Agent shall distribute to the Holders, on a pro rata basis, all amounts (if any) in the Escrow Fund not so reserved, and the Escrow Agent shall thereafter have no responsibilities with respect to such distributed amounts. Upon the final resolution of each Reserve Claim, on a claim-by-claim basis, the Escrow Agent shall distribute to OPAL the amount that OPAL is entitled to receive with respect to such Reserve Claim and return the balance, if any, that has been reserved with respect to such Reserve Claim to the Holders (on a pro rata basis). Escrow Shares so delivered shall be valued at the Escrow Share Price. Upon the final resolution of all Reserve Claims and the distribution to OPAL of all reserved amounts to which OPAL is entitled pursuant to such claims, all remaining reserved amounts shall be promptly distributed to the Holders on a pro rata basis. Any distribution of any portion of the Escrow Fund held in the name of the Holders' Representative for the benefit of the Holders shall be made to the Holders according to the percentages shown in Exhibit A.

6. The Escrow Agent.

(a) OPAL shall pay the Escrow Agent's fee for its services under this Agreement in accordance with the fee schedule set forth on Schedule B attached hereto and reimburse the Escrow Agent for its reasonable costs and expenses incurred on behalf of OPAL or the Holders. However, in the event that the conditions for this Agreement are not fulfilled, or the Escrow Agent renders any material service not contemplated in this Agreement, or there is any assignment of interest in the subject matter of this Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to or justifiably intervenes in any litigation pertaining to this Agreement, or the subject matter hereof, the Escrow Agent shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses, including interpleader filing fees, reasonable attorney's fees, occasioned by any delay, controversy, litigation or event, and the same shall be recoverable from OPAL.

Escrow Agent's duties and responsibilities shall be limited to those expressly set forth in this Escrow Agreement, and Escrow Agent shall not be subject to, or obliged to recognize, any other agreement between any or all of the parties or any other persons even though reference thereto may be made herein; provided, however, this Agreement may be amended at any time or times by an instrument in writing signed by all the parties hereto. Escrow Agent shall not be subject to or obligated to recognize any notice, direction or instruction of any or all of the parties hereto or of any other person, except as expressly provided for herein.

Escrow Agent shall not be personally liable for any act taken or omitted by it thereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. Escrow Agent shall also be fully protected in relying upon any written notice, instruction, direction, certificate or document which in good faith it believes to be genuine, including written instruction from OPAL and/or Holders, if any.

(b) In performing any duties under this Agreement, the Escrow Agent shall not be liable for damages, losses, or expenses, except for gross negligence or willful misconduct on the part of the Escrow Agent. The Escrow Agent shall not incur any such liability for (i) any act or failure to act made or omitted in good faith, or (ii) any action taken or omitted in reliance upon any instrument, including any written statement or affidavit provided for in this Agreement that such Escrow Agent shall in good faith believe to be genuine, nor will the Escrow Agent be liable or responsible for unknown forgeries, fraud, impersonations, or determining the scope of any representative authority. In addition, the Escrow Agent may consult with legal counsel in connection with its duties under this Agreement and shall be fully protected in any act taken, suffered, or permitted by it in good faith in accordance with written advice of counsel. The Escrow Agent is not responsible for determining and verifying the authority of any such person acting or purporting to act on behalf of any party to this Agreement.

(c) If any controversy arises between the parties to this Agreement, or with any other party, concerning the subject matter of this Agreement, its terms or conditions, the Escrow Agent will not be required to determine the controversy or to take any action regarding it. The Escrow Agent may hold the Escrow Fund and may wait for settlement of any such controversy by arbitration pursuant to Section 8 hereof, by final appropriate legal proceedings or other means as, in the Escrow Agent's discretion, may be required, despite what may be set forth elsewhere in this

Agreement. In such event, the Escrow Agent will not be liable for interest or damages. Furthermore, the Escrow Agent may at its option, file an action of interpleader requiring the parties to answer and litigate any claims and rights among themselves. Upon initiating such action, the Escrow Agent shall be fully released and discharged of and from all obligations and liabilities imposed by the terms of this Agreement except for obligations or liabilities arising by reason of the prior gross negligence or willful misconduct on the part of the Escrow Agent.

(d) The Holders (to the extent of the Escrow Fund only) as a group, on the one hand, and OPAL, on the other, shall indemnify and hold harmless the Escrow Agent and shall share equally any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation and attorneys' fees) which it may incur or which may be imposed on it in connection with the performance of the Escrow Agent's duties under this Agreement, including but not limited to any litigation arising from this Agreement, except losses, claims, damages, liabilities or expenses arising out of gross negligence or willful misconduct on the part of the Escrow Agent.

(e) The Escrow Agent may resign at any time upon giving at least 30 days' written notice to the parties; provided, however, that no such resignation shall become effective until the appointment of a successor escrow agent which shall be accomplished as follows: The parties shall use their best efforts to mutually agree on a successor escrow agent within 30 days after receiving such notice. If the parties fail to agree upon a successor escrow agent within such time, the Escrow Agent shall have the right to appoint a successor escrow agent authorized to do business in the state of California. The successor escrow agent shall execute and deliver an instrument accepting such appointment, and it shall, without further acts, be vested with all the estates, properties, rights, powers and duties of the predecessor Escrow Agent as if originally named as the Escrow Agent. Upon such appointment, the predecessor Escrow Agent shall be discharged from any further duties and liability under this Agreement, except for obligations or liabilities arising by reason of the gross negligence or willful misconduct on the part of the Escrow Agent. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of the 30 day period, Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and the costs, expenses and reasonable attorney's fees which Escrow Agent incurs in connection with such a proceeding shall be paid by OPAL.

(f) Any company into which the Escrow Agent may be merged or with which it may be consolidated, or any company to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement, anything herein to the contrary notwithstanding.

7. Holders' Representative. Russell Hersowitz, or such successor as may be agreed upon by a majority in interest of the Holders and identified to OPAL by such majority in interest of the Holders in writing, shall act as representative of the Holders (the "Holders' Representative"). The Holders' Representative may, but shall not be required to, take any and all action that may be necessary or appropriate on behalf of the Holders with respect to this Agreement, including, without limitation, objecting to any claim by OPAL against the Escrow Fund, engaging counsel to represent the Holders in connection with any such claim, engaging any other professionals or other consultants in connection with any such claim, negotiating and settling any such claim, supervising and directing counsel and any other professionals or other consultants in connection with any such claim, and

authorizing the sale of any of the Escrow Shares. The Holders' Representative may, on behalf of the Holders, take any action that the Holders' Representative in good faith deems to be in the best interests of the Holders and shall, on behalf of the Holders, take any action that the Holders' Representative may be instructed or expressly authorized to take by a majority in interest of the Holders, including contesting or settling any claim by OPAL. To the maximum extent permitted by law, the Holders' Representative shall have no liability of any kind or nature whatsoever with respect to any action or omission taken by the Holders' Representative on behalf of the Holders, where such action is taken either with the consent or the express authorization of a majority in interest of the Holders or is otherwise taken in good faith on behalf of the Holders.

8. Arbitration. All disputes or controversies arising under or in connection with this Agreement shall be settled exclusively by final and binding arbitration in Orange County, California which arbitration shall be in accordance with the commercial rules of the American Arbitration Association ("AAA"), except as modified herein, and as such rules shall be in effect on the date of delivery of demand for arbitration (as described below). The arbitration of such issues, including the determination of the amount of any damages suffered by any party, shall be to the exclusion of any court of law. In the event of a timely demand for arbitration, OPAL shall provide the Holders' Representative with a list of three arbitrators from the AAA listing of arbitrators and the Holders' Representative shall select the arbitrator from such list of three. The decision of the arbitrator shall be final and binding upon the parties and their respective personal representatives, heirs, devisees, successors, and assigns. A party wishing to submit a dispute or controversy to arbitration must submit a written demand for arbitration to the other party to the Agreement (and deliver a copy of such demand to the Escrow Agent) not less than 30 days after the transaction, occurrence or event giving rise to such dispute or controversy. Such written demand for arbitration shall be provided to the arbitrator and shall contain a statement of the matter in dispute and a statement of the facts the party demanding arbitration is relying on to support his or its position. Each party shall be entitled to take one discovery deposition in preparation for the arbitration in accordance with the deposition procedures of the California Code of Civil Procedure. Judgment may be entered on the arbitrator's award in any court having proper jurisdiction. The costs of arbitration, including attorney's fees, shall be awarded by the arbitrator to the prevailing party.

9. Tax Reporting. The Escrow Agent shall prepare and file all tax reports on Internal Revenue Service Form 1099-B that are required to be filed periodically with respect to the issuance of Escrow Shares in the Holders' names and any reports that are required to be prepared with respect to earnings, if any, on the Escrow Fund for the benefit of the Holders.

10. Governing Law. This Agreement shall be governed by the laws of the State of California without regard to principles of conflicts of laws.

11. Amendments; Modifications. This Agreement may not be amended or modified except pursuant to a written agreement signed by each of the parties hereto.

12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given on the same day if delivered personally, or by facsimile transmission with voice confirmation of receipt, or shall be deemed given on the date receipt is confirmed if mailed by registered or certified mail or commercial overnight courier (e.g., Federal Express, DHL, Network Courier, Sonic, etc.), return receipt or confirmation of delivery requested, to the parties at the

addresses set forth on the signature pages hereto (or at such other address for a party as shall be specified by like notice).

13. Effect on Successors in Interest, Assignees. This Agreement shall inure to the benefit of and be binding upon the heirs, administrators, executors, assignees and successors of each of the parties hereto.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

ESCROW AGENT:

SOUTHERN CALIFORNIA BANK

By: Gloria Barrett
GLORIA BARRETT

Its: A.V.P. / ESCROW OFFICER

OPAL:

Opal Concepts, Inc.

By: _____

Its: _____

HOLDERS' REPRESENTATIVE, on behalf of himself and the Holders:

Russell Hersowitz

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

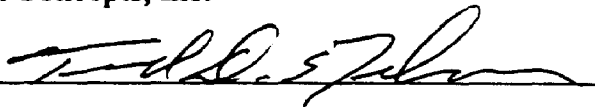
ESCROW AGENT:

By: _____

Its: _____

OPAL:

Opal Concepts, Inc.

By: 

Its: Custom

HOLDERS' REPRESENTATIVE, on behalf of himself and the Holders:

Russell Hersowitz

Jean (Johann) Mayer

Michael O'Rourke

Gerhard Hoher

Ronald Love

Frank Doyle

Stephen Mendelson

James O'Regan

[signatures continued on next page]

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

ESCROW AGENT:

By: _____

Its: _____

OPAL:

Opal Concepts, Inc.

By: _____

Its: _____

HOLDERS' REPRESENTATIVE, on behalf of himself and the Holders:

H.

Russell Hersowitz

HOLDERS:

Jean Mayer by H. Hersowitz

Jean (Johann) Mayer

MICHAEL O'ROURKE ATTORNEY-IN-FACT

Michael O'Rourke

G.

Gerhard Hoher

R. Love

Ronald Love

F. Doyle

Frank Doyle

S. Mendelson

Stephen Mendelson

James O'Regan

James O'Regan

[signatures continued on next page]

MEMO
Setwyn Hersowitz

David Bracamontes
David Bracamontes

Leonard Castro
Leonard Castro

Dianne Davis
Dianne Davis

Jason Lara
Jason Lara

Tobias Mitchell
Tobias Mitchell

SCHEDULE A

VOTING RIGHTS OF ESCROW SHARES

Holder	Escrow Shares	Approx. %
Russell Hersowitz, as Trustee of the Russell Hersowitz Trust	506	25.3
Jean Mayer	506	25.3
Michael O'Rourke	390	19.5
Gerhard Hoher	159	8.0
Ronald Love	147	7.3
Frank Doyle	120	6.0
Stephen Mendelson	73	3.7
James O'Regan	32	1.6
Selwyn Hersowitz	25	1.3
David Bracamontes	12	0.6
Leonard Castro	10	0.5
Diane Davis	9	0.4
Jason Lara	8	0.4
Tobias Mitchell	3	0.1
TOTAL ESCROW SHARES	2,000	100.0%

SCHEDULE B

ESCROW AGENT'S FEE

Non-Refundable Acceptance Fee: \$1,500

658387.4\19402.0065

TRADEMARK
REEL: 002225 FRAME: 0063

EXHIBIT E

FORM OF NON-COMPETITION AGREEMENT

See Tabs 39 and 40

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This NON-COMPETITION AND NON-SOLICITATION AGREEMENT (the "Agreement") is made as of August 20, 1999, by and between RUSSELL HERSOWITZ an individual and the Trustee of the Russell Hersowitz Trust ("Stockholder"), and OPAL CONCEPTS, INC., a Delaware corporation ("OPAL").

RECITALS:

A. Stockholder is the record and beneficial owner of 65 of the outstanding shares of capital stock of CARLTON HAIR INTERNATIONAL, INC., a California corporation (the "Company").

B. Stockholder, the Company, OPAL, Carlton Acquisition Corp., a California corporation and wholly owned subsidiary of OPAL, and others are parties to that certain Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which OPAL has agreed to acquire substantially all of the capital stock of the Company, all on the terms and conditions set forth in the Merger Agreement.

C. It is the Stockholder's desire that OPAL acquire the capital stock of the Company in accordance with the Merger Agreement and the Stockholder is willing to enter and is entering into this Agreement (i) as an inducement for OPAL to enter into and consummate the transactions contemplated by the Merger Agreement, (ii) as an essential bargained for and material element of consideration therefor to OPAL, as the Stockholder will benefit directly and substantially from the consummation of the transactions contemplated by the Merger Agreement and (iii) for the cash consideration in the amount set forth in Section 2 below.

D. The Stockholder understands and acknowledges that (i) OPAL is not willing to proceed with the execution of the Merger Agreement or the consummation of the transactions contemplated by the Merger Agreement unless Stockholder enters into this Agreement, because the value of the Company would be materially impaired if Stockholder was free to compete, or to assist any other Person to compete, with the Company or to use or disclose any of the Confidential Information (as defined below) following consummation of OPAL's acquisition of the capital stock of the Company, and (ii) OPAL will be executing and delivering the Merger Agreement and consummating such transactions in reliance on Stockholder's execution and delivery of this Agreement and Stockholder's full and timely compliance with the covenants contained herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants of the parties herein, and with the intent to be legally bound hereby, the parties hereby agree as follows:

1. Definitions. In addition to other terms that are defined either in the above Recitals (which are an integral part of this Agreement), in other Sections of this Agreement or the Merger Agreement, the terms set forth below shall, for purposes of this Agreement, have the following meanings:

(a) The term "Affiliate" when used with reference to OPAL, the Company or Stockholder shall mean any Person (as hereinafter defined) which, directly or indirectly, controls, is controlled by, or is under common control with OPAL, the Company or Stockholder (as the case may be) and, in addition, with respect to Stockholder, shall include Stockholder's spouse and children and, in addition, any other relatives that reside in Stockholder's household.

(b) The term "Competitive Activities" shall mean the conduct or operation of, or involvement in, any business or business activity which is the same as, substantially similar to, or competitive with any business activity in which the Company now is, or during the past 12 months was, engaged, or in which the Company has been planning and had begun material preparations, to engage in hereafter.

(c) The term "Confidential Information" shall mean business methods, plans and strategies, business policies, techniques, trade secrets, know-how, formulas, software, identities and lists of clients, customers or prospects, marketing data, supplier lists or other knowledge or processes used or developed, prior to Closing, by the Company or Stockholder for use by the Company, or which the Company or Stockholder had developed or acquired for future use, in or in connection with the business of the Company.

(d) The term "Person" shall mean any natural person, sole proprietorship, firm, corporation, limited liability company, partnership, joint venture or unincorporated association or any other business entity.

(e) The term "Restrictive Period" shall mean the period beginning on the date hereof and ending on the date which is four (4) years from the date hereof.

(f) The term "Territory" shall mean any states in the United States in which the Company now is or, during the past 12 months, has conducted its business activity.

2. Non-Competition/Non-Solicitation. In consideration of the payment of \$100,000, the receipt of which is hereby acknowledged, and the premises set forth in Recital C above, during the Restrictive Period, Stockholder shall not, directly or indirectly through one or more other Persons:

(a) engage in any Competitive Activities anywhere within the Territory;

(b) acquire or have any ownership, financial or other interests or serve in any position or capacity (whether as a principal, partner, member, joint venturer, shareholder, director, officer, agent, employee, consultant, lender or otherwise) in or with any Person engaged in Competitive Activities;

(c) provide any assistance (financial, advisory or other) to any Person or Persons, other than OPAL or any of OPAL's Affiliates, that engages or proposes to engage in any Competitive Activities; or

(d) hire, solicit or induce any employee, independent contractor or consultant of the Company to leave his or her employment or engagement or to cease doing business with the Company.

Notwithstanding the foregoing, nothing contained in this Agreement shall prevent or otherwise limit Stockholder from (i) holding, for investment purposes only, no more than five percent (5%) of any class of equity securities of a company engaged in Competitive Activities if such class of equity securities is traded on a national securities exchange or reported on the Nasdaq National Market or (ii) participating in the business of Ecoly International.

3. Confidential Information. For the Restrictive Period, Stockholder shall not:

(a) disclose, communicate or divulge any of the Confidential Information to any of its Affiliates or any other Person, other than for the benefit of OPAL or any of its Affiliates; or

(b) make, and Stockholder shall not permit any Affiliates to make, any use of any Confidential Information for the direct or indirect benefit of Stockholder, any such Affiliates or any other Person, other than OPAL or any of its Affiliates.

The foregoing restrictions shall not apply to (i) information which is or becomes generally available to the public, other than as a result of a breach of this Agreement, or (ii) the disclosure of information required pursuant to a subpoena or other legal process; provided, that Stockholder shall notify OPAL, in writing, of the receipt of any such subpoena or other legal process immediately after receipt thereof and, prior to any disclosure by Stockholder pursuant to any such subpoena or other legal process, Stockholder shall cooperate with the efforts of OPAL (at no cost or expense to Stockholder) to quash such subpoena or other legal process or to obtain a protective order, as OPAL deems appropriate.

4. Injunctive Relief. In view of the nature of (i) the business of the Company, (ii) Stockholder's day-to-day involvement in the business of the Company and in the formulation and implementation of its business plans and strategies, Stockholder's direct relationships with clients, customers and prospects of the Company, and (iii) the consideration being paid by OPAL for the capital stock of the Company, Stockholder acknowledges and agrees that the covenants of Stockholder and the restrictions on Stockholder contained in the foregoing Sections 2 and 3 of this Agreement are reasonable and necessary in order to protect the legitimate interests of OPAL and the Company, and that any violation thereof by Stockholder or any persons or entities affiliated with Stockholder (as defined in Section 1 above) would result in irreparable injuries to OPAL and the Company. Therefore, Stockholder acknowledges and agrees that, in the event of a violation by Stockholder, or any of Affiliates of Stockholder, of any of the covenants or any of the restrictions contained in Section 2 or Section 3 above, OPAL shall be entitled to obtain, from any court of competent jurisdiction, temporary, preliminary and permanent injunctive relief, in addition to any other rights or remedies to which OPAL may be entitled under applicable law or equitable principles to prevent a threatened breach or to obtain a halt to an actual breach by Stockholder or any of Stockholder's Affiliates, and to obtain an order of specific performance requiring Stockholder to continue performing or to resume Stockholder's performance of any of Stockholder's covenants under this Agreement that Stockholder is refusing or failing to perform or threatening to breach.

5. Severability. Stockholder agrees that if, in any judicial proceeding, the geographic coverage of the covenant contained in Section 2 hereof or either of the respective periods of time specified in Section 2 and 3 hereof should be adjudged unreasonable, then, such geographic coverage or such period or periods of time, as the case may be, shall be reduced to the extent, and

only to the extent, necessary to enable the court to enforce such covenants or restrictions to the fullest extent permitted under applicable law. It is further agreed that if any other provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid under any circumstance or application of such provision, then, the parties shall use their best efforts to agree on a construction or interpretation or, if necessary, a modification, of such offending provision that will allow such provision to be held valid and enforceable and at the same time enable this Agreement to be given its intended effect and to serve the purposes for which it was entered into by the parties. If such a construction or interpretation or modification (as the case may be) cannot be effectuated, then, such offending provision shall be stricken from this Agreement or its application limited, but only to the extent necessary to permit this Agreement to remain valid and enforceable under applicable law.

6. Assignment. The rights of the parties hereto shall inure to, and the obligations of the parties hereto shall be binding on, their respective heirs, representatives and successors and assigns.

7. Waiver, Amendment, Modification. No term or condition of this Agreement may be waived, amended or modified except by means of a written instrument duly executed by the parties to be charged therewith. No waiver of any provision, performance or default hereunder in any instance shall be construed as a continuing waiver of such provision, performance or default or a waiver of any other provision, performance or default or a waiver of any future performance or default.

8. Attorney Fees. In the event of a controversy, claim or dispute between any of the parties hereto arising out of or relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover its reasonable attorneys' fees, expenses and costs.

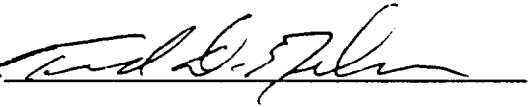
9. Complete Agreement. This Agreement contains all of the agreements of the parties with respect to, and supersedes all other agreements, written or oral, between the parties relating to, the subject matter of this Agreement.

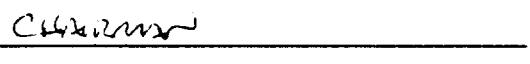
10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement may be executed by the parties in separate counterparts hereof and, provided that each party has executed and delivered a counterpart hereof, this Agreement shall be effective despite the fact that the parties have not executed the same counterpart hereof. All such counterparts shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Non-Competition and Non-Solicitation Agreement has been executed by the parties hereto as of the date and year first above written.

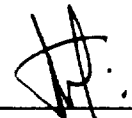
OPAL:

OPAL CONCEPTS, INC.,
a Delaware corporation

By: 

Its: 

STOCKHOLDER:



Russell Hersowitz, individually and as Trustee
of the Russell Hersowitz Trust

NON-COMPETITION AGREEMENT

This NON-COMPETITION AGREEMENT (the "Agreement") is made as of August 20, 1999, by and between DAVID BRACAMONTES, an individual ("Manager") and OPAL CONCEPTS, INC., a Delaware corporation ("OPAL").

RECITALS:

A. Manager is employed by CARLTON HAIR INTERNATIONAL, INC., a California corporation (the "Company"), as a Store Manager or Co-Manager of one or more hair care salons owned and operated by the Company (each a "Salon," and collectively the "Salons").

B. The Company, OPAL, Carlton Acquisition Corp., a California corporation and wholly owned subsidiary of OPAL, and others are parties to that certain Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which OPAL has agreed to acquire substantially all of the capital stock of the Company, all on the terms and conditions set forth in the Merger Agreement.

C. Upon execution of the Merger Agreement and consummation of the transactions contemplated thereby, Opal desires to employ Manager in the same capacity as Manager is employed by the Company.

D. The Company will be employing Manager following the closing of the transactions contemplated by the Merger Agreement in reliance on Manager's execution and delivery of this Agreement and Manager's full and timely compliance with the covenants contained herein.

NOW, THEREFORE, in consideration of Manager's employment with the Company and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the parties hereby agree as follows:

1. Definitions. In addition to other terms that are defined either in the above Recitals (which are an integral part of this Agreement), or in other Sections of this Agreement or the Merger Agreement, the terms set forth below shall, for purposes of this Agreement, have the following meanings:

(a) The term "Affiliate" when used with reference to OPAL, the Company or Manager shall mean any Person (as hereinafter defined) which, directly or indirectly, controls, is controlled by, or is under common control with OPAL, the Company or Manager (as the case may be) and, in addition, with respect to Manager, shall include Manager's spouse and children and, in addition, any other relatives that reside in Manager's household.

(b) The term "Competitive Activities" shall mean the conduct or operation of, or involvement in, any business or business activity which is the same as, substantially similar to, or competitive with the Company's business activities in which the Company now is, or during the past 12 months was, engaged, or in which the Company has been planning and had begun material preparations, to engage in hereafter.

(c) The term "Confidential Information" shall mean business methods, plans and strategies, business policies, techniques, trade secrets, know-how, formulas, software, identities and lists of clients, customers or prospects, marketing data, supplier lists or other knowledge or processes used or developed, prior to Closing, by the Company or Manager for use by the Company, or which the Company or Manager had developed or acquired for future use, in or in connection with the business of the Company.

(d) The term "Person" shall mean any natural person, sole proprietorship, firm, corporation, limited liability company, partnership, joint venture or unincorporated association or any other business entity.

(e) The term "Restrictive Period" shall mean the later of (i) the period during which Manager is employed by Opal or (ii) the period beginning on the date hereof and ending on the date which is ~~two (2)~~ years from the date hereof.

DS ~~two (2)~~ *three (3)*

(f) The term "Territory" shall mean within a twenty (20) mile radius of the Salons at which Manager currently is or was acting as the Store Manager or Co-Manager.

2. Non-Competition. For the Restrictive Period, Manager shall not, directly, or indirectly through one or more other Persons:

(a) engage in any Competitive Activities anywhere within the Territory;

(b) acquire or have any ownership, financial or other interests or serve in any position or capacity (whether as a principal, partner, member, joint venturer, shareholder, director, officer, agent, employee, consultant, lender or otherwise) in or with any Person engaged in Competitive Activities; or

(c) provide any assistance (financial, advisory or other) to any Person or Persons, other than OPAL or any of OPAL's Affiliates, that engages or proposes to engage in any Competitive Activities.

Notwithstanding the foregoing, nothing contained in this Agreement shall prevent or otherwise limit Manager from holding, for investment purposes only, no more than five percent (5%) of any class of equity securities of a company engaged in Competitive Activities if such class of equity securities is traded on a national securities exchange or reported on the Nasdaq National Market.

3. Confidential Information. For the Restrictive Period, Manager shall not:

(a) disclose, communicate or divulge any of the Confidential Information to any of its Affiliates or any other Person, other than for the benefit of OPAL or its Affiliates; or

(b) make, and Manager shall not permit any Affiliates to make, any use of any Confidential Information for the direct or indirect benefit of Manager, any such Affiliates or any other Person, other than OPAL or any of its Affiliates.

The foregoing restrictions shall not apply to (i) information which is or becomes generally available to the public, other than as a result of a breach of this Agreement, or (ii) the disclosure of information required pursuant to a subpoena or other legal process; provided, that Manager shall notify OPAL, in writing, of the receipt of any such subpoena or other legal process immediately after receipt thereof and, prior to any disclosure by Manager pursuant to any such subpoena or other legal process, Manager shall cooperate with the efforts of OPAL (at no cost or expense to Manager) to quash such subpoena or other legal process or to obtain a protective order, as OPAL deems appropriate.

4. Injunctive Relief. In view of the nature of (i) the business of the Company, and (ii) Manager's day-to-day involvement in the business of the Company and in the formulation and implementation of its business plans and strategies, Manager's direct relationships with clients, customers and prospect of the Company, which Manager developed as an employee of the Company, Manager acknowledges and agrees that the covenants of Manager and the restrictions on Manager contained in the foregoing Sections 2 and 3 of this Agreement are reasonable and necessary in order to protect the legitimate interests of OPAL, and that any violation thereof by Manager or any persons or entities affiliated with Manager (as defined in Section 1 above) would result in irreparable injuries to OPAL. Therefore, Manager acknowledges and agrees that, in the event of a violation by Manager, or any of Affiliates of Manager, of any of the covenants or any of the restrictions contained in Section 2 or Section 3 above, OPAL shall be entitled to obtain, from any court of competent jurisdiction, temporary, preliminary and permanent injunctive relief, in addition to any other rights or remedies to which OPAL may be entitled under applicable law or equitable principles to prevent a threatened breach or to obtain a halt to an actual breach by Manager or any of Manager's Affiliates, and to obtain an order of specific performance requiring Manager to continue performing or to resume Manager's performance of any of Manager's covenants under this Agreement that Manager is refusing or failing to perform or threatening to breach.

5. Severability. Manager agrees that if, in any judicial proceeding, the geographic coverage of the covenant contained in Section 2 hereof or either of the respective periods of time specified in Section 2 and 3 hereof should be adjudged unreasonable, then, such geographic coverage or such period or periods of time, as the case may be, shall be reduced to the extent, and only to the extent, necessary to enable the court to enforce such covenants or restrictions to the fullest extent permitted under applicable law. It is further agreed that if any other provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or invalid under any circumstance or application of such provision, then, the parties shall use their best efforts to agree on a construction or interpretation or, if necessary, a modification, of such offending provision that will allow such provision to be held valid and enforceable and at the same time enable this Agreement to be given its intended effect and to serve the purposes for which it was entered into by the parties. If such a construction or interpretation or modification (as the case may be) cannot be effectuated, then, such offending provision shall be stricken from this Agreement or its application limited, but only to the extent necessary to permit this Agreement to remain valid and enforceable under applicable law.

6. Assignment. The rights of the parties hereto shall inure to, and the obligations of the parties hereto shall be binding on, their respective heirs, representatives and successors and assigns.

7. Waiver, Amendment, Modification. No term or condition of this Agreement may be waived, amended or modified except by means of a written instrument duly executed by the parties to be charged therewith. No waiver of any provision, performance or default hereunder in any instance shall be construed as a continuing waiver of such provision, performance or default or a waiver of any other provision, performance or default or a waiver of any future performance or default.

8. Attorney Fees. In the event of a controversy, claim or dispute between any of the parties hereto arising out of or relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover its reasonable attorneys' fees, expenses and costs.

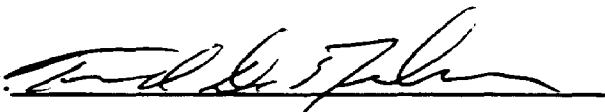
9. Complete Agreement. This Agreement contains all of the agreements of the parties with respect to, and supersedes all other agreements, written or oral, between the parties relating to, the subject matter of this Agreement.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement may be executed by the parties in separate counterparts hereof and, provided that each party has executed and delivered a counterpart hereof, this Agreement shall be effective despite the fact that the parties have not executed the same counterpart hereof. All such counterparts shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Non-Competition Agreement has been executed by the parties hereto as of the date and year first above written.

OPAL:

OPAL CONCEPTS, INC.,
a Delaware corporation

By: 

Its: CEO

MANAGER:

(Signature)

David Bracamontes
(Print Name)

IN WITNESS WHEREOF, this Non-Competition Agreement has been executed by the parties hereto as of the date and year first above written.

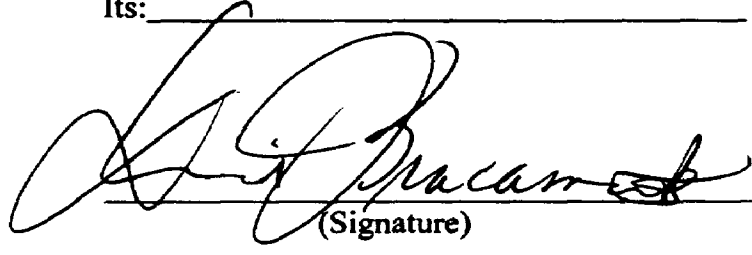
OPAL:

OPAL CONCEPTS, INC.,
a Delaware corporation

By: _____

Its: _____

MANAGER:


(Signature)

David Bracamontes
(Print Name)

EXHIBIT F

INTENTIONALLY DELETED

EXHIBIT G

INTENTIONALLY DELETED

EXHIBIT H

INTENTIONALLY DELETED

EXHIBIT I

FORM OF REGISTRATION RIGHTS AGREEMENT

See Tab 36

36

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") is entered into as of August 20, 1999 by and among OPAL CONCEPTS, INC., a Delaware corporation (the "Company"), and holders of the Company's Series D Preferred Stock whose names appear on the signature page hereto (the "Holders").

RECITALS:

A. Pursuant to the terms of an Agreement and Plan of Merger of even date herewith (the "Merger Agreement"), by and among the Company, Carlton Acquisition Corp., a California corporation and wholly owned subsidiary of the Company ("Acquisition Sub"), Carlton Hair International, Inc., a California corporation ("CHI"), and the Holders, the Holders will acquire an aggregate of 9,200 shares of Series D Preferred Stock of the Company (the "Series D Shares") which Series D Shares are convertible into shares of the Company's Common Stock (the "Underlying Shares").

B. The Company has agreed to grant to the Holders registration rights with respect to the Underlying Shares.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Restrictions on Transferability of Securities; Registration Rights.

1.1 Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Commission" shall mean the Securities and Exchange Commission.

"Current Registration Rights Holders" shall have the meaning set forth in Section 1.7.

"Holders" shall mean any person owning or having the right to acquire Registrable Securities or any transferee thereof in accordance with Section 1.12 hereof.

"Registrable Securities" means (i) the Underlying Shares; and (ii) any Common Stock of the Company issued or issuable in respect of the Underlying Shares or other securities issued upon any stock split, stock dividend, recapitalization, or similar event; provided, however, that shares of Common Stock or other securities shall only be treated as Registrable Securities if and so long as they have not been (A) sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction, or (B) sold or are available for sale in the opinion of counsel to the Company in a single transaction exempt from the registration and prospectus delivery requirements of the Securities Act so that all transfer restrictions and restrictive legends with respect thereto are or may be removed upon the consummation of such sale.

The terms "register," "registered" and "registration" refer to a registration effected by preparing and filing with the Commission a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"Registration Expenses" shall mean all expenses, except Selling Expenses as defined below, incurred by the Company in complying with Sections 1.5 and 1.6 hereof, including, without

limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses, the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company) and the reasonable fees and disbursements of one counsel for all selling security holders in the event of (a) any Company registrations pursuant to Section 1.5 hereof and (b) two registrations on Form S-3 pursuant to Section 1.6 hereof.

“Restricted Securities” shall mean the securities of the Company required to bear the legend set forth in Section 1.3 hereof.

“Securities Act” shall mean Securities Act of 1933, as amended, and shall include any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

“Selling Expenses” shall mean all underwriting discounts and selling commissions applicable to the Registrable Securities registered by the Holders and, except as set forth in the definition of Registration Expenses, all reasonable fees and disbursements of counsel for any Holder.

1.2 Restrictions on Transferability. The Underlying Shares shall not be sold, assigned, transferred or pledged except upon satisfaction of the conditions specified in this Section 1, which conditions are intended to ensure compliance with the provisions of the Securities Act. Holder will cause any proposed purchaser, assignee, transferee, or pledgee of the Underlying Shares to agree to take and hold such securities subject to the provisions and conditions of this Section 1.

1.3 Restrictive Legend. Each certificate representing the Underlying Shares and any other securities issued in respect of the Underlying Shares upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Section 1.4 below) be stamped or otherwise imprinted with a legend in the following form (in addition to any legend required under applicable state securities laws):

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO IT STATING THAT SUCH SALE OR TRANSFER IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT. COPIES OF THE AGREEMENT COVERING THE PURCHASE OF THESE SHARES AND RESTRICTING THEIR TRANSFER MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE CORPORATION AT THE PRINCIPAL EXECUTIVE OFFICES OF THE CORPORATION.

The Holder consents to the Company making a notation on its records and giving instructions to any transfer agent of the Underlying Shares in order to implement the restrictions on transfer established in this Section 1.

1.4 Notice of Proposed Transfers. Prior to any proposed sale, assignment, transfer or pledge of any Underlying Shares (other than (i) transfers not involving a change in beneficial ownership or (ii) transactions involving the transfer of Underlying Shares by the Holder to any trust or similar entity for estate planning purposes), unless there is in effect a registration

statement under the Securities Act covering the proposed transfer, the Holder shall give written notice to the Company of such Holder's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and (unless waived by the Company) shall be accompanied, at such Holder's expense, by either (i) an unqualified written opinion of legal counsel who shall be, and whose legal opinion shall be, reasonably satisfactory to the Company addressed to the Company, to the effect that the proposed transfer may be effected without registration under the Securities Act, or (ii) a "no action" letter from the Commission to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, whereupon the Holder shall be entitled to transfer such Underlying Shares in accordance with the terms of the notice delivered by the Holder to the Company. Each certificate evidencing the Underlying Shares transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144 under the Securities Act, the appropriate restrictive legend set forth in Section 1.3 above, except that such certificate shall not bear such restrictive legend if in the opinion of counsel for such Holder and the Company such legend is not required in order to establish compliance with any provision of the Securities Act. Notwithstanding the foregoing, Holder agrees that it will not request that a transfer of the Underlying Shares be made (or that the legend described in Section 1.3 be removed from the certificate evidencing the Underlying Shares) solely in reliance on Rule 144(k) under the Securities Act until the Company has been subject to the reporting requirements under the Exchange Act for a period of 90 days. Whenever the restrictions imposed by this Section 1 shall terminate, as herein provided, the Holder of the Underlying Shares shall be entitled to receive from the Company, without expense, a new certificate not bearing the restrictive legend set forth in Section 1.3 and not containing any other reference to the restrictions imposed by this Section 1.

1.5 Company Registration.

(a) Notice of Registration. If at any time or from time to time the Company shall determine to register any of its securities, either for its own account or the account of a security holder or holders, other than a registration statement on Form S-4 or Form S-8 or similar successor forms then in effect, the Company will:

(i) promptly give to each Holder written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made within 20 days after receipt of such written notice from the Company, by each Holder.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 1.5(a)(i). In such event, the right of any Holder to registration pursuant to this Section 1.5 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and any other stockholders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by the Company. Notwithstanding any other provision of this Section 1.5, if the managing underwriter determines that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the Registrable Securities to be included in such registration. The Company shall so advise all Holders and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated among all stockholders of the Company (not just the Holders hereunder) in proportion, as nearly as practicable, to the respective amounts of Registrable

Securities (or other securities of the Company) held by such stockholders at the time of filing the registration statement. If any Holder or other stockholder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the managing underwriter. Any securities excluded or withdrawn from such underwriting shall be withdrawn from such registration, and shall not be transferred in a public distribution prior to 90 days after the effective date of the registration statement relating thereto, or such other shorter period of time as the underwriters may require. The Company may include shares of Common Stock held by stockholders other than Holders in a registration statement pursuant to this Section 1.5 if, and to the extent that, the amount of Registrable Securities otherwise includable in such registration statement would not thereby be diminished except as otherwise provided in Section 1.14 below.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.5 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

1.6 Registration on Form S-3.

(a) If a Holder requests that the Company file a registration statement on Form S-3 (or any successor form to Form S-3) for a public offering of the Registrable Securities the reasonably anticipated aggregate price to the public of which, net of underwriting discounts and commissions, would exceed \$500,000, and the Company is then entitled to use Form S-3 under applicable Commission rules to register the Registrable Securities for such an offering, the Company shall use its best efforts to cause such Registrable Securities to be registered for the offering on such form and to cause such Registrable Securities to be qualified in such jurisdictions as the Holder or Holders may reasonably request; provided, however, that the Company shall not be required to effect more than two registrations pursuant to this Section 1.6 in any twelve (12) month period.

(b) Notwithstanding the foregoing, the Company shall not be obligated to take any action pursuant to this Section 1.6 (i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act; (ii) if the Company, within ten (10) days of the receipt of the request of the Holders, gives notice of its bona fide intention to effect the filing of a registration statement with the Commission within ninety (90) days of receipt of such request (other than with respect to a registration statement on Form S-4 or Form S-8 or similar successor forms then in effect); (iii) during the period starting with the date sixty (60) days prior to the Company's estimated date of filing of, and ending on the date six (6) months immediately following, the effective date of any registration statement pertaining to securities of the Company (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan), provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; or (iv) if the Company shall furnish to such Holder a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors it would be seriously detrimental to the Company or its stockholders for registration statements to be filed in the near future, then the Company's obligation to use its best efforts to file a registration statement shall be deferred for a period not to exceed 90 days from the receipt of the request to file such registration by such Holder.

1.7 Limitations on Subsequent Registration Rights. From and after the date hereof, with the exception of the registration rights granted to (i) "Holders" in the Series A Preferred Stock Purchase Agreement dated January 28, 1992, the Series A Preferred Stock Purchase Agreement dated March 31, 1993, and the two Joinder Agreements dated September 30, 1994 and June 30, 1995 (hereinafter all references to the Series A Preferred Stock Purchase Agreement dated March 31, 1993 shall include these two Joinder Agreements), (ii) to Duke Financial Co., Inc.

("DFI") pursuant to that certain DFI Joinder Agreement dated December 31, 1994, in which DFI was both assigned the registration rights of Duke Specialty Ventures, Inc. ("Duke") under that certain Agreement by and between the Company and Duke dated January 28, 1992 and granted the same registration rights for the additional shares of Common Stock issued to DFI on December 31, 1994, (iii) to Allen & Company Incorporated pursuant to that certain Registration Rights Agreement dated August 31, 1995 for the shares of Common Stock issued upon exercise of Warrants, (iv) to "Holders" in the Series B Preferred Stock Purchase Agreement dated August 31, 1995, (v) to BancBoston Investments, Inc. pursuant to that certain Warrant Purchase Agreement dated December 31, 1997, (vi) to DFI and On the Greene Enterprises, L.P. (as assignees of Ted D. Nelson and Robert E. Greene, respectively), pursuant to Stock Purchase Agreements dated as of January 20, 1998, (vii) to Shiseido Company, Ltd. pursuant to the Stock Purchase Agreement dated September 30, 1998, and the Securities Purchase Agreement dated May 25, 1999, and (viii) to Philip J. Randazzo and Mary Randazzo, as Co-Trustees of The Randazzo Community Property Trust Dated 6/8/90 pursuant to the Registration Rights Agreement dated January 7, 1999, (hereinafter the holders of the foregoing registration rights existing prior to this Agreement are sometimes referred to as the "Current Registration Rights Holders"), and unless the Company obtains waivers from the required Current Registration Rights Holders with respect thereto (provided, in the event of any such waiver that the registration rights to be granted do not discriminate against the Holder's registration rights), the Company shall not enter into any agreement granting any holder or prospective holder of any securities of the Company registration rights with respect to such securities unless (a) such new registration rights, including standoff obligations, are on a pari passu basis with those rights of the Holders hereunder; or (b) such new registration rights, including standoff obligations, are subordinate to the registration rights granted Holders hereunder.

1.8 Expenses of Registration.

(a) All Registration Expenses incurred in connection with (i) any Company registrations pursuant to Section 1.5 hereof and (iii) two registrations on Form S-3 pursuant to Section 1.6 hereof shall be borne by the Company. Unless otherwise stated, all Selling Expenses relating to securities registered on behalf of the Holders and all other Registration Expenses shall be borne by the Holders of such securities pro rata on the basis of the number of shares so registered.

(b) All Registration Expenses and Selling Expenses incurred in connection with any additional registrations pursuant to Section 1.6 shall be borne pro rata by the Holder or Holders requesting the registration on Form S-3 according to the number of Registrable Securities included in such registration.

1.9 Registration Procedures. In the case of each registration, qualification or compliance effected by the Company pursuant to this Section 1, the Company will keep each Holder advised in writing as to the initiation of each registration, qualification and compliance and as to the completion thereof. At its expense the Company will:

(a) Prepare and file with the Commission a registration statement with respect to such securities and use its best efforts to cause such registration statement to become and remain effective for at least one hundred twenty (120) days, and prepare and file with the Commission such amendments to such registration statement and supplements to the prospectus contained therein as may be necessary to keep such registration statement effective for at least one hundred twenty (120) days, provided that no such registration shall constitute a shelf registration under Rule 415 promulgated by the Commission under the Securities Act;

(b) Enter into a written underwriting agreement in customary form and substance reasonably satisfactory to the Company, the Holders and the managing underwriter or

underwriters of the public offering of such securities, if the offering is to be underwritten in whole or in part;

(c) Furnish to the Holders participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the registration statement, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(d) Use its best efforts to register or qualify the securities covered by such registration statement under such state securities or blue sky laws of such jurisdictions as such participating Holders may reasonably request within ten (10) days prior to the original filing of such registration statement, except that the Company shall not for any purpose be required to execute a general consent to service of process or to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified;

(e) Notify the Holders (or if they have appointed an attorney-in-fact, such attorney-in-fact) participating in such registration, promptly after it shall receive notice thereof, of the time when such registration statement has been effective or a supplement to any prospectus forming a part of such registration statement has been filed;

(f) Notify such Holders or their attorney-in-fact promptly of any request by the Commission for the amending or supplementing of such registration statement or prospectus or for additional information;

(g) Prepare and file with the Commission promptly upon the request of any such Holders, any amendments or supplements to such registration statement or prospectus which, in the reasonable opinion of counsel for such Holders, is required under the Securities Act or the rules and regulations thereunder in connection with the distribution of the Registrable Securities by such Holders;

(h) Prepare and promptly file with the Commission, and promptly notify such Holders or their attorney-in-fact of the filing of, such amendment or supplement to such registration statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Securities Act, any event has occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances in which they were made;

(i) In case any such Holders or any underwriter for any such Holders is required to deliver a prospectus at a time when the prospectus then in effect may no longer be used under the Securities Act, prepare promptly upon request such amendment or amendments to such registration statement and such prospectuses as may be necessary to permit compliance with the requirements of the Securities Act;

(j) Advise such Holders or their attorney-in-fact, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such registration statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued; and

(k) At the request of any such Holder, furnish on the effective date of the registration statement and, if such registration includes an underwritten public offering, at the closing provided for in the underwriting agreement, (i) an opinion, dated each such date, of the

counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the Holder or Holders making such request, covering such matters with respect to the registration statement, the prospectus and each amendment or supplement thereto, proceedings under state and federal securities law, other matters relating to the Company, the securities being registered and the offer and sale of such securities as are customarily the subject of opinions of issuer's counsel provided to underwriters in underwritten public offerings, and (ii) to the extent the Company's accounting firm is willing to do so, a letter dated each such date, from the independent certified public accountants of the Company, addressed to the underwriters, if any, and to the Holder or Holders making such request, stating that they are independent certified public accountants within the meaning of the Securities Act and that in the opinion of such accountants the financial statements and other financial data of the Company included in the registration statement or the prospectus or any amendment or supplement thereto comply in all material respects with the applicable accounting requirements of the Securities Act, and additionally covering such other financial matters, including information as to the period ending not more than five (5) business days prior to the date of such letter with respect to the registration statement and prospectus, as the underwriters or such requesting Holder or Holders may reasonably request.

1.10 Information by Holder. The Holder or Holders of Registrable Securities included in any registration shall furnish the Company such information regarding such Holder or Holders, the Registrable Securities held by them and the distribution proposed by such Holder or Holders as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Section 1.

1.11 Indemnification.

(a) The Company will indemnify each Holder, each of its officers, directors and partners, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to this Section 1, and each underwriter, if any, and each person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) or a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation by the Company of the Securities Act or any rule or regulation promulgated under the Securities Act applicable to the Company in connection with any such registration, qualification or compliance, and the Company will reimburse each such Holder, each of its officers and directors, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder, controlling person or underwriter and stated to be specifically for use therein.

(b) Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other

such Holder, each of its officers and directors and each person controlling such Holder within the meaning of Section 15 of the Securities Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company, such Holders, such directors, officers, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder and stated to be specifically for use therein. Notwithstanding the foregoing, the liability of each Holder under this subsection (b) shall be limited to an amount equal to the aggregate proceeds from the sale of shares sold by such Holder in connection with such registration, unless such liability arises out of or is based on willful misconduct by such Holder.

(c) Each party entitled to indemnification under this Section 1.11 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1 unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action, and provided further, that the Indemnifying Party shall not assume the defense for matters as to which there is a conflict of interest or separate and different defenses. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

1.12 Transfer of Registration Rights. The rights to cause the Company to register securities granted to Holders under Sections 1.5 and 1.6 may be assigned to any transferee or assignee of the Registrable Securities in connection with any transfer or assignment of such Registrable Securities in accordance with the provisions of this Section 1; provided, however, such rights shall terminate with respect to any securities sold pursuant to the terms hereof, after the Company's initial public offering, if such securities are sold or transferred pursuant to an effective registration statement or are sold or transferred pursuant to the provisions of Rule 144 under the Securities Act in such a manner that the restrictive legend referred to in Section 1.3 hereof may be properly removed in the opinion of counsel to the Company. Notwithstanding the foregoing, the rights to cause the Company to register securities may be assigned to any trust of the Holder for estate planning purposes which acquires all of such Holder's Underlying Shares, provided written notice thereof is promptly given to the Company.

1.13 Standoff Agreement. Each Holder agrees, so long as such Holder holds at least five percent (5%) of the Company's outstanding voting equity securities, in connection with the initial public offering of the Company's securities that, upon request of the Company or the underwriters managing an underwritten offering, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Registrable Securities (other than those included in the registration statement pursuant to either Sections 1.5 or 1.6 above) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time

(not to exceed 180 days) from the effective date of such registration as may be requested by the underwriters; provided, that the officers and directors of the Company who own stock of the Company also agree to such restrictions.

1.14 Certain Pari Passu Rights. The "piggyback" registration rights of Holders provided for in Section 1.5 hereof shall be pari passu with the "piggyback" rights of the Current Registration Rights Holders. In the event, however, that (i) any Holder or Current Registration Rights Holder exercises a right to "demand" that the Company register some or all of its shares (the "Demand Shares") of Common Stock (the "Demand Registration"), and (ii) any other Holder or Current Registration Rights Holder elects to exercise its "piggyback" registration rights with respect to such Demand Registration, and (iii) the underwriter for the Demand Registration must limit the number of shares of Common Stock to be underwritten, the Demand Shares shall be included in the Demand Registration prior to the inclusion of any shares the subject of any "piggyback" registration right.

2. Attorneys' Fees.

If legal action is instituted on this Agreement, the prevailing party shall be entitled to recover all costs of suit, including reasonable attorneys' fees.

3. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

4. Notices.

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given by delivery, by telex, telecopier or by mail (registered or certified mail, postage prepaid, return receipt requested) to the respective parties as follows:

If to the Company:

Opal Concepts, Inc.
1400 N. Kellogg, Suite E
Anaheim, California 92807
(714) 779-6864 (telecopier)
(714) 779-0545 (telephone)
Attention: Randall P. Spackman, Esq.

with a copy to:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
(949) 725-4100 (telecopier)
(949) 725-4000 (telephone)
Attention: C. Craig Carlson, Esq.

If to Holder:

c/o Mr. Russell Hersowitz
Carlton Hair International, Inc.
7 Corporate Park, Suite 100
Irvine, California 92606
(949) 261-0385 (telecopier)
(949) 261-9045 (telephone)

with a copy to:

Voss, Cook & Thel, LLP
840 Newport Center Drive, Suite 700
Newport Beach, California 92660-6310
(949) 720-0300 (telecopier)
(949) 720-1508 (telephone)
Attention: Albert J. Thel, Jr., Esq.

or to such other address as any party hereto may, from time to time, designate in a written notice given in like manner.

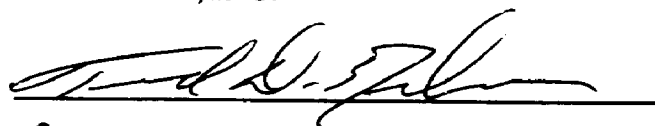
5. Arbitration. Except as provided below, no civil action concerning any dispute under this Agreement shall be instituted before any court, and all such disputes shall be submitted to final and binding arbitration before the American Arbitration Association. The place for any arbitration shall be in Orange County, California, and the laws of the State of California shall govern, and the arbitrator solely shall apply them to, the interpretation and construction of this Agreement. Such arbitration shall be conducted in accordance with the Commercial Rules of the American Arbitration Association then in effect ("Commercial Rules") before a single neutral arbitrator; except that either party may request an expedited arbitration pursuant to the Commercial Rules. If possible, the choice of arbitrators presented to the parties shall include persons who have at least ten years experience with corporate and commercial matters. Discovery shall be allowed in arbitration in accordance with the statutory discovery provisions of the state in which the arbitration is conducted. Any award issued shall be made in accordance with the governing law of the state in which the arbitration is conducted and shall include the award to the prevailing party of its costs and expenses (including, but not limited to, attorneys' fees and costs and arbitration costs and arbitrator's fees and the costs of all dispute resolution proceedings (including, but not limited to, those incurred in or relating to any and all trial and appellate proceedings)). An award shall be final and binding and may not be appealed or reviewed, except upon the ground of malfeasance or fraud by the arbitrator. Judgment upon the award may be enforced in any court of competent jurisdiction, wherever located. Notwithstanding the foregoing, either party shall have the right, at its sole discretion, to seek equitable relief from a court of competent jurisdiction without being limited in recourse to arbitration, in the event that a breach by the other party of this Agreement shall result in irreparable injury to it or if monetary damages would be inadequate and impossible to calculate adequately, which equitable relief shall include (but not be limited to) the entering of a temporary restraining order and/or a preliminary injunction. This Section shall survive the termination of this Agreement for any reason.

IN WITNESS WHEREOF, the undersigned have executed this Registration Rights Agreement as of the day and year first above written.

COMPANY:

OPAL CONCEPTS, INC.

By:



Its:

Chairman

HOLDERS:

Jean (Johann) Mayer

Russell Hersowitz, individually and as trustee of the
Russell Hersowitz Family Trust

Michael O'Rourke

Gerhard Hoher

IN WITNESS WHEREOF, the undersigned have executed this Registration Rights Agreement as of the day and year first above written.

COMPANY:

OPAL CONCEPTS, INC.

By: _____

Its: _____

HOLDERS:

Johann Mayer
Johann Mayer
AS ATTORNEY IN FACT

Russell Hersowitz individually and as trustee of the
Russell Hersowitz Family Trust

Michael O'Rourke
Michael O'Rourke

Attorney in Fact
ATTORNEY - IN-FACT

Gerhard Hoher
Gerhard Hoher

Schedule 1.4

Restated Articles of Incorporation of Acquisition Sub

See Tab 22, Exhibit A

EXHIBIT A

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
CARLTON ACQUISITION CORP.**

ARTICLE ONE: NAME

The name of this Corporation is: CARLTON HAIR INTERNATIONAL, INC.

ARTICLE TWO: PURPOSE

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE THREE: LIMITATION OF DIRECTORS' LIABILITY

The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

ARTICLE FOUR: INDEMNIFICATION

This Corporation is authorized to indemnify the directors and officers of this Corporation to the fullest extent permissible under California law and in excess of that otherwise permitted under Section 317 of the California Corporations Code.

ARTICLE FIVE: AUTHORIZED SHARES

The total number of shares which the Corporation is authorized to issue is 100 shares, all of the same class, designated "Common Stock."

ARTICLE SIX: AGENT FOR SERVICE

The name and address in the State of California of the Corporation's initial agent for service of process is Randall P. Spackman, 1400 N. Kellogg, Suite E, Anaheim, California 92807.

Schedule 1.5

Bylaws of Acquisition Sub

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TRADEMARK
REEL: 002225 FRAME: 0095

**BYLAWS FOR THE REGULATION, EXCEPT
AS OTHERWISE PROVIDED BY STATUTE OR ITS
ARTICLES OF INCORPORATION, OF
CARLTON ACQUISITION CORP.,
a California corporation**

Article I.

Offices

Section 1. Principal Executive Office. The principal executive office of the corporation is hereby fixed and located at 1400 N. Kellogg, Suite E, Anaheim, California 92807. The Board of Directors is hereby granted full power and authority to change said principal executive office from one location to another. Any such change shall be noted on the bylaws by the secretary, opposite this section, or this section may be amended to state the new location.

Section 2. Other Offices. Other business offices may at any time be established by the Board of Directors at any place or places where the corporation is qualified to do business.

Article II.

Meetings of Shareholders

Section 1. Place of Meetings. All annual or other meetings of shareholders shall be held at the principal executive office of the corporation, or at any other place within or without the State of California which may be designated either by the Board of Directors or by the written consent of all persons entitled to vote thereat and not present at the meeting, given either before or after the meeting and filed with the secretary of the Corporation.

Section 2. Annual Meetings. The annual meetings of shareholders shall be held on such date as may be set by the Board of Directors; provided, however, that, should said day fall upon a legal holiday, then any such annual meeting of shareholders shall be held at the same time and place on the next day thereafter ensuing which is a full business day. At such meetings, directors shall be elected, reports of the affairs of the Corporation shall be considered, and any other business may be transacted which is within the powers of the shareholders. Written notice of each annual meeting shall be given to each shareholder entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such shareholder at his address appearing on the books of the Corporation or given by him to the Corporation for the purpose of notice. If any notice or report addressed to the shareholder at the address of such shareholder appearing on the books of the Corporation is returned to the Corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the shareholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the shareholder upon written demand of the shareholder at the principal executive office of the Corporation for a period of one year from the date

of the giving of the notice or report to all other shareholders. If a shareholder gives no address, notice shall be deemed to have been given him if sent by mail or other means of written communication addressed to the place where the principal executive office of the Corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said principal executive office is located.

All such notices shall be given to each shareholder entitled thereto not less than ten (10) days nor more than sixty (60) days before each annual meeting. Any such notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of mailing of any such notice in accordance with the foregoing provisions, executed by the secretary, assistant secretary or any transfer agent of the Corporation, shall be prima facie evidence of the giving of the notice.

Such notices shall specify:

- (a) the place, the date, and the hour of such meeting;
- (b) those matters which the Board, at the time of the mailing of the notice, intends to present for action by the shareholders;
- (c) if directors are to be elected, the names of nominees intended at the time of the notice to be presented by management for election;
- (d) the general nature of a proposal, if any, to take action with respect to approval of (i) a contract or other transaction with an interested director, (ii) amendment of the Articles of Incorporation, (iii) a reorganization of the Corporation as defined in Section 181 of the General Corporation Law, (iv) voluntary dissolution of the Corporation, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, if any; and
- (e) such other matters, if any, as may be expressly required by statute.

Section 3. Special Meetings. Special meetings of the shareholders, for the purpose of taking any action permitted by the shareholders under the General Corporation Law and the Articles of Incorporation of this Corporation, may be called at any time by the Chairman of the Board or the President, or by the Board of Directors, or by one or more shareholders holding not less than ten percent (10%) of the votes at the meeting. Upon request in writing that a special meeting of shareholders be called for any proper purpose, directed to the Chairman of the Board, President, Vice President or Secretary by any person (other than the Board) entitled to call a special meeting of shareholders, the officer forthwith shall cause notice to be given to shareholders entitled to vote that a meeting will be held at a time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after receipt of the request. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for the annual meetings of shareholders. In addition to the matters required by items (a) and, if applicable, (c) of the preceding Section, notice of any special meeting shall specify the general nature of the business to be transacted, and no other business may be transacted at such meeting.

Section 4. Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the voting shares at any meeting shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 5. Adjourned Meeting and Notice Thereof. Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at such meeting, except as provided in Section 4 above.

When any shareholders' meeting, either annual or special, is adjourned for forty-five days or more, or if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as provided above, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken.

Section 6. Voting. Unless a record date for voting purposes be fixed as provided in Section 1 of Article V of these bylaws, then, subject to the provisions of Sections 702 and 704, inclusive, of the Corporations Code of California (relating to voting of shares held by a fiduciary, in the name of a Corporation, or in joint ownership), only persons in whose names shares entitled to vote stand on the stock records of the Corporation at the close of business on the business day next preceding the day on which notice of the meeting is given or if such notice is waived, at the close of business on the business day next preceding the day on which the meeting of shareholders is held, shall be entitled to vote at such meeting, and such day shall be the record date for such meeting. Such vote may be viva voce or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a shareholder at any election and before the voting begins. If a quorum is present, except with respect to election of directors, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by the General Corporation Law or the Articles of Incorporation. Subject to the requirements of the next sentence, every shareholder entitled to vote at any election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his shares are entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. No shareholder shall be entitled to cumulative votes unless the name of the candidate or candidates for whom such votes would be cast has been placed in nomination prior to the voting, and any shareholder has given notice at the meeting prior to the voting of such shareholder's intention to cumulate his votes. The candidates receiving the highest number of votes of shares entitled to be voted for them, up to the number of directors to be elected, shall be elected.

Section 7. Validation of Defectively Called or Noticed Meetings. The transactions of any meeting of shareholders, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in

person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, or who, though present, has, at the beginning of the meeting, properly objected to the transaction of any business because the meeting was not lawfully called or convened, or to particular matters of business legally required to be included in the notice, but not so included, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. Action Without Meeting. Directors may be elected without a meeting by a consent in writing, setting forth the action so taken, signed by all of the persons who would be entitled to vote for the election of directors, provided that, without notice except as hereinafter set forth, a director may be elected at any time to fill a vacancy not filled by the directors by the written consent of persons holding a majority of the outstanding shares entitled to vote for the election of directors.

Any other action which, under any provision of the California General Corporation Law, may be taken at a meeting of the shareholders, may be taken without a meeting, and without notice except as hereinafter set forth, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Unless the consents of all shareholders entitled to vote have been solicited in writing,

(a) Notice of any proposed shareholder approval of (i) a contract or other transaction with an interested director, (ii) indemnification of an agent of the Corporation as authorized by Section 15, of Article III, of these bylaws, (iii) a reorganization of the Corporation as defined in Section 181 of the General Corporation Law, or (iv) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, if any, without a meeting by less than unanimous written consent, shall be given at least ten (10) days before the consummation of the action authorized by such approval; and

(b) Prompt notice shall be given of the taking of any other corporate action approved by shareholders without a meeting by less than unanimous written consent to those shareholders entitled to vote who have not consented in writing. Such notices shall be given in the manner and shall be deemed to have been given as provided in Section 2 of Article II of these bylaws.

Unless, as provided in Section 1 of Article V of these bylaws, the Board of Directors has fixed a record date for the determination of shareholders entitled to notice of and to give such written consent, the record date for such determination shall be the day on which the first written consent is given. All such written consents shall be filed with the secretary of the Corporation.

Any shareholder giving a written consent, or the shareholder's proxyholders, or a transferee of the shares or a personal representative of the shareholder or their respective proxyholders, may revoke the consent by a writing received by the Corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the secretary of

the Corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the secretary of the Corporation.

Section 9. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the Corporation. Any proxy duly executed is not revoked and continues in full force and effect until (i) an instrument revoking it or a duly executed proxy bearing a later date is filed with the secretary of the Corporation prior to the vote pursuant thereto, (ii) the person executing the proxy attends the meeting and votes in person, or (iii) written notice of the death or incapacity of the maker of such proxy is received by the Corporation before the vote pursuant thereto is counted; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which such proxy is to continue in force.

Section 10. Inspectors of Election. In advance of any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election be not so appointed, the chairman of any such meeting may, and on the request of any shareholder or his proxy shall, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares represented in person or by proxy shall determine whether one or three inspectors are to be appointed. In case any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may, and on the request of any shareholder or a shareholder's proxy shall, be filled by appointment by the Board of Directors in advance of the meeting, or at the meeting by the chairman of the meeting.

The duties of such inspectors shall be as prescribed by Section 707 of the General Corporation Law and shall include determining the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all shareholders. In the determination of the validity and effect of proxies, the dates contained on the forms of proxy shall presumptively determine the order of execution of the proxies, regardless of the postmark dates on the envelopes in which they are mailed.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence by the facts stated therein.

Article III.

Directors

Section 1. Powers. Subject to limitations of the Articles of Incorporation and of the California General Corporation Law as to action to be authorized or approved by the shareholders, and subject to the duties of directors as prescribed by the bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to wit:

First—To select and remove all the officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the bylaws, fix their compensation and require from them security for faithful service.

Second—To conduct, manage and control the affairs and business of the Corporation, and to make such rules and regulations therefor not inconsistent with law, or with the Articles of Incorporation or the bylaws, as they may deem best.

Third—To change the principal executive office and principal office for the transaction of the business of the Corporation from one location to another as provided in Article I, Section 1, hereof; to fix and locate from time to time one or more subsidiary offices of the Corporation within or without the State of California, as provided in Article I, Section 2, hereof; to designate any place within or without the State of California for the holding of any shareholders' meeting or meetings; and to adopt, make and use a corporate seal, and to prescribe the forms of certificates of stock, and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.

Fourth—To authorize the issue of shares of stock of the Corporation from time to time, upon such terms as may be lawful.

Fifth—To borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

Sixth—By resolution adopted by a majority of the authorized number of directors, to designate an executive and other committees, each consisting of two or more directors, to serve at the pleasure of the Board, and to prescribe the manner in which proceedings of such committee shall be conducted. Unless the Board of Directors shall otherwise prescribe the manner of proceedings of any such committee, meetings of such committee may be regularly scheduled in advance and may be

called at any time by any two members thereof; otherwise, the provisions of the bylaws with respect to notice and conduct of meetings of the Board shall govern. Any such committee, to the extent provided in a resolution of the Board, shall have all of the authority of the Board, except with respect to:

- (a) the approval of any action for which the General Corporation Law or the Articles of Incorporation also require shareholder approval;
- (b) the filling of vacancies on the Board or in any committee;
- (c) the fixing of compensation of the directors for serving on the Board or on any committee;
- (d) the adoption, amendment or repeal of the bylaws;
- (e) the amendment or repeal of any resolution of the Board;
- (f) any distribution to the shareholders, except at a rate or in a periodic amount or within a price range determined by the Board; and
- (g) the appointment of other committees of the Board or the members thereof.

Section 2. Number and Qualification of Directors. The authorized number of directors shall be two (2) until changed by amendment of the Articles of Incorporation or by a bylaw amending this Section 2 duly adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided that a proposal to reduce the authorized number of directors below five cannot be adopted if the votes cast against its adoption at a meeting, or the shares not consenting in the case of action by written consent, are equal to more than 16-2/3 percent of the outstanding shares entitled to vote.

Section 3. Election and Term of Office. The directors shall be elected at each annual meeting of shareholders but, if any such annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of shareholders held for that purpose. All directors shall hold office until their respective successors are elected, subject to the General Corporation Law and the provisions of these bylaws with respect to vacancies on the Board.

Section 4. Vacancies. A vacancy in the Board of Directors shall be deemed to exist in case of the (i) death, (ii) resignation or removal of any director with or without cause, (iv) pursuant to Section 302 of the California Corporations Code if a director has been declared of unsound mind by order of court or convicted of a felony, (v) if the authorized number of directors be increased, or if the shareholders fail, at any annual or special meeting of shareholders at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

Vacancies in the Board of Directors, except for a vacancy created by the removal of a director, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the shareholders. A vacancy in the Board of Directors created by the removal of a director may only be filled by the vote of a majority of the shares entitled to vote

represented at a duly held meeting at which a quorum is present, or by the written consent of the holders of a majority of the outstanding shares.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. Any such election by written consent shall require the consent of holders of a majority of the outstanding shares entitled to vote.

Any director may resign effective upon giving written notice to the chairman of the Board, the president, the secretary or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the shareholders shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 5. Place of Meeting. Regular meetings of the Board of Directors shall be held at any place within or without the State which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation. Special meetings of the Board may be held either at a place so designated or at the principal executive office.

Section 6. Organization Meeting. Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting at the place of said annual meeting or at such other place as shall be fixed by the Board of Directors, for the purpose of organization, election of officers, and the transaction of other business. Call and notice of such meetings are hereby dispensed with.

Section 7. Other Regular Meetings. Other regular meetings of the Board of Directors shall be held without call as provided in a resolution adopted by the Board of Directors from time to time; provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is a full business day. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

Section 8. Special Meetings. Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the chairman of the Board, the president, any vice president, the secretary or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to each director or communicated to each director by telephone or by telegraph or mail, charges prepaid, addressed to him at his address as it is shown upon the records of the Corporation or, if it is not so shown on such records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held. In case such notice is mailed, it shall be deposited in the United States mail in the place in which the principal executive office of the Corporation is located at least four days' prior to the time of holding the meeting. In case such notice is delivered, personally or by telephone or telegraph, as above provided, it shall be so delivered at least forty-eight hours prior to

the time of the holding of the meeting. Such mailing, telegraphing or delivery, personally or by telephone, as above provided, shall be due, legal and personal notice to such director.

Section 9. Action Without Meeting. Any action by the Board of Directors may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall have the same force and effect as a unanimous vote of such directors.

Section 10. Action at a Meeting: Quorum and Required Vote. Presence of a majority of the authorized number of directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as hereinafter provided. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting as permitted in the preceding sentence constitutes presence in person at such meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by law, by the Articles of Incorporation, or by these bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, provided that any action taken is approved by at least a majority of the required quorum for such meeting.

Section 11. Validation of Defectively Called or Noticed Meetings. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the directors not present or who, though present, has, prior to the meeting or at its commencement, protested the lack of proper notice to him, signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. Adjournment. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 13. Notice of Adjournment. If the meeting is adjourned for more than twenty-four hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of adjournment. Otherwise notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 14. Fees and Compensation. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by resolution of the Board.

Section 15. Indemnification of Agents of the Corporation; Purchase of Liability

Insurance.

(a) For the purposes of this Section, "agent" means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "executive officer" means any person who is or was a director or an officer serving a chief policy making function, or is or was serving at the request of the Corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director or officer serving a chief policy making function of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of the corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under subsection (d) or paragraph (3) of subsection (e) of this section.

(b) This Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Corporation) by reason of the fact that such person is or was an executive officer of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. This Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Corporation) by reason of the fact that such person is or was an agent of the Corporation by a majority vote of a quorum consisting of directors who are not a party to such proceeding, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reason to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

(c) This Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this Corporation to procure a judgment in its favor by reason of the fact that such person is or was an executive officer of this Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith,

in a manner such person believed to be in the best interests of this Corporation and its shareholders. No indemnification shall be made under subsection (b) and/or (c):

(1) in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to this Corporation in the performance of such person's duty to this Corporation and its shareholders, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for expenses and then only to the extent that the court shall determine;

(2) Of amounts paid in settling or otherwise disposing of a pending action without court approval; or

(3) Of expenses incurred in defending a pending action which is settled or otherwise disposed of without court approval.

(d) To the extent that an agent or executive officer of this Corporation has been successful on the merits in defense of any proceeding referred to in subsection (b) or (c) or in defense of any claim, issue or matter therein, the agent or executive officer shall be indemnified against expenses actually and reasonably incurred by the agent or executive officer in connection therewith.

(e) Except as provided in subsection (d), any indemnification under this section shall be made by this Corporation only if authorized in the specific case, upon a determination that indemnification of the agent or executive officer is proper in the circumstances because the agent or executive officer has met the applicable standard of conduct set forth in subsection (b) or (c), by:

(1) A majority vote of a quorum consisting of directors who are not a party to such proceeding;

(2) If such a quorum of directors is not obtainable, by independent legal counsel in a written opinion;

(3) Approval or ratification by the affirmative vote of a majority of the shares of this Corporation entitled to vote represented at a duly held meeting at which a quorum is present or by the written consent of holders of a majority of the outstanding shares entitled to vote. For such purpose, the shares owned by the person to be indemnified shall not be considered outstanding or entitled to vote thereon; or

(4) The court in which such proceeding is or was pending upon application made by this Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this Corporation.

(f) Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent or executive officer to repay such amount if it shall be determined ultimately that the agent or executive officer is not entitled to be indemnified as authorized in this section.

(g) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent such additional rights to indemnification are authorized in the articles of this Corporation. The rights to indemnity hereunder shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of the person. Nothing contained in this section shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

(h) No indemnification or advance shall be made under this section, except as provided in subsection (d) or paragraph (3) of subsection (e), in any circumstance where it appears:

(1) That it would be inconsistent with a provision of the articles, bylaws, a resolution of the shareholders or an agreement in effect at the time the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(i) This Corporation may purchase and maintain insurance on behalf of any agent of this Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this Corporation would have the power to indemnify the agent against such liability under the provisions of this section. The fact that this Corporation owns all or a portion of the shares of the company issuing a policy of insurance shall not render this subsection inapplicable if either of the following conditions are satisfied:

(1) If authorized in the Articles of Incorporation of this Corporation, any policy issued is limited to the extent provided by subdivision (d) of Section 204 of the California Corporations Code; or

(2) (i) The company issuing the insurance policy is organized, licensed, and operated in a manner that complies with the insurance laws and regulations applicable to its jurisdiction of organization,

(ii) The company issuing the policy provides procedures for processing claims that do not permit that company to be subject to the direct control of the Corporation that purchased that policy, and

(iii) The policy issued provides for some manner of risk sharing between the issuer and purchaser of the policy, on one hand, and some unaffiliated person or persons, on the other, such as by providing for more than one unaffiliated owner of the company issuing the policy or by providing that a portion of the coverage furnished will be obtained from some unaffiliated insurer or re-insurer.

(j) This Section 15 does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such

Section 7. President. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the president shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the shareholders and, in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. Vice President. In the absence or disability of the president, the vice presidents in order of their rank as fixed by the Board of Directors or, if not ranked, the vice president designated by the Board of Directors, shall perform all the duties of the president, and when so acting shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the bylaws.

Section 9. Secretary. The secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board of Directors may order, a book of minutes of actions taken at all meetings of directors and shareholders, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings, and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office or at the office of the Corporation's transfer agent, a share register, or a duplicate share register, showing the names of the shareholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. Chief Financial Officer. The Chief Financial Officer of the Corporation shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid in surplus and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall

render to the president and directors, whenever they request it, an account of all of his transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Article V.

Miscellaneous

Section 1. Record Date. The Board of Directors may fix a time in the future as a record date for the determination of the shareholders entitled to notice of and to vote at any meeting of shareholders or entitled to give consent to corporate action in writing without a meeting, to receive any report, to receive any dividend or distribution, or any allotment of rights, or to exercise rights in respect to any change, conversion or exchange of shares. The record date so fixed shall be not more than sixty (60) days nor less than ten (10) days prior to the date of any meeting, nor more than sixty (60) days prior to any other event for the purposes of which it is fixed. When a record date is so fixed, only shareholders of record on that date are entitled to notice of and to vote at any such meeting, to give consent without a meeting, to receive any report, to receive a dividend, distribution or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the Articles of Incorporation or bylaws.

Section 2. Inspection of Corporate Records. The accounting books and records, the record of shareholders, and minutes of proceedings of the shareholders and the Board and committees of the Board of this Corporation and any subsidiary of this Corporation shall be open to inspection upon the written demand on the Corporation of any shareholder or holder of a voting trust certificate at any reasonable time during usual business hours, for a purpose reasonably related to such holder's interests as a shareholder or as the holder of such voting trust certificate. Such inspection by a shareholder or holder of a voting trust certificate may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

A shareholder or shareholders holding at least 5 percent in the aggregate of the outstanding voting shares of the Corporation or who hold at least 1 percent of such voting shares and have filed a Schedule 14B with the United States Securities and Exchange Commission relating to the election of directors of the Corporation shall have (in person, or by agent or attorney) the right to inspect and copy the record of shareholders' names and addresses and shareholdings during usual business hours upon five business days' prior written demand upon the Corporation and to obtain from the transfer agent for the Corporation, upon written demand and upon the tender of its usual charges, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which it has been compiled or as of a date specified by the shareholder subsequent to the date of demand. The list shall be made available on or before the later of five business days after the demand is received or the date specified therein as the date as of which the list is to be compiled.

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the

Corporation. Such inspection by a director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 4. Annual Report to Shareholders. The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly waived, but nothing herein shall be interpreted as prohibiting the Board from issuing annual or other periodic reports to shareholders.

A shareholder or shareholders holding at least five percent of the outstanding shares of any class of the Corporation may make a written request to the Corporation for an income statement of the Corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than 30 days prior to the date of the request and a balance sheet of the Corporation as of the end of such period and, in addition, if no annual report for the last fiscal year has been sent to shareholders, the annual report for the last fiscal year. The Corporation shall use its best efforts to deliver on the statement to the person making the request within 30 days thereafter. A copy of any such statements shall be kept on file in the principal executive office of the Corporation for 12 months and they shall be exhibited at all reasonable times to any shareholder demanding an examination of them or a copy shall be mailed to such shareholder.

The Corporation shall, upon the written request of any shareholder, mail to the shareholder a copy of the last annual, semiannual or quarterly income statement which it has prepared and a balance sheet as of the end of the period. The quarterly income statements and balance sheets referred to in this section shall be accompanied by the report thereon, if any, of any independent accountants engaged by the Corporation or the certificate of an authorized officer of the Corporation that such financial statements were prepared without audit from the books and records of the Corporation.

Section 5. Contracts, Etc., How Executed. The Board of Directors, except as in the bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 6. Certificate for Shares. Every holder of shares in the Corporation shall be entitled to have a certificate signed in the name of the Corporation by the Chairman or vice chairman of the Board or the president or vice president and by the chief financial officer or an assistant financial officer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any of the signatures on the certificate may be facsimile, provided that in such event at least one signature, including that of either officer or the Corporation's registrar or transfer agent, if any, shall be manually signed. In case any officer,

transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

Any such certificate shall also contain such legend or other statement as may be required by Section 418 of the General Corporation Law, the Corporate Securities Law of 1968, the federal securities laws, and any agreement between the Corporation and the issuee thereof.

Certificates for shares may be issued prior to full payment under such restrictions and for such purposes as the Board of Directors or the bylaws may provide; provided, however, that any such certificate so issued prior to full payment shall state on the face thereof the amount remaining unpaid and the terms of payment thereof.

No new certificate for shares shall be issued in lieu of an old certificate unless the latter is surrendered and canceled at the same time; provided, however, that a new certificate will be issued without the surrender and cancellation of the old certificate if (1) the old certificate is lost, apparently destroyed or wrongfully taken; (2) the request for the issuance of the new certificate is made within a reasonable time after the owner of the old certificate has notice of its loss, destruction or theft; (3) the request for the issuance of a new certificate is made prior to the receipt of notice by the Corporation that the old certificate has been acquired by a bona fide purchaser; (4) the owner of the old certificate files a sufficient indemnity bond with or provides other adequate security to the Corporation; and (5) the owner satisfies any other reasonable requirements imposed by the Corporation. In the event of the issuance of a new certificate, the rights and liabilities of the Corporation, and of the holders of the old and new certificates, shall be governed by the provisions of Sections 8104 and 8405 of the California Uniform Commercial Code.

Section 7. Representation of Shares of Other Corporations. The president or any vice president and the secretary or any assistant secretary of this Corporation are authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said officers to vote or represent on behalf of this Corporation any and all shares held by this corporation in any other corporation or corporations may be exercised either by such officers in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officers.

Section 8. Inspection of Bylaws. The Corporation shall keep in its principal executive office in California, or, if its principal executive office is not in California, then at its principal business office in California (or otherwise provide upon Written request of any shareholder) the original or a copy of the bylaws as amended or otherwise altered to date, certified by the secretary, which shall be open to inspection by the shareholders at all reasonable times during office hours.

Section 9. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the California General Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes

the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person.

Article VI.

Amendments

Section 1. Power of Shareholders. New bylaws may be adopted or these bylaws may be amended or repealed by the affirmative vote of a majority of the outstanding shares entitled to vote, or by the written assent of shareholders entitled to vote such shares, except as otherwise provided by law or by the Articles of Incorporation.

Section 2. Power of Directors. Subject to the right of shareholders as provided in Section 1 of this Article VI to adopt, amend or repeal bylaws, bylaws, other than a bylaw or amendment thereof changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

REVISED SCHEDULE 1.6

ALLOCATION OF MERGER CONSIDERATION
(BOTH CASH AND SERIES D STOCK) AMONGST THE
CHI SHAREHOLDERS (INCLUDING ANY REQUIRED
WITHHOLDING OR OTHER AMOUNTS THAT ARE TO BE
PAID TO CHI, ON BEHALF OF THE SHAREHOLDERS)

<u>Name of Shareholder</u>	<u>Cash Merger Consideration to be Paid Directly to Such Shareholder</u>	<u>Amount of Cash to be Paid to CHI in Satisfaction of Shareholder's Withholding Tax (or Other*) Liability</u>	<u># of Shares of Series D Preferred Stock to Which Shareholder is Entitled</u>
Russell Hersowitz	\$2,329,992	-0-	2,330
Jean Mayer	\$2,329,992	-0-	2,330
Michael O'Rourke	\$1,792,344	-0-	1,792
Gerhard Hoher	\$686,112	\$46,208*	732
Ronald Love	\$675,556	-0-	675
Frank Doyle	\$553,012	-0-	553
Stephen Mendelson	\$336,628	-0-	337
James O'Regan	\$110,297	\$35,983	146
Selwyn Hersowitz	\$115,828	-0-	116
David Bracamontes	\$15,897	\$39,763	56
Leonard Castro	\$12,826	\$31,242	44
Dianne Davis	\$11,534	\$28,118	40
Jason Lara	\$9,985	\$24,607	35
Tobias Mitchell	<u>\$2,403</u>	<u>\$11,673</u>	<u>14</u>
TOTALS	<u>\$8,982,406</u>	<u>\$217,594</u>	<u>9,200</u>

* Gerhard Hoher owes \$46,208 to CHI; this debt is to be deducted from Mr. Hoher's share of the Cash portion of the Merger Consideration and is to be paid directly to CHI at the Closing in satisfaction of such debt.

TRADEMARK
REEL: 002225 FRAME: 0114

SCHEDULE "2.1"

LIST OF ENTITIES IN WHICH CHI OWNS AN INTEREST,
WHETHER DIRECTLY OR INDIRECTLY

1. CHIMS, INC.
2. Linear Hair, Inc.
3. CARLTON HAIR CALIFORNIA, INC.
4. CARLTON HAIR STORES, INC.
5. CARLTON HAIR MISSION VIEJO, INC.
6. HAIR.HEALTH.BEAUTY INC.
7. CAFÉ BEAUTY SUPPLY, INC.
8. Carlton Hair Downtown, Inc. - This entity is currently dormant with no assets or activity of any kind. It is the entity involved in the "Downtown Rent" Litigation described on Schedule 2.7.
9. CHI is in the process of forming Carlton Hair San Francisco, Inc.

- ATTACHED HERETO AND MADE A PART OF THIS SCHEDULE 2.1 ARE THE
FOLLOWING ITEMS:

- (i) A list setting forth the ownership structure of each Subsidiary; and
- (ii) Copies of the Articles of Incorporation of each Subsidiary.

OWNERSHIP STRUCTURE OF SUBSIDIARY CORPORATIONS

A. Subsidiaries in which CHI directly owns a majority interest.

1. CHIMS, INC.

- a. Carlton Hair International, Inc. – 71%
- b. Ron Love – 11%
- c. Frank Doyle – 11%
- d. Stephen Mendelson – 7%

2. CARLTON HAIR STORES, INC.

- a. Carlton Hair International, Inc. – 80%
- b. James O'Regan – 10%
- a. Ron Love – 10%

3. CARLTON HAIR MISSION VIEJO, INC.

- a. Carlton Hair International, Inc. – 80%
- b. Frank Doyle – 10%
- c. Ron Love – 10%

4. HAIR.HEALTH.BEAUTY INC.

- a. Carlton Hair International, Inc. – 80%
- b. Ron Love – 20%

5. CAFÉ BEAUTY SUPPLY, INC.

- a. Carlton Hair International, Inc. – 90%
- b. Ron Love – 10%

6. CARLTON HAIR DOWNTOWN, INC.

- a. Carlton Hair International, Inc. – 100%

B. Subsidiaries in which CHI indirectly owns a majority interest.

1. Linear Hair, Inc.

- b. CHIMS, INC. – 90%
- c. Selwyn Hersowitz – 10%

2. CARLTON HAIR CALIFORNIA, INC.

- a. CHIMS, INC. – 100%



State
of
California

OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

JAN 16 1978



March Fong Eu

Secretary of State

ARTICLES OF INCORPORATION
OF
CARLTON HAIR, INC.

**ENDORSED
FILED**

In the office of the Secretary of State
of the State of California

JAN 16 1978

MARCH FONG EU, Secretary of State

By IRENE SANCHEZ
Deputy

ONE: The name of this corporation is Carlton Hair, Inc.

TWO: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a professiona permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the corporation's initial agent for service of process is Cheryl L. Wilkinson, 1900 Avenue of the Stars, Suite 2000, Los Angeles, California 90067.

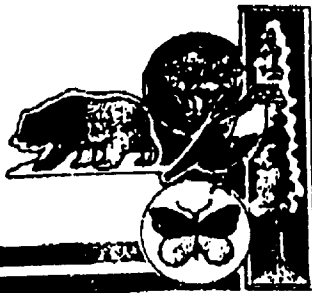
FOUR: The total number of shares which the corporation is authorized to issue is 100,000.

Dated: January 16, 1978


PATRICIA B. NEWMAN

I declare that I am the person who executed the above Articles of Incorporation, and such instrument is my act and deed.


PATRICIA B. NEWMAN



State
of
California
OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

DEC 1 1968



March Fong Eu

Secretary of State

A361397

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

NOV 18 1988

MARCH FONG EU, Secretary of State

RUSSELL HERSOWITZ and GERHARD HOHER certify that:

1. They are the President and the Secretary, respectively of CARLTON HAIR INTERNATIONAL, INC., a California corporation.

2. The Articles of Incorporation shall be amended to include Article FIVE to read as follows:

FIVE: (a) The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

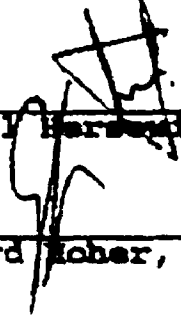
(b) The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the corporation and its stockholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject to the limits on such excess indemnification set forth in Section 204 of the Corporations Code.

3. The foregoing amendment and this certificate have been approved by the Board of Directors of said corporation.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 of the Corporations Code; the number of common shares outstanding of the corporation is 100; and the number of shares voting in favor of the Amendment equaled or exceeded the vote required, such required vote being a majority of the outstanding shares of common stock.

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

Dated: November 12, 1988

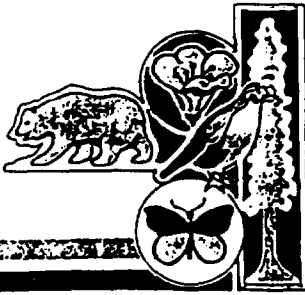


Russell Hersowitz, President

Gerhard Hoher, Secretary

clt10002.ctf

TRADEMARK
REEL: 002225 FRAME: 0120



State
of
California
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

JAN - 9 1981



March Fong Eu

Secretary of State

ARTICLES OF INCORPORATION
OF
CHIMS, INC.

ENDORSED
FILED
In the office of the Secretary of State
of the State of California
JAN 8 - 1981
MARCH FONG EU, Secretary of State
Carmelle M. Guy
Deputy

I

The name of this corporation is CHIMS, INC.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III


The name and address in the State of California of this corporation's initial agent for service of process is:

Russell Hersowitz
c/o Carlton Hair International, Inc.
4708 Admiralty Way
Marina Del Rey, CA 90291

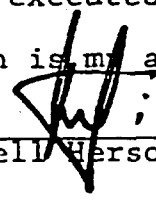
IV

This corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is 10,000

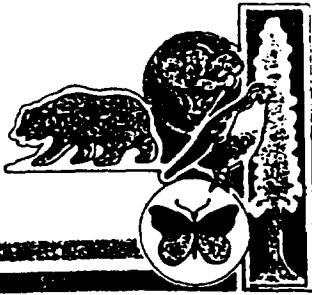
DATED: December 8, 1980

By:  _____

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

By:  _____
Russell Hersowitz-

1748208



State
of
California
SECRETARY OF STATE'S OFFICE

CORPORATION DIVISION

I, *TONY MILLER*, Acting Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

JUL 28 1994



Tony Miller

Acting Secretary of State

1748208

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

JUL 27 1994

TONY MILLER, Acting Secretary of State

ARTICLES OF INCORPORATION
OF
CARLTON HAIR STORES, INC.

I

The name of this corporation is: CARLTON HAIR STORES, INC.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

RONALD LOVE
7 Corporate Park Drive, Suite 100
Irvine, CA 92714

IV

This corporation is authorized to issue only one (1) class of shares of stock; and the total number of shares which this corporation is authorized to issue is ten thousand (10,000).

V

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

VI

The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the Corporation and its stockholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject to the limits of such excess indemnification set forth in Section 204 of the Corporations Code.

VII

The existence of the corporation is perpetual.

Dated: JUL 25 1994

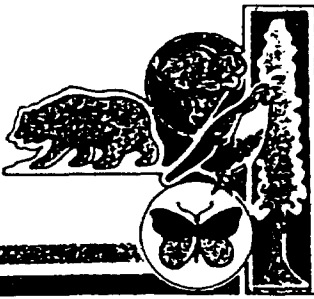


Ronald Love

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



Ronald Love



State
of
California
SECRETARY OF STATE'S OFFICE

CORPORATION DIVISION

I, *TONY MILLER*, Acting Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

JUL 28 1994



Tony Miller

Acting Secretary of State

1748209

ARTICLES OF INCORPORATION

OF

CARLTON HAIR MISSION VIEJO, INC.

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

JUL 27 1994

TONY MILLER, Acting Secretary of State

I

The name of this corporation is: CARLTON HAIR MISSION VIEJO,
INC.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

RONALD LOVE
7 Corporate Park Drive, Suite 100
Irvine, CA 92714

IV

This corporation is authorized to issue only one (1) class of shares of stock; and the total number of shares which this corporation is authorized to issue is ten thousand (10,000).

V

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

TRADEMARK
REEL: 002225 FRAME: 0127

VI

The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the Corporation and its stockholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject to the limits of such excess indemnification set forth in Section 204 of the Corporations Code.

VII

The existence of the corporation is perpetual.

Dated: JUL 25 1994



Ronald Love

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



Ronald Love

State of California

SECRETARY OF STATE

COPY

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

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

APR 25 1997



A handwritten signature in cursive script that reads "Bill Jones".

Secretary of State

A491153

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF
LINEAR HAIR BREA, INC.
(A California Corporation)

ENDORSED-FILED
In the office of the Secretary of State
of the State of California

APR 24 1997

To the Secretary of State
State of California

BILL JONES, Secretary of State

Pursuant to the provisions of the General Corporation Law of the State of California, and undersigned officer of the corporation hereinafter named does hereby certify as follows:

1. The name of the corporation is LINEAR HAIR BREA, INC.

2. Article I of the Articles of Incorporation of this corporation is amended, effective on the date of filing of this certificate, to read as follows:

"The name of the corporation shall be HAIR.HEALTH.BEAUTY INC."

3. The foregoing amendment of articles of incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment of articles of incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 of the General Corporation Law.

The total number of outstanding shares of the corporation is One Thousand (1,000). The number of shares voting in favor of the amendment was 100%. The percentage vote required was more than 50%.

Signed on April 11, 1997.



Russell Hersowitz
Chief Executive Officer

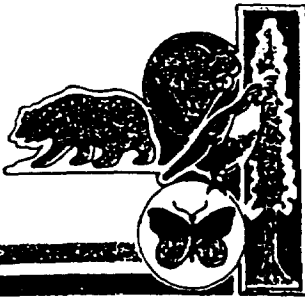
On this 11th day of April, 1997, the undersigned hereby declares under penalty of perjury that he signed the foregoing Certificate of Amendment of Articles of Incorporation in the official capacity set forth beneath his signature, and that the statements set forth in said certificate are true of his own knowledge.

Executed in Irvine, California.



Ron Love, Chief Financial Officer

1748286



State
of
California
SECRETARY OF STATE'S OFFICE

CORPORATION DIVISION

I, *TONY MILLER*, Acting Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

JUL 29 1994



Tony Miller

Acting Secretary of State

1748286

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION

OF

JUL 27 1994

LINEAR HAIR BREA, INC.

TONY MILLER, Acting Secretary of State

I

The name of this corporation is: LINEAR HAIR BREA, INC.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

RONALD LOVE
7 Corporate Park Drive, Suite 100
Irvine, CA 92714

IV

This corporation is authorized to issue only one (1) class of shares of stock; and the total number of shares which this corporation is authorized to issue is ten thousand (10,000).

V

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

TRADEMARK
REEL: 002225 FRAME: 0132

VI


The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the Corporation and its stockholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject to the limits of such excess indemnification set forth in Section 204 of the Corporations Code.

VII

The existence of the corporation is perpetual.

Dated: JUL 25 1994 
Ronald Love

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.


Ronald Love

State of California

SECRETARY OF STATE

AK

1 page

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

That the attached transcript 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



Bill Jones

Secretary of State

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

ENDORSED-FILED
In the office of the Secretary of State
of the State of California

DEC - 1 1997

BILL JONES, Secretary of State

The undersigned certify that:

1. They are the president and secretary respectively of CARLTON HAIR BAY AREA, INC., a California corporation.

2. Article I of the Articles of Incorporation of this corporation is amended to read as follows:

The name of the Corporation is CAFE BEAUTY SUPPLY, Inc.

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902, California Corporations Code. The total number of outstanding shares of the corporation is 1,000. The number of shares voting in favor of the amendment was 1,000, that is 100 percent of the outstanding shares.

The undersigned 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 their own knowledge.

EXECUTED THIS 24TH DAY OF NOVEMBER, 1997 AT IRVINE, CALIFORNIA.

Johann Mayer, President

Gerhard Hoher, Secretary
(namechg/wpdocs)



State of California

SECRETARY OF STATE

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

That the attached transcript 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

JUN 17 1997



Bill Jones

Secretary of State

2013774

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION

JUN 16 1997

OF

CARLTON HAIR BAY AREA, INC.

Bill Jones
BILL JONES, Secretary of State

The undersigned, being a natural person of full age and acting as the incorporator for the purpose of forming the business corporation hereinafter named pursuant to the provisions of the Corporations Code of the State of California, does hereby adopt the following articles of incorporation.

I

The name of the corporation (hereinafter referred to as the "corporation") is CARLTON HAIR BAY AREA, INC.

II

The existence of the corporation is perpetual.

III

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California, other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

IV

The name and the complete business or residence address within the State of California of the corporation's initial agent for service of process within the State of California in accordance with the provisions of subdivision (b) of Section 1502 of the Corporations Code of the State of California are as follows:

Name

Address

Ron Love

7 Corporate Park Drive, Suite 100
Irvine, CA 92606

V

The total number of shares which the corporation is authorized to issue is One Million (1,000,000), all of which are of one class and are Common shares.

The Board of Directors of the corporation may issue any or all of the aforesaid authorized shares of the corporation from time to time for such consideration as it shall determine and may determine from time to time the amount of such consideration, if any, to be credited to paid-in surplus.

VI

In the interim between meetings of shareholders held for the election of directors or for the removal of one or more directors and the election of the replacement or replacements thereat, any vacancy which results by reason of the removal of a director or directors by the shareholders entitled to vote in an election of directors, and which has not been filled by said shareholders, may be filled by a majority of the directors then in office, whether or not less than a quorum, or by the sole remaining director, as the case may be.


VII

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

VIII

The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the corporation and its stockholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject to the limits on such excess indemnification set forth in Section 204 of the Corporations Code.

Signed on June 10, 1997.



Ron Love, Incorporator



State of California

OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

MAY 7 1935



March Fong Eu

Secretary of State

ARTICLES OF INCORPORATION.

OF

Linear Hair, Inc.

1373238
ENDORSED
FILED

in the office of the Secretary of
of the State of California

MAY 5 1986

ARTICLE I

MARCH FONG EU, Secretary of State

The name of this corporation is Linear Hair, Inc.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

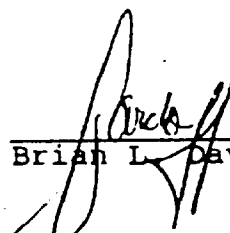
ARTICLE III

The name and address in the State of California of this corporation's initial agent for service of process is Brian L. Davidoff, 924 Westwood Boulevard, Suite 400, Los Angeles, California 90024.

ARTICLE IV

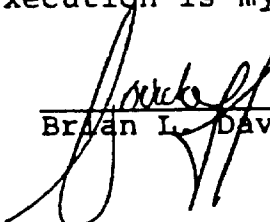
The corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue is Ten Thousand.

DATED: MAY 2, 1986

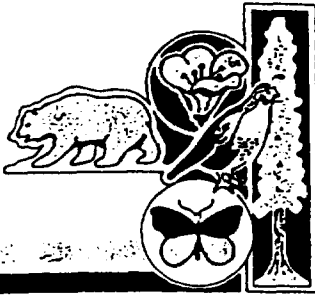


Brian L. Davidoff

I hereby declare that I am the person who executed the foregoing Article of Incorporation, which execution is my act and deed.



Brian L. Davidoff



State
of
California
SECRETARY OF STATE'S OFFICE

CORPORATION DIVISION

I, *TONY MILLER*, Acting Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

MAY 26 1994



Tony Miller

Acting Secretary of State

174521

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION

OF

MAY 20 1994

CARLTON HAIR CALIFORNIA, INC.

TONY MILLER
Acting Secretary of State

I

The name of this corporation is: CARLTON HAIR CALIFORNIA, INC.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

RONALD LOVE
7 Corporate Park Drive, Ste 100
Irvine, CA 91714

IV

This corporation is authorized to issue only one (1) class of shares of stock; and the total number of shares which this corporation is authorized to issue is ten thousand (10,000).

V

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

TRADEMARK
REEL: 002225 FRAME: 0142

VI

The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the corporation and its stockholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporation Code, subject to the limits on such excess indemnification set forth in Section 204 of the Corporation Code.

VII


The existence of the corporation is perpetual.

Dated: MAY 18 1994



Ronald Love

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



Ronald Love

ARTICLES OF INCORPORATION
OF
LINEAR HAIR BREA SALON, INC.

2037998
ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAR 16 1998

BILL JONES, Secretary of State

ARTICLE I

CORPORATION NAME

The name of the Corporation is: Linear Hair Brea Salon, Inc.

ARTICLE II

PURPOSE

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of California, other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

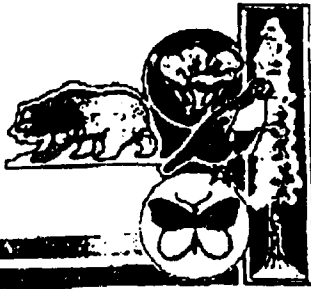
LIMITATION OF DIRECTORS' LIABILITY

The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent possible under all applicable law of the State of California.

ARTICLE IV

INDEMNIFICATION

This corporation is authorized to indemnify the directors and officers of this corporation to the fullest extent permissible under all applicable law enacted by the State of California, and in excess of the indemnification otherwise permitted under Section 317 of the California Corporations Code.



State
of
California

OFFICE OF THE SECRETARY OF STATE

A426651

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

DEC 30 1992



March Fong Eu

Secretary of State

A426651

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

CERTIFICATE OF OWNERSHIP

DEC 14 1992

MARCH FONG EU, Secretary of State

MICHAEL O'ROURKE and GERHARD HOHER certify that:

1. They are the president and the secretary, respectively, of CARLTON HAIR INTERNATIONAL, INC., a California corporation (the "Corporation").
2. The Corporation owns all the outstanding shares of LINEAR M.D.R., INC., a California corporation ("Linear").
3. The board of directors of the Corporation duly adopted the following resolutions:

"NOW, THEREFORE, BE IT RESOLVED, that the Corporation merge Linear, its wholly-owned subsidiary corporation, into itself and assume all of Linear's obligations pursuant to Section 1110 of the California Corporations Code;

RESOLVED FURTHER, that the officers of the Corporation be, and they hereby are authorized, empowered and directed, on behalf of the Corporation and in its name, to do all acts and things and to execute, verify, and file all documents necessary to effectuate the merger of Linear into the Corporation, pursuant to Section 1110 of the California Corporations Code."

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.

Dated as October 31, 1992



MICHAEL O'ROURKE, President



GERHARD HOHER, Secretary

SCHEDULE "2.2"

CAPITAL STOCK AGREEMENTS/COMMITMENTS

1. THE PERSONS LISTED BELOW HAVE RIGHTS TO ACQUIRE SHARES OF CHI STOCK pursuant to oral and/or written "Performance Agreements" (the so-called "Performance Shares"). However, at the Closing, all such Persons will have been either (i) issued CHI Shares in satisfaction of such "Performance Agreements" and all such persons who are issued CHI shares will be obligated to surrender their CHI Shares in return for the Merger Consideration, or (ii) issued cash (or a contingency right to receive cash) in complete satisfaction of such Performance Agreements.

HOLDER OF RIGHTS TO "PERFORMANCE SHARES"	# OF CHI SHARES TO BE ISSUED TO SUCH HOLDER PRIOR TO CLOSING *	
DAVID BRACAMONTES	1.480	0.583%
LEONARD CASTRO	1.163	0.458%
DIANNE DAVIS	1.059	0.417%
JASON LARA	0.909	0.358%
TOBIAS MITCHELL	0.381	0.150%
JAMES O'REGAN	2.144	0.843%

2. The persons listed below, who currently hold shares of stock in one or more CHI Subsidiaries, have the right to be issued CHI Shares in exchange for their Subsidiary Shares, pursuant to the Plan of Reorganization among CHI and its Subsidiaries (the "First Reorganization"), which is being consummated immediately prior to, but otherwise concurrently with, the CHI/OPAL Merger Transaction. However, at the Closing, all such persons who will have been issued CHI Shares pursuant to the First Reorganization, will be obligated to surrender their CHI Shares in return for the Merger Consideration, ~~(but to the extent any such persons fail to surrender their CHI Shares, Parent and Acquisition Sub's sole remedy shall be to proportionately reduce the aggregate Merger Consideration payable to the other CHI Shareholders).~~

SUBSIDIARY SHAREHOLDERS	# OF CHI SHARES TO BE ISSUED TO SUCH PERSONS PURSUANT TO FIRST REORGANIZATION *	
RONALD LOVE	18.074	7.118%
FRANK DOYLE	14.727	5.800%
STEPHEN MENDELSON	08.963	3.530%
SELWYN HERSOWITZ	02.945	1.160%
JAMES O'REGAN	02.082	0.820%

* So long as the aggregate Merger Consideration payable by Opal does not change, CHI shall have the right, prior to the closing, to make adjustments in these CHI Share amounts.

REVISED SCHEDULE 2.2-A

NUMBER OF CHI SHARES THAT WILL BE OWNED
BY EACH CHI SHAREHOLDER AT THE CLOSING

<u>Name of Shareholder</u>	<u>% of Total CHI Shares that will be Owned by such Shareholder</u>	<u>Number of CHI Shares that will be Owned by such Shareholder</u>
Russell Hersowitz	25.326%	65.000
Jean Mayer	25.326%	65.000
Michael O'Rourke	19.482%	50.000
Gerhard Hoher	7.960%	20.430
Ronald Love	7.343%	18.846
Frank Doyle	6.011%	15.427
Stephen Mendelson	3.659%	9.391
James O'Regan	1.590%	4.081
Selwyn Hersowitz	1.259%	3.231
David Bracamontes	0.605%	1.553
Leonard Castro	0.479%	1.229
Dianne Davis	0.431%	1.106
Jason Lara	0.376%	0.965
Tobias Mitchell	<u>0.153%</u>	<u>0.394</u>
TOTALS	<u>100%</u>	<u>256.653</u>

TRADEMARK
REEL: 002225 FRAME: 0150

Schedule 2.4
Financial Statements

684059.1\19402.0065

TRADEMARK
REEL: 002225 FRAME: 0151



THE ATTACHED FINANCIAL STATEMENTS, TOGETHER WITH THIS COVER LETTER, CONSTITUTES THE PRELIMINARY FINANCIAL STATEMENTS CONSOLIDATED

7 Corporate Park Drive, Suite 100, Irvine, CA 92606 • (949) 261-0385 • Fax (949) 261-2858

June 30, 1999

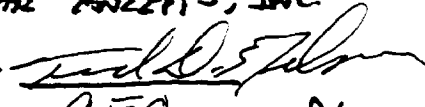
Voss, Cook & Thel, LLP
840 Newport Center Drive, #700
Newport Beach, CA 92660

BY THE 6/30/99 AGREEMENT AND PLAN OF MERGER BETWEEN, AMONG OTHERS, OPAL AND CARLTON.

Re: Summary Balance Sheet & Income Statement

ACKNOWLEDGEMENT OF RECEIPT:

Gentlemen:

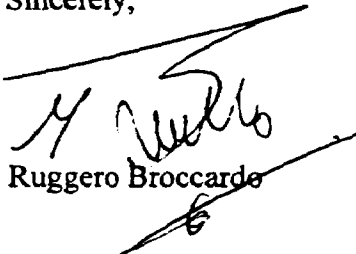
OPAL ANNETTS, INC.
By: 
IN: CEO Ak: 6/30/99

I attach hereto a summary consolidated balance sheet and income statement for 1998.

Please take note of the following:

1. The figures presented include Carlton Hair International, Inc. and all its subsidiary corporations as well as Linear Hair Brea Salon, Inc.
2. The balance sheet and income statement are not audited or reviewed. We are in the process of completing our internal review and will deliver final internal financial statements to you next week. As a result of our internal review, the figures are subject to adjustment and may vary from these attached hereto.
3. Inventory located at the Carlton and Linear salons has been estimated at a fixed amount consistent with our prior years' policy.
4. Depreciation of fixed assets is based upon MACRS rules.
5. The current portion of long term debt has not been reallocated to Current Liabilities.

Sincerely,


Ruggiero Broccardo

We have a passion for excellence!

TRADEMARK
REEL: 002225 FRAME: 0152

CARLTON HAIR INTERNATIONAL, INC.

SUMMARY BALANCE SHEET AT DECEMBER 31, 1998

(000, omitted)

CURRENT ASSETS		\$ 540
BANK & CASH	141	
INVENTORY	399	
FIXED ASSETS		2,642
LEASEHOLD & EQUIPMENT	4,994	
ACCUMULATED DEPRECIATION	(2,352)	
OTHER ASSETS		441
DEPOSITS & PREPAYMENTS	184	
STAFF LOANS	25	
STOCKHOLDER LOANS	193	
GOODWILL	39	
TOTAL ASSETS		\$ 3,623
CURRENT LIABILITIES		
ACCOUNTS PAYABLE/ACCRUED EXP		1,052
LONG-TERM DEBT		1,548
STOCKHOLDERS EQUITY		1,023
EQUITY & LIABILITIES		\$ 3,623

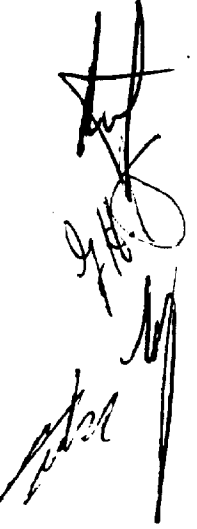
CARLTON HAIR INTERNATIONAL, INC.**SUMMARY INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 1998**

	AMOUNT
	'000
SALON REVENUE	\$ 25,250
SERVICES	21,491
RETAIL	3,961
OTHER	75
RETURNS & ALLOWANCES	(277)
COST OF SALES	17,439
LABOR	14,636
PRODUCTS	2,803
GROSS PROFIT	7,811
SALON EXPENSES	4,335
RENT & UTILITIES	3,084
OTHER	1,251
NET PROFIT FROM SALON OPERATIONS	3,476
ADMINISTRATION	2,374
SALARIES	1,580
OTHER	744
PROV. FOR BAD DEBT	50
NET OPERATING PROFIT	1,102
INTEREST PAID	(150)
DEPRECIATION	(350)
NET PROFIT BEFORE TAX	602
PROVISION FOR TAX	350
NET PROFIT AFTER TAX	\$ 252

SCHEDULE "2.4"

LIABILITIES

1. South African Employee/Management Trip \$60,000.00
2. Loan in the amount of \$60,000 made by Dianne Davis to Gerhard Hoher, of which CHI is the Guarantor. Upon consummation of the Merger, this loan will be satisfied in full by Gerhard Hoher.
3. Liabilities and obligations (i) under all Leases and/or other Material Contracts listed or referenced on Schedule 2.10 (including, without limitation, obligations resulting from the seeking of landlord consents to the Merger Transaction), (ii) under all actions, suits, proceedings, etc. listed on Schedule 2.7, (iii) under all labor, employment, deferred compensation, bonus or similar plans listed in Schedule 2.9(b), (iv) under all "Employee Plans" listed on Schedule 2.9(c), (v) under all Related Party Transactions described on Schedule 2.16, (vi) under any anticipated agreements or obligations listed on Schedule 2.8, (vii) for any potential tax liability from actions listed on Schedule 2.19, and (viii) with respect to all taxes for all periods after December 31, 1998 (i.e., the latest period for which income tax returns are due), *all of which taxes shall be in the ordinary course of business consistent with best practice.*
4. Liabilities for legal and accounting expenses incurred or to be incurred in connection with the negotiation, documentation, and implementation of the Merger Transaction and the First Reorganization (collectively, the "Transaction Costs"). All Transaction Costs will either be paid by CHI prior to the Closing or, to the extent not so paid, will be paid by Acquisition Sub promptly following the Closing. In either event, the CHI Shareholders shall have no obligation to reimburse CHI and/or Acquisition Sub for any such amounts.



SCHEDULE "2.5"

APPROVALS OR CONFLICTS

The attached Summary of Landlord Consent Issues summarizes the current Leases to which CHI and/or its Subsidiaries are currently subject, pursuant to which (i) Landlord approval of the Merger Transaction is required, and/or (ii) the Merger Transaction may result in a default under the applicable Lease, and/or (iii) the Merger Transaction (or the mere seeking of Landlord's consent with respect thereto) may give rise to Landlord's right to recapture the premises and/or increase the rent (collectively, the "Adverse Lease Consequences").

The parties to the Merger Agreement have agreed that neither the failure to obtain the Landlords' consent to the Merger Transaction, nor the occurrence of any of the above described Adverse Lease Consequences under any one or more such Leases as a result of the Merger Transaction (or the seeking of the consents thereto), shall be a breach under the Merger Agreement or thereby give Parent or Acquisition Sub the right to terminate the Merger Agreement.

SUMMARY OF LANDLORD CONSENT ISSUES

CARLTON HAIR INTERNATIONAL, INC.

Location	LL Consent Required? If so/R?	Exception for Sale of Business/ If Y, Applicable?	Min. Prior Notice	LL Termination/ Recapture (ability to w/draw?)	Rent Increase	Atty. Fee/Max. Aml/Fixed	Admin. Fee/ Accompany Notice	Other
(1) West Side Pavilion 603	Y/Y \$ 14.01	N	—	N	Y \$ 14.01	\$1,000 max./N		
(2) West Side Pavilion 276	Y/Y \$ 14.01(a)	N	60 days	N	Y \$ 14.03	R/N	R/N	
(3) Century City	Y/Y \$ 10.01(b)	N	90 days	Y/N \$ 10.01(c)	N	R/N	R/N	
(4) Santa Monica Place	Y/N \$ 16.1(a)	Y/N \$ 16.1	30 days	N	Y \$ 16.1(b)(vii)	N	\$1,000/N	Fee due prior to effective date. Written notice required.
(5) Montana, Santa Monica	Y/Y \$ 9.01	N	—	N	N	N	N	
(6) Marina Shopping Center	Y/Y \$ 19 A.	N	90 days +	Y (no reas. req.)/Y \$ 19 C.	Y	N	\$300/Y	Also need consent of Director of Small Craft Harbors of the County of Los Angeles
(7) Media City Center, Burbank	Y/Y \$ 15.01	N	30 days	N	N	N	N	

KEY: Y - Yes N - No R - Reasonable LL - Landlord

CARLTON HAIR INTERNATIONAL, INC. -- cont.

Location	LL Consent Required? If so/R?	Exception for Sale of Business/ If Y, Applicable?	Min. Prior Notice	LL Termination/ Recapture (ability to withdraw?)	Rent Increase	Atty. Fee/Max. Am/J/Fixed	Admin. Fee/ Accompany Notice	Other
(8) Park Plaza Aliso Viejo	Y § 14.1	N	—	Y/N § 14.2	N	R	\$500 upon demand	
(9) Beverly Center	— § 14.01	N	—	—	—	—	—	Absolute Prohibition
(10) Main Place, Santa Ana	Y/N § 20.A.	N	45 days	Y/Y § 20.D.	Y § 20.E.	R	\$750N	
(11) Fashion Square, Sherman Oaks	Y/Y § 9.1	N	60 days	N	N	N	N	
(12) Plaza @ West Covina	Y/N Part XIV, Section 1	Y/N	120 days	Y/Y XIV/4	Y XIV/3	N	\$1,000Y	Only Notice required under merger exception. No fee or rent increase. XIV/2

CHIBBS INC.

Location	LL Consent Required? If so/R?	Exception for Sale of Business/ If Y, Applicable?	Min. Prior Notice	LL Termination/ Recapture (ability to w/draw?)	Rent Increase	Atty. Fee/Max. AmL/Fixed	Admin. Fee/ Accompany Notice	Other
(13) Glendale Galleria	Y/Y § 15.1	N	60 days	Y/Y § 15.2	Y § 15.3	R	RN	
(14) Marketplace, Irvine	Y/Y § 14.1	Y/N	90 days	Y/Y § 14.2	Y § 14.6	\$1,000 ± upon consent	\$500/Y	<ul style="list-style-type: none"> No reasonableness requirement with respect to termination. Fee is condition precedent to effect. Assignment instrument required.
(15) Montclair Plaza	Y/N § 21(a)	N	—	Y/N § 21(d)	Y § 21(b)	\$400/N		
(16) Westminster Mall	Y/Y § 6.2 F	N	—	Y/Y § 6.2 F(3)	Y § 6.2 F(4)	R/N	RN	
(17) Corporate Park Drive	Y/Y § 15.1	N	—	Y/N § 15.3	N	R	RN	
(18) South Coast Plaza Crystal Court	Y/N § 10.01(a)	N	30 days +	Y/Y § 10.01(c) § 10.01(e)	Y	Y/N	\$1,500/Y	<ul style="list-style-type: none"> \$2,500 deposit, \$1,500 non-refundable LL's obligation to respond will not commence until payment.

CHIMS, INC. cont.

Location	LL Consent Required? If so/R?	Exception for Sale of Business? If Y, Applicable?	Min. Prior Notice	LL Termination/Recapture (ability to w/draw?)	Rent Increase	Atty. Fee/Max. Amt./Fixed	Admin. Fee/ Accompany Notice	Other
(19) Brea Mall	Y/Y § 6.2F	N	—	Y/Y § 6.2F(3)	N	R - not to exceed \$1,000		LL's termination right is not applicable to a merger.
(20) Riverside	Y/Y § 15.1(b)	Y/N § 15.7	60 days	Y/Y § 15.2	N	R	R	
(21) Linear Brea	Y/Y	N	—	N	N	R/§1000N		
(22) Santa Anita, Fashion Park	Y/N § 15.1	N	60 § 15.4	Y/Y' § 15.4(0)	Y § 15.6	N	N	Not an Occupancy Transaction
(23) Linear, South Coast Plaza	Y/N	N		Y/Y § 10.01(c)(iii)	Y § 10.01(c)	R	\$1,500/Y	\$2,500 deposit required, \$1,500 non-refundable

CARLTON HAIR MISSION VEJO, INC.

Location	LL Consent Required? If so/R?	Exception for Sale of Business/ If Y, Applicable?	Min. Prior Notice	LL Termination/ Recapture (ability to w/draw?)	Rent Increase	Atty. Fee/Max. Aml/Fixed	Admin. Fee/ Accompany Notice	Other
(24) Los Cerritos Center	Y/R \$ 15.2	N	60 days	Y/Y (5 days) \$ 15.40	Y \$ 15.6	Y/R/N	R/N	LL has right of first refusal to purchase lease "Not an "Occupancy Transaction." Consent not required § 15.1(d)
(25) Montebello	Y/Y \$ 15.1	Y/N \$ 15.7	60 days	Y/Y \$ 15.2(b)(c)	Y \$ 15.3	R	R	

LINEAR HAIR, INC.

Location	LL Consent Required? If so/R?	Exception for Sale of Business/ If Y, Applicable?	Min. Prior Notice	LL Termination/ Recapture (ability to w/draw?)	Rent Increase	Atty. Fee/Max. Amt./Fixed	Admin. Fee/ Accompany Notice	Other
(26) Walnut Village, Irvine	Y/Y § 14.1	N	90 days	Y/Y § 14.2	Y § 14.6	Y/N	\$600Y	
(27) Linear/MDR	Y/Y § 15.1	N	60 days	Y -- see "Other" § 15.2	Y § 15.3	Y/Y/\$2,000	Y/N	LL can terminate only with Tenant consent
(28) Crossroads, Irvine	Y/Y § 14.1	N	90 days	Y/Y § 14.2	Y § 14.6	\$1,000 ± upon consent to assign	\$600Y	Payment of attorney fee is condition to effectiveness of consent.

LINEAR HAIR BREA, INC.
(HAIR . HEALTH . BEAUTY INC.)

Location	LL Consent Required? If so/R?	Exception for Sale of Business/ If Y, Applicable?	Min. Prior Notice	LL Termination/ Recapture (ability to w/draw?)	Rent Increase	Atty. Fee/Max. Amt./Fixed	Admin. Fee/ Accompany Notice	Other
(29) Harbor View, Newport	Y/Y § 14.1	N	80 days	N	Y § 14.7	N	N	

CARLTON HAIRSTORES, INC.

Location	LL Consent Required? If so/R?	Exception for Sale of Business/ If Y, Applicable?	Min. Prior Notice	LL Termination/ Recapture (ability to w/draw?)	Rent Increase	Atty. Fee/Max. Amt./Fixed	Admin. Fee/ Accompany Notice	Other
(30) Valencia	Y/Sole Discretion § 20.A.	N	45 days	Y/Y § 20.D.	Y § 20.E.	Y/N/N	\$750N	
(31) Linear Glendale	Y/R § 15.1(a)	Y/N § 15.7	80 days	Y/Y § 15.2	Y § 15.3	Y/R	R	Termination may be made in LL's sole and absolute discretion.

CAFÉ BEAUTY WAREHOUSE

(32) Airport Business Center	Y/R § 24(a)	N	30 days	Y § 24(c)	N	R/N/N	\$100 - \$500 upon demand	
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Carlton Hair International/Docs/Table of Leases-2

STATUS REPORT RE: LANDLORD CONSENTS

August 20, 1999

OPAL CONCEPTS, INC.

and

CARLTON ACQUISITION CORP.

1400 N. Kellogg, Suite E

Anaheim, CA 92807

Re: Agreement and Plan of Merger Dated as of June 30, 1999 (the "Merger Agreement"), By and Among Opal Concepts, Inc., a Delaware corporation ("Parent"), Carlton Acquisition Corp., a California corporation ("Acquisition Sub"), Carlton Hair International, Inc., a California corporation ("CHI"), and the Four (4) Individuals Who are the "Major Shareholders" of CHI

Gentlemen:

Reference is hereby made to the above described Merger Agreement, pursuant to which CHI will be merged into Acquisition Sub, which is a wholly-owned subsidiary of Parent (the "Merger Transaction"). Unless otherwise defined, all capitalized terms used in this letter will have the meanings specified in the Merger Agreement.

Many of the leases pursuant to which CHI and/or its subsidiaries have been leasing space (collectively, the "Existing Leases") require the landlord's consent to the Merger Transaction (the "Landlord Consents"). As you know, CHI and its attorneys have been pursuing the obtaining of the appropriate Landlord Consents and we have been keeping you apprised of our ongoing efforts in that regard.

In connection with the Closing of our Merger Transaction (which is scheduled to occur today), you have asked me to provide you with this letter, in order to provide you with a formal status report regarding certain aspects of our efforts to obtain these Landlord Consents. Of the 32 total Existing Leases with respect to which we have been seeking Landlord Consents, we have already obtained (i)

OPAL CONCEPTS, INC.

and

CARLTON ACQUISITION CORP.

August 20, 1999

Page 2

formal written Landlord Consents for 9 of those Existing Leases, and (ii) either preliminary oral Landlord Consents or oral indications that consent will not be withheld with respect to 20 of the Existing Leases. With respect to these oral consents and oral indications that consent will not be withheld, certain of the landlords did however indicate that additional documentation, such as formal lease assignments or amendments (some of which amendments would increase the rent) or substitute guarantees, will have to be prepared and signed before formal written Landlord Consents can be given.

The status report set forth in the immediately preceding paragraph covers 29 of the 32 Existing Leases. With respect to the remaining 3 Existing Leases, the following constitutes the status report on those:

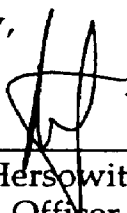
(a) The landlords of the Beverly Center and Burbank Leases have not yet provided us with any indication, written or oral, of whether or not consent will be given. I would like to emphasize that no feedback has yet been received by the landlords on these two Existing Leases, so that while we do not yet have any positive indication from these landlords, we also do not have any indication that they will refuse to grant consent; and

(b) With respect to the Existing Lease of the Corporate Headquarters (at 7 Corporate Plaza, Irvine, California), no real efforts have been made to "chase down" this Landlord Consent, since we do not anticipate remaining at that location beyond approximately the end of this year.

I hope that the information set forth in this letter provides you with a useful summary of the current status of our efforts to obtain Landlord Consents to the Existing Leases. All of the information set forth in this letter is, to my best knowledge, true and correct as of the date of this letter, and may be relied upon by you.

If you have any questions, please call the undersigned.

Sincerely,



Russell Hersowitz, Vice President and Chief
Financial Officer of Carlton Hair
International, Inc.

SCHEDULE "2.6(a)"

COMPLIANCE WITH LAWS: GOVERNMENTAL AUTHORIZATIONS

NONE

SCHEDULE "2.6(b)"

LICENSES AND PERMITS

	LICENSE	NUMBER	AUTHORITY	BUSINESS NAME	LOCATION
1.	Business License Tax Certificate	005694	City of Santa Monica	Carlton Hair International	Santa Monica, CA
2.	Business License Certificate	106458	City of Arcadia	Carlton Hair International	Arcadia, CA
3.	Business License Certificate	02405	City of West Covina	Carlton Hair International	West Covina, CA
4.	Business License Certificate	018790	City of Montclair	Carlton Hair International	Montclair, CA
5.	Business License Tax Certificate	Account No. 15126	City of Brea	Linear Hair	Brea Mall, CA
6.	Business License	018595	City of Cerritos	Carlton Hair Mission Viejo, Inc.	Cerritos, CA
7.	Business License Certificate	111511	City of Montebello	Carlton Hair Mission Viejo, Inc.	Montebello, CA
8.	Business License	98035933	City of Newport Beach	Hair Health and Beauty, Inc.	Newport Beach, CA
9.	Business License Tax Certificate	BL002507	City of Costa Mesa	Linear Hair	Costa Mesa, CA
10.	Business License Tax Certificate	Account No. 10934	City of Brea	Carlton Hair International	Brea Mall, CA
11.	Business Registration Certificate	25594	City of Westminster	Carlton Hair International	Westminster Mall, CA
12.	Business License Tax Certificate	BL000660	City of Costa Mesa	Carlton Hair International	Costa Mesa, CA
13.	Business License Certificate	00023224	City of Irvine	Carlton Hair International	Irvine, CA
14.	Business License Certificate	00024277	City of Irvine	Linear Hair	Irvine, CA
15.	Business License Certificate	00041890	City of Irvine	CHIMS, Inc.	Irvine, CA
16.	Business License Certificate	96018405	City of Irvine	Cathay Beauty Supply, Inc.	Irvine, CA
17.	Sellers Permit	SR Y AS 18665029	California State Board of Equalization	Carlton Hair International	Irvine, CA
18.	Sellers Permit	SY EA 18680347	California State Board of Equalization		
19.	Sellers Permit	SR Y AS 18665029 00020 AS	California State Board of Equalization	Carlton Hair International	Santa Monica, CA
20.	Sellers Permit	SY EA 18680347 0005 EAA	California State Board of Equalization	CHIMS, Inc.	Irvine, CA
21.	Sellers Permit	SR X EAA 24-847392	California State Board of Equalization	Linear Hair Inc.	Irvine, CA
22.	Sellers Permit	SY AP 99581230	California State Board of Equalization	Carlton Hair Stores, Inc.	Irvine, CA
23.	Sellers Permit	SY EA 99919814	California State Board of Equalization	Carlton Hair California Inc.	Santa Ana, CA
24.	Sellers Permit	SR AB 99846659	California State Board of Equalization	Carlton Hair Mission Viejo, Inc.	Cerritos, CA
25.	Sellers Permit	SR EAA 97169054	California State Board of Equalization	Hair Health Beauty, Inc.	Newport Beach
26.	Sellers Permit	SR EAA 97179628	California State Board of Equalization	Cathay Beauty Supply, Inc.	Irvine, Ca

* Attached are Tax Statements from the City of Los Angeles evidencing the existence of Los Angeles City Business Licenses at the locations specified in such Tax Statements.



CITY of LOS ANGELES
 OFFICE OF THE CITY CLERK
 TAX AND PERMIT DIVISION
 P. O. BOX 53233
 LOS ANGELES, CA 90053-0233

FOR OFFICE USE ONLY:	
FUND/CLASS CODE	P.C.
PROCESSED BY:	PAYMENT DATE:

04-18-99 00183

14006 RIVERSIDE DR #249
 SHERMAN OAKS CA 91423

CARLTON HAIR INTERNATIONAL INC
 CARLTON HAIR INTERNATIONAL
 P O BOX 5112
 IRVINE CA 92616-5112



CITY of LOS ANGELES
 CITY CLERK/TAX & PERMIT DIVISION
 COMPUTER BILLING UNIT
 File 55806
 LOS ANGELES, CA 90074-5806



REGARDING YOUR 1999 RENEWAL TAX STATEMENT:

ANALYSIS OF THE INFORMATION YOU PROVIDED FOR TAX YEAR 1999 DISCLOSES THAT THERE IS AN ADDITIONAL AMOUNT NOW DUE OF \$149.22. FOR DETAILS, SEE THE BALANCE DUE LINE OF THE SUMMARY BELOW.

* PRINCIPAL IS BASED ON YOUR BUSINESS TAX ITEMS ONLY. (SEE SUMMARY BELOW)

PLEASE FOLD SO THAT LOWER CITY OF LOS ANGELES ADDRESS SHOWS THROUGH RETURN ENVELOPE WINDOW

SUPPLEMENTAL TAX NOTICE

ACCOUNT NUMBER	PERIOD	M.C.	D.S. DATE	DATE OF NOTICE	POSTMARK DATE	DELINQUENT AFTER	ENF
0751271-92	A99			04-18-99	04-13-99	04-14-99	V
CLASSIFICATION	FUND CLASS CODE	START DATE	P.C.	BASIS FOR TAX	REFERENCE COMPUTATION		
PAYROLL EXPENSE	E101		01	587,955	4,851.00		
BUSINESS CLASSIFICATION							
RETAIL SALES	L167		01	129,240	192.26		
PROFS/OCCUPATIONS	L190		01	877,823	5,780.03		
PAYROLL EXPENSE TAX ACTIVITIES							

	SUMMARY			
	PRINCIPAL	INTEREST	PENALTY	TOTAL TAX FEE
TOTAL LIABILITY	5,972.29	149.31	.00	6,121.60
TOTAL PAID				5,972.38*
BALANCE DUE	.00	149.22	.00	149.22

PLEASE READ STATEMENT ABOVE AND SUBMIT INFORMATION REQUESTED. IF PAYMENT IS DUE, PLEASE SIGN AND RETURN THIS STATEMENT WITH YOUR MONEY ORDER OR CHECK DRAWN ON UNITED STATES BANKS ONLY. PLEASE MAKE YOUR MONEY ORDER OR CHECK PAYABLE TO:

CITY CLERK, CITY OF LOS ANGELES
 I DECLARE, UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT TO THE BEST OF MY KNOWLEDGE THE FOREGOING IS TRUE AND CORRECT.

SIGNATURE _____ DAYTIME PHONE () _____
 TITLE _____ DATE _____

FORM NO. 1005 (1/99)

PLEASE RETAIN ONE COPY FOR YOUR RECORDS. RETURN ONE COPY WITH YOUR REMITTANCE

TRADEMARK
 REEL: 002225 FRAME: 0168



CITY of LOS ANGELES
 OFFICE OF THE CITY CLERK
 TAX AND PERMIT DIVISION
 P. O. BOX 53233
 LOS ANGELES, CA 90053-0233

FOR OFFICE USE ONLY:	
FUND/CLASS CODE	P. C.
PROCESSED BY:	PAYMENT DATE:

04-18-99 00158

10250 SANTA MONICA BL #29
 LOS ANGELES CA 90067

CARLTON HAIR INTERNATIONAL INC
 CARLTON HAIR INTERNATIONAL
 P O BOX 5112
 IRVINE CA 92618-5112



CITY of LOS ANGELES
 CITY CLERK/TAX & PERMIT DIVISION
 COMPUTER BILLING UNIT
 File 55806
 LOS ANGELES, CA 90074-5806



REGARDING YOUR 1999 RENEWAL TAX STATEMENT:

ANALYSIS OF THE INFORMATION YOU PROVIDED FOR TAX YEAR 1999 DISCLOSES THAT THERE IS AN ADDITIONAL AMOUNT NOW DUE OF \$196.93. FOR DETAILS, SEE THE BALANCE DUE LINE OF THE SUMMARY BELOW.

* PRINCIPAL IS BASED ON YOUR BUSINESS TAX ITEMS ONLY. (SEE SUMMARY BELOW)

PLEASE FOLD SO THAT LOWER CITY OF LOS ANGELES ADDRESS SHOWS THROUGH RETURN ENVELOPE WINDOW

SUPPLEMENTAL TAX NOTICE

ACCOUNT NUMBER	PERIOD	M.C.	G.S. DATE	DATE OF NOTICE	POSTMARK DATE	DELINQUENT AFTER	ENF
0362240-70	A99			04-18-99	04-13-99	04-14-99	W
CLASSIFICATION	FUND CLASS CODE	START DATE	P. C.	BASIS FOR TAX	REFERENCE COMPUTATION		
PAYROLL EXPENSE PAYROLL EXPENSE	E101		01	845,500	6,979.50		
BUSINESS CLASSIFICATION							
RETAIL SALES	L167		01	179,359	266.26		
PROFS/OCCUPATIONS	L190		01	1,282,658	7,582.58		
PAYROLL EXPENSE TAX ACTIVITIES							

SUMMARY

	• PRINCIPAL	INTEREST	PENALTY	TOTAL TAX FEE
TOTAL LIABILITY:	7,848.84	196.22	.00	8,045.06
TOTAL PAID				7,848.13-*
BALANCE DUE	.71	196.22	.00	196.93

PLEASE READ STATEMENT ABOVE AND SUBMIT INFORMATION REQUESTED. IF PAYMENT IS DUE, PLEASE SIGN AND RETURN THIS STATEMENT WITH YOUR MONEY ORDER OR CHECK DRAWN ON UNITED STATES BANKS ONLY. PLEASE MAKE YOUR MONEY ORDER OR CHECK PAYABLE TO:

CITY CLERK, CITY OF LOS ANGELES
 I DECLARE, UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT TO THE BEST OF MY KNOWLEDGE THE FOREGOING IS TRUE AND CORRECT.

SIGNATURE _____

DAYTIME PHONE () _____

TITLE _____

DATE _____

FORM NO. 1005 (7/98)

PLEASE RETAIN ONE COPY FOR YOUR RECORDS. RETURN ONE COPY WITH YOUR REMITTANCE

TRADEMARK
 REEL: 002225 FRAME: 0169



CITY of LOS ANGELES
 OFFICE OF THE CITY CLERK
 TAX AND PERMIT DIVISION
 P. O. BOX 53233
 LOS ANGELES, CA 90053-0233

FOR OFFICE USE ONLY:	
FUND/CLASS CODE	P.C.
PROCESSED BY:	PAYMENT DATE:

04-19-99 00100

131 N LA CIENEGA BL #701A
 LOS ANGELES CA 90048

CARLTON HAIR INTERNATIONAL INC
 CARLTON HAIR INTERNATIONAL
 P O BOX 5112
 IRVINE CA 92616-5112



CITY of LOS ANGELES
 CITY CLERK/TAX & PERMIT DIVISION
 COMPUTER BILLING UNIT
 File 55808
 LOS ANGELES, CA 90074-5808



REGARDING YOUR 1999 RENEWAL TAX STATEMENT:

ANALYSIS OF THE INFORMATION YOU PROVIDED FOR TAX YEAR 1999 DISCLOSES THAT THERE IS AN ADDITIONAL AMOUNT NOW DUE OF \$140.43. FOR DETAILS, SEE THE BALANCE DUE LINE OF THE SUMMARY BELOW.

* PRINCIPAL IS BASED ON YOUR BUSINESS TAX ITEMS ONLY. (SEE SUMMARY BELOW)

PLEASE FOLD SO THAT LOWER CITY OF LOS ANGELES ADDRESS SHOWS THROUGH RETURN ENVELOPE WINDOW

SUPPLEMENTAL TAX NOTICE

ACCOUNT NUMBER	PERIOD	M.C.	O. B. DATE	DATE OF NOTICE	POSTMARK DATE	DELINQUENT AFTER	ENF
0476251-00	A99			04-18-99	04-13-99	04-14-99	W
CLASSIFICATION	FUND CLASS CODE	START DATE	P.C.	BASIS FOR TAX	REFERENCE COMPUTATION		
PAYROLL EXPENSE PAYROLL EXPENSE	E101		01	545,981	4,504.50		
BUSINESS CLASSIFICATION:							
RETAIL SALES	L187		01	135,548	201.14		
PROFS/OCCUPATIONS	L190		01	916,531	5,419.52		
PAYROLL EXPENSE TAX ACTIVITIES							

SUMMARY

	• PRINCIPAL	INTEREST	PENALTY	TOTAL TAX FEE
TOTAL LIABILITY	5,620.66	140.52	.00	5,761.18
TOTAL PAID				5,620.75-*
BALANCE DUE	.00	140.43	.00	140.43

PLEASE READ STATEMENT ABOVE AND SUBMIT INFORMATION REQUESTED. IF PAYMENT IS DUE, PLEASE SIGN AND RETURN THIS STATEMENT WITH YOUR MONEY ORDER OR CHECK DRAWN ON UNITED STATES BANKS ONLY. PLEASE MAKE YOUR MONEY ORDER OR CHECK PAYABLE TO:

CITY CLERK, CITY OF LOS ANGELES

I DECLARE, UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT TO THE BEST OF MY KNOWLEDGE THE FOREGOING IS TRUE AND CORRECT.

SIGNATURE _____

DAYTIME ()
 PHONE _____

TITLE _____

DATE _____

PLEASE RETAIN ONE COPY FOR YOUR RECORDS. RETURN ONE COPY WITH YOUR REMITTANCE

FORM NO. 1005 (1/98)

TRADEMARK
 REEL: 002225 FRAME: 0170



CITY of LOS ANGELES
 OFFICE OF THE CITY CLERK
 TAX AND PERMIT DIVISION
 P. O. BOX 53233
 LOS ANGELES, CA 90053-0233

FOR OFFICE USE ONLY:

FUND/CLASS CODE	P.C.
PROCESSED BY:	PAYMENT DATE:

04-19-99 00159

10800 W PICO BL #276
 LOS ANGELES CA 90064

CARLTON HAIR INTERNATIONAL INC
 CARLTON HAIR INTERNATIONAL
 P O BOX 5112
 IRVINE CA 92616-5112



CITY of LOS ANGELES
 CITY CLERK/TAX & PERMIT DIVISION
 COMPUTER BILLING UNIT
 File 55806
 LOS ANGELES, CA 90074-5806



REGARDING YOUR 1999 RENEWAL TAX STATEMENT:

ANALYSIS OF THE INFORMATION YOU PROVIDED FOR TAX YEAR 1999 DISCLOSES THAT THERE IS AN ADDITIONAL AMOUNT NOW DUE OF \$114.86. FOR DETAILS, SEE THE BALANCE DUE LINE OF THE SUMMARY BELOW.

* PRINCIPAL IS BASED ON YOUR BUSINESS TAX ITEMS ONLY. (SEE SUMMARY BELOW)

PLEASE FOLD SO THAT LOWER CITY OF LOS ANGELES ADDRESS SHOWS THROUGH RETURN ENVELOPE WINDOW

SUPPLEMENTAL TAX NOTICE

ACCOUNT NUMBER	PERIOD	M.C.	D.S. DATE	DATE OF NOTICE	POSTMARK DATE	DELINQUENT AFTER	ENF
0383752-03	A99			04-18-99	04-13-99	04-14-99	W
CLASSIFICATION	FUND CLASS CODE	START DATE	P.C.	BASIS FOR TAX	REFERENCE COMPUTATION		
PAYROLL EXPENSE PAYROLL EXPENSE	E101		01	458,431	3,786.75		
BUSINESS CLASSIFICATION							
RETAIL SALES	L187		01	103,759	153.78		
PROFS/OCCUPATIONS	L190		01	751,771	4,444.37		
PAYROLL EXPENSE TAX ACTIVITIES							

SUMMARY

	PRINCIPAL	INTEREST	PENALTY	TOTAL TAX FEE
TOTAL LIABILITY	4,598.15	114.95	.00	4,713.10
TOTAL PAID				4,598.24-*
BALANCE DUE	.00	114.86	.00	114.86

PLEASE READ STATEMENT ABOVE AND SUBMIT INFORMATION REQUESTED. IF PAYMENT IS DUE, PLEASE SIGN AND RETURN THIS STATEMENT WITH YOUR MONEY ORDER OR CHECK DRAWN ON UNITED STATES BANKS ONLY. PLEASE MAKE YOUR MONEY ORDER OR CHECK PAYABLE TO:

CITY CLERK, CITY OF LOS ANGELES
 I DECLARE, UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT TO THE BEST OF MY KNOWLEDGE THE FOREGOING IS TRUE AND CORRECT.

SIGNATURE _____ DAYTIME PHONE () _____

TITLE _____ DATE _____

FORM NO. 1005 (1/86)

PLEASE RETAIN ONE COPY FOR YOUR RECORDS. RETURN ONE COPY WITH YOUR REMITTANCE

TRADEMARK
 REEL: 002225 FRAME: 0171



CITY of LOS ANGELES
 OFFICE OF THE CITY CLERK
 TAX AND PERMIT DIVISION
 P. O. BOX 53233
 LOS ANGELES, CA 90053-0233

FOR OFFICE USE ONLY	
FUND/CLASS CODE	P. C.
PROCESSED BY:	PAYMENT DATE:

04-18-99 00161

10850 W PICO BL #603
 LOS ANGELES CA 90064

CARLTON HAIR INTERNATIONAL INC
 CARLTON HAIR INTERNATIONAL/LINEAR HAIR
 P O BOX 5112
 IRVINE CA 92616-5112



CITY of LOS ANGELES
 CITY CLERK/TAX & PERMIT DIVISION
 COMPUTER BILLING UNIT
 File 55808
 LOS ANGELES, CA 90074-5808



REGARDING YOUR 1999 RENEWAL TAX STATEMENT:

ANALYSIS OF THE INFORMATION YOU PROVIDED FOR TAX YEAR 1999 DISCLOSES THAT THERE IS AN ADDITIONAL AMOUNT NOW DUE OF 587.83. FOR DETAILS, SEE THE BALANCE DUE LINE OF THE SUMMARY BELOW.

* PRINCIPAL IS BASED ON YOUR BUSINESS TAX ITEMS ONLY. (SEE SUMMARY BELOW)

PLEASE FOLD SO THAT LOWER CITY OF LOS ANGELES ADDRESS SHOWS THROUGH RETURN ENVELOPE WINDOW

SUPPLEMENTAL TAX NOTICE

ACCOUNT NUMBER	PERIOD	M. C.	D. & DATE	DATE OF NOTICE	POSTMARK DATE	DELINQUENT AFTER	ENF
0513464-75	A99			04-18-99	04-13-99	04-14-99	W
CLASSIFICATION	FUND CLASS CODE	START DATE	P. C.	BASIS FOR TAX	REFERENCE COMPUTATION		
PAYROLL EXPENSE							
PAYROLL EXPENSE	E101		01	419,930		3,465.00	
BUSINESS CLASSIFICATION							
RETAIL SALES	L187		01	73,361		110.86	
PROFS/OCCUPATIONS	L190		01	575,627		3,404.21	
PAYROLL EXPENSE TAX ACTIVITIES							

SUMMARY

	PRINCIPAL	INTEREST	PENALTY	TOTAL TAX FEE
TOTAL LIABILITY	3,515.07	87.88	.00	3,602.95
TOTAL PAID				3,515.12 - *
BALANCE DUE	.00	87.83	.00	87.83

PLEASE READ STATEMENT ABOVE AND SUBMIT INFORMATION REQUESTED. IF PAYMENT IS DUE, PLEASE SIGN AND RETURN THIS STATEMENT WITH YOUR MONEY ORDER OR CHECK DRAWN ON UNITED STATES BANKS ONLY. PLEASE MAKE YOUR MONEY ORDER OR CHECK PAYABLE TO:

CITY CLERK, CITY OF LOS ANGELES

I DECLARE, UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT TO THE BEST OF MY KNOWLEDGE THE FOREGOING IS TRUE AND CORRECT.

SIGNATURE _____

DAYTIME PHONE () _____

TITLE _____

DATE _____

PLEASE RETAIN ONE COPY FOR YOUR RECORDS. RETURN ONE COPY WITH YOUR REMITTANCE

FORM NO. 1008 (1/88)

TRADEMARK
 REEL: 002225 FRAME: 0172



CITY of LOS ANGELES
 OFFICE OF THE CITY CLERK
 TAX AND PERMIT DIVISION
 P. O. BOX 53233
 LOS ANGELES, CA 90053-0233

FOR OFFICE USE ONLY	
FUND/CLASS CODE	P.C.
PROCESSED BY	PAYMENT DATE

04-18-99 00142

13455 MAXELLA AV #236
 MARINA DEL RY CA 90292

CARLTON HAIR INTERNATIONAL INC
 CARLTON HAIR INTERNATIONAL
 P O BOX 5112
 IRVINE CA 92618-5112



CITY of LOS ANGELES
 CITY CLERK/TAX & PERMIT DIVISION
 COMPUTER BILLING UNIT
 File 55806
 LOS ANGELES, CA 90074-5806



REGARDING YOUR 1999 RENEWAL TAX STATEMENT:

ANALYSIS OF THE INFORMATION YOU PROVIDED FOR TAX YEAR 1999 DISCLOSES THAT THERE IS AN ADDITIONAL AMOUNT NOW DUE OF \$64.43. FOR DETAILS, SEE THE BALANCE DUE LINE OF THE SUMMARY BELOW.

* PRINCIPAL IS BASED ON YOUR BUSINESS TAX ITEMS ONLY. (SEE SUMMARY BELOW)

PLEASE FOLD SO THAT LOWER CITY OF LOS ANGELES ADDRESS SHOWS THROUGH RETURN ENVELOPE WINDOW

SUPPLEMENTAL TAX NOTICE

ACCOUNT NUMBER	PERIOD	M.C.	D.E. DATE	DATE OF NOTICE	POSTMARK DATE	DELINQUENT AFTER	ENF
0751270-91	A99			04-18-99	04-13-99	04-14-99	W
CLASSIFICATION	FUND CLASS CODE	START DATE	P.C.	BASIS FOR TAX	REFERENCE	COMPUTATION	
PAYROLL EXPENSE	E101		01	278,798		2,301.75	
BUSINESS CLASSIFICATION							
RETAIL SALES	L187		01	57,020		110.86	
PROFS/OCCUPATIONS	L190		01	416,295		2,464.52	
PAYROLL EXPENSE TAX ACTIVITIES							

SUMMARY

	* PRINCIPAL	INTEREST	PENALTY	TOTAL TAX FEE
TOTAL LIABILITY	2,575.38	64.38	.00	2,639.76
TOTAL PAID				2,575.33 *
BALANCE DUE	.05	64.38	.00	64.43

PLEASE READ STATEMENT ABOVE AND SUBMIT INFORMATION REQUESTED. IF PAYMENT IS DUE, PLEASE SIGN AND RETURN THIS STATEMENT WITH YOUR MONEY ORDER OR CHECK DRAWN ON UNITED STATES BANKS ONLY. PLEASE MAKE YOUR MONEY ORDER OR CHECK PAYABLE TO:

CITY CLERK, CITY OF LOS ANGELES
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SIGNATURE _____

DAYTIME PHONE () _____

TITLE _____

DATE _____

FORM NO. 1005 (1/89)

PLEASE RETAIN ONE COPY FOR YOUR RECORDS. RETURN ONE COPY WITH YOUR REMITTANCE

TRADEMARK
 REEL: 002225 FRAME: 0173

SCHEDULE "2.7"

LITIGATION

	NAME	DESCRIPTION	CONTINGENT LIABILITY AMOUNT*
1.	Buchalter-WHTCP v. Carlton	Downtown rent dispute.	\$45,000.00
2.	Grey York – Yepes v. Carlton	Medical claim.	\$35,000.00

* Those amounts are best estimates as of today, of likely outcomes for these matters. However, no assurances can be made that the actual outcomes won't differ (either up or down from the estimates).

TOTAL AMOUNT \$80,000.00*

SCHEDULE "2.8"

CERTAIN CHANGES

1. CHI is currently engaged in negotiating leases for the following locations:

- a. Mission Viejo Mall, Mission Viejo
- b. San Francisco
- c. North Park Plaza, Irvine

2. In connection with items a. and b. of Section 1 above, it is anticipated that leases will be entered into and the following loans will be consummated for purposes of financing the initial improvements and providing the locations with initial inventory:

	<u>Lender</u>	<u>Amount</u>
a.	Delmed Corp.	\$ 300,000
b.	Schwarzkopf	300,000

3. CHI is in the process of forming Carlton Hair San Francisco, Inc. for purposes of engaging in the lease described in 1.b above.

4. CHI will be engaged in the share issuance transactions described on Schedule 2.2.

5. Any "Adverse Lease Consequences" (as defined on Schedule 2.5) that may result from the Merger Transaction or from the seeking of the applicable Landlord consents.

6. Any liabilities described or referenced on Schedule 2.10 occurring after December 31, 1998.

SCHEDULE "2.9(a)"

EMPLOYEE BENEFITS

ATTACHED

Carlton Hair International
Payroll Schedule

LA Salons

International

- Beverly Center
- Century City
- Carlton Santa Monica
- Carlton Santa Monica Place
- Fashion Square
- Carlton Marina Del Ray
- Linear Marina Del Ray
- Carlton Westside Pavillion
- Linear Westside Pavilion

Stores

- Santa Anita
- Carlton Glendale
- Linear Glendale
- West Covina
- Burbank
- Valencia

Mission Viejo

- Cerritos
- Montebello

OC Salons

California

- Montclair
- Linear Brea
- Mainplace

Hair Health and Beauty

- Hair Health and Beauty
- Hair Health and Beauty 2

CHIMS

- Marketplace
- Crystal Court
- Carlton Brea
- Riverside (Gall)
- Westminster

Linear

- Walnut
- Crossroads

Linear South Coast Plaza

Run Date: 06/23/99
R/M Date: 06/17/99

CAFE BEAUTY SUPPLIES, INC.
PAYROLL

Page: 1
Time: 03:09 PM

NAME	FIRST NAME	SS NO	PAY RATE	TERMINATED
ADAME	RAUL	604271022	8.50	04/09/99
ALVAREZ	JACQUELINE	067601053	12.00	02/12/99
AVILA	LAURA	609044272	7.00	
BREMER	MELANIE D.	617054783	10.50	04/02/99
BROCCARDO	RUGGERO G.	609280047	3693.00	
BROCCARDO	PIERO G.	614300129	1540.00	
DEMKIW	MARK A.	606034637	1540.00	
FERGUSON	PATRICIA	561896833	9.00	
FIGUEROA	IVETTE	603166328	15.00	
HANCOCK	JOHN T.	569958196	9.00	
HERSOWITZ	RUSSELL	578962733	8790.00	
HERSOWITZ	HYMIE	559873628	2000.00	
HOHER	GERHARD	551513151	5232.00	
JOHNSTON	TERESA	534807520	15.50	04/30/99
LIM	MARIA	336763146	15.00	
LOVE	RONALD	571695036	6465.00	
LOVE	BRIDGET	570914158	1240.00	
LOVE	NATALIE	570913752	11.00	
MAYER	JOHANN	570532627	8790.00	
MAYER	ALEXANDER	614326149	11.00	
MILLER	TERI	572868512	1346.15	
O'ROURKE	MICHAEL	554513936	3010.00	
RIVERA	HECTOR	615905438	7.25	
ROMERO	LUIS	546234678	11.00	
SALGADO	MARIO	670420939	9.00	
STADING	CYNTHIA L	558176481	10.50	
TESTA	ROSELLA	571858517	1000.00	
VALENZUELA	DAVID	550573640	7.25	

Corporate & Warehouse Payroll

	M	I	S	C	B	V	G	P	D
	Mall-A	Mall-B	S. Center	Copper	Bronze	Silver	Gold	Platinum	Diamond
0-600		40				40	40	40	40
601-800		46				54	56	58	60
801-1000		48				56	58	60	
1001-1200		50				58	60		
1201-1400		52				60			
1401-1600		54							
1601-1800		56							
1801-2000		58							
2001+		60							

		Mall-B	Silver	Gold	Platinum	Diamond
0-399		42	50	52	54	60
400-599		44	52	54	56	
600-799		46	54	56	58	
800-999		48	56	58	60	
1000-1199		50	58	60		
1200-1399		52	60			
1400-1599		54				
1600-1799		56				
1800-1999		58				
2000+		60				

Merit Awards Based On:

- A) Length of Service with Carlton/Linear
- B) Management Promotion
- C) Educator Promotion
- D) Stock Controller
- E) Retail Sales Performance
- F) Client Retention
- G) Customer Service

Commissions

CARLTON
CHIMS

MARKETPLACE

DATE 6/99

STYLIST NAME	J1 VISA	MASSO CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
CARRASCO, J.R.		03-CARRASC	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CASTRO, LEONARD		03-CASTRO	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
JAEGER, ERIKA		03-JAEGER	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
KAPLAN, MAYER		03-KAPLAN	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
KAPLAN, MISHELLE		03-KAPL	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
KUS, HOLLY		03-KUS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LEWIS, SHARON		03-LEWIS	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MARESLO, JULIE		03-MARESLO	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NGUYEN, MY-LINH		03-NGUYENM	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PADILLA, COSMO		03-PADILLA	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
REEVES, KATHY		03-REEVES	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
REININGER, ILANA		03-REINING	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
RUSSEL, SHANNON		03-RUSSELL	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Commissions

CARLTON
CHIMS

CRYSTAL COURT

DATE

6/99

STYLIST NAME	J1 VISA	MASSO CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F1AMOUNT ADJ	TOTAL DUE	OTHER
BURNES, RYAN		04-BURN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CHAKKO, JAMAL		04-CHAKKO	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CHOI, TINA		04-CHOI	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
DOYLE, FRANK		04-DOYLE	F	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GALLO, KIMBERLY		04-GALLO	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GARDEA, EVELYN		04-GARDEA	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LUCAS, CHERYL (LEAL)		04-LEAL	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MANANIAN, HASMIK		04-MANANIA	I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MENDELSON, STEPHEN		04-MENDELS	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MURRAY, ED		04-MURRAY	V	0.00	0.00	0.00	0.00	150.00	(150.00)	0.00	(150.00)	
NGUYEN, CATHERINA		04-NGUYENC	I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PHAM, GIAO		04-PHAMQ	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
RIZZO, PAUL		04-RIZZO	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SILVERNAIL, HEIDI		04-SILVERN	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TAVAREZ, ERICA		04-TAVARES	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
VANNINI, VICTORIA		04-VANNINI	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	150.00	(150.00)	0.00	(150.00)	0.00

Commissions

CARLTON
CHIMS

GALLERIA RIVERSIDE

DATE 6/99

STYLIST NAME	JT VISA	MAS90 CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
BAUTISTA, JOHN		07-BAUTIST	MM	0.00	0.00	0.00	0.00	50.00	(50.00)	0.00	(50.00)	
BRUCE, VALERIE		07-BRUCE	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ESQUIVIES, LINDA		07-ESQUIV	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ESTRADA, ELIZABETH		07-ESTRA	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GRANGER, SUMMER		07-GRANGER	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HARRIS, CARI		07-HARRI	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HEINRICK, MICHELLE		07-HEINRIC	MM	0.00	0.00	0.00	0.00	50.00	(50.00)	0.00	(50.00)	
HILL, SHELLEY (MICHELLE)		07-HILL	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LOZA, FRANCESCA		07-LOZA	M	0.00	0.00	0.00	0.00	50.00	(50.00)	0.00	(50.00)	
MARQUEZ, CLAUDIA		07-MARQ	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MATHENY, BRIAN		07-MATH	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MOLINA, BELINDA		07-MOLINA	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
REZA, ROSE		07-REZA	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ROSalez, JENNETTE		07-ROSALES	MM	0.00	0.00	0.00	0.00	50.00	(50.00)	0.00	(50.00)	
RUFFNER, DENNIS		07-RUFF	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TELLO, YOLANDA		07-TELLO	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
URIAS, BRENDA		07-URIA	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
VELTRE, TRACY		07-VELTRE	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WHITE, BOBBY		07-WHITE	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WHITE, JENNY		07-WHITEJ	M	0.00	0.00	0.00	0.00	50.00	(50.00)	0.00	(50.00)	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	250.00	(250.00)	0.00	(250.00)	0.00

Commissions

CARLTON WALNUT
LINEAR

DATE 6/99

STYLIST NAME	JT VISA	MAS90 CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
AGAH, FARANAK		01-AGAHESH	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BALTAZAR, ELSA		01-BALTAZA	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BREWER, LESLIE		01-BREW	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CHERMANESCU, MARCE		01-SUTHERL	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HOANG, DUNG		01-HOANG	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HUSTED, TRACEE		01-HUSTED	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MARTIN, CARM		01-MARTINC	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SALEHI, LIDA		01-SALEHI	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SERRANO, JOSEPH		01-SERRANO	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
VANDBANK, ANDRE		01-VANDERS	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WRIGHT, JOEY		01-WRIGHT	P	0.00	0.00	0.00	0.00	100.00	(100.00)	0.00	(100.00)	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	100.00	(100.00)	0.00	(100.00)	0.00

TRADEMARK
REEL: 002225 FRAME: 0186

Commissions

LINEAR EXPERIENCE-SOUTH COAST PLAZA
CHIMS/LINEAR COMMISSION SCHEDULE DATE

6/99

STYLIST NAME	J1 VISA	MASSO CODE	SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER	
BEHAN CAROLINE		41-BEHAN	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
BEHAN DESMOND		41-BEHAN	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
BRACAMONTES DAVID		41-BRACAMO	D	0.00	0.00	0.00	0.00	0.00	2,400.00	2,400.00		
BUGARSKI CARLOS		41-BUGARSK	CC	0.00	0.00	0.00	0.00	0.00	800.00	800.00		
BUTLER, CYNTHIA		41-BUTLER	S	0.00	0.00	0.00	0.00	240.00	(240.00)	0.00	(240.00)	
CHANG JERRY		41-CHANG	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
ELMOUSSA ANGELIQUE		41-ELMO	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
HANSEN KRISTIAN		41-HANSEN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
INAWAT JEFFREY		41-INAWAT	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
LESCAULT DEE		41-LESCAUL	VV	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
MOORE, SEAN		41-MOORS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
MORETTA MARIA	J1	41-MORET	MM	0.00	0.00	0.00	0.00	0.00	500.00	500.00		
PHAM MIMI		41-PHAN	MM	0.00	0.00	0.00	0.00	120.00	(120.00)	0.00	(120.00)	
PIRNIA MELODY		41-PIRNIA	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
RAPIER, KATIE		41-RAPI	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
SANCHEZ CASSANDRA		41-SANCHEZ	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
SCHUESLER DANA		41-SCHUE	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
SERRANO JOSEPH		41-SERRANO	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
TOBIN SETH		41-TOBIN	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
VU VINCENT		41-VUV	MM	0.00	0.00	0.00	0.00	120.00	(120.00)	0.00	(120.00)	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
COMMISSION				0.00	0.00	0.00	0.00	480.00	(480.00)	3,700.00	3,220.00	0.00

Commissions

HAIR HEALTH BEAUTY 2 ALISO VIEJO
 CHIMS/LINEAR COMMISSION SCHEDULE

DATE 6/99

STYLIST NAME	J1 VISA	MAS90 CODE	SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
ARANEDA, CHARLENE		52-ARAN	SP5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BENNETT, ROSARIO		52-BENNETT	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BORISH, BARBARA(BOBBIE)		52-BORISH	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
EATON, HEATHER		52-EATON	W	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GRECO SHONA		52-GRECO	V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HUNT PAMELA		52-HUNT	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LEFEBVRE LISA		52-LEFEB	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NGUYEN, UYEN		52-NGUYU	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WITWORTH MICHELLE		52-REULAND	V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Commissions

LINEAR BREA
CHIMS/LINEAR COMMISSION SCHEDULE

DATE 6/99

STYLIST NAME	JT VISA	MAS90 CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
BRUOGNOLD TONY		22-BRUGG	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CHAVEZ LORRAINE		22-CHAVEL	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ROMCO RENEE		22-ROMC	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LEE YOUNG		22-LEE	II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MAFUD, MARTHA		22-MAFUD	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MATURINO MIKE		22-MATURIN	V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
REYES ALEJANDRO		22-REYES	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
RODRIGUEZ LORENA		22-RODRIL	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
UGOLINI VICTORIA		22-UGOLINI	P	0.00	0.00	0.00	0.00	160.00	(160.00)	0.00	(160.00)	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	160.00	(160.00)	0.00	(160.00)	0.00

Commissions

CARLTON MAINPLACE
CHIMS/LINEAR COMMISSION SCHEDULE

DATE

6/99

STYLIST NAME	J1 VISA	MASSO CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
AGUILAR ELIZABETH		23-AGUIAR	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ALCAZAR ALICIA		23-ALCAZAR	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ALI ALEX		23-ALI	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CAPP FRANCES		23-CAPP	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CARSON, ONEAL		23-CARS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
DAVIS DIANNE		23-DAVIS	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FRIEDMAN CASEY		23-FRIEDMA	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GARZA VICKY		23-GARZA	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HOLIDAY DARRYL		23-HOLIDAY	MM	0.00	0.00	0.00	0.00	150.00	(150.00)	0.00	(150.00)	
INSISIENGMAY SAM		23-INSISIE	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NGUYEN TINA		23-NGUYENT	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NGUYEN, YEN KIM		23-NGUYENY	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PANGLE CARRIE		23-PANGLE	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PUENTES CINDY		23-PUENTES	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
RAWAL CRISTIN		23-RAWAL	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TORRES WENDY		23-TORRESW	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TRUJILLO MARCOS		23-TRUJILL	V	0.00	0.00	0.00	0.00	300.00	(300.00)	0.00	(300.00)	
TRZCINSKI SHAWNA		23-TRZCINS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WILSON TERESA		23-WILSONT	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	450.00	(450.00)	0.00	(450.00)	0.00

Commissions

CARLTON SANTA ANITA
CHIMS/LINEAR COMMISSION SCHEDULE

DATE 6/99

STYLIST NAME	J1 VISA	MAS90 CODE		SALES		COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
				TAKINGS	TAKINGS							
APUZZO VIRGINIA		21-APUZZO	D	0.00	0.00	0.00	0.00	70.00	(70.00)	0.00	(70.00)	
ARMOODIRIAN, NATALIE		21ARMO	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BALFOUR, ROMA (CAMILLA)		21-BALF	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CHIEN CINDY		21-CHIEN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COKKINOS SHAWNA		21-COKKINO	SP4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GREF THOMAS		21-GREF	VV	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LAM LISA		21-LAML	BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LY, MARIA		21-LY	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MARTIN LISA MARIE		21-MARTIN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PERRERA TINA		21-PERERA	F	0.00	0.00	0.00	0.00	0.00	0.00	280.00	280.00	
ROMERO RALPH		21-ROMEROR	V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SAIKALY, FADI-FIX AT 50%		21-SAIK	SS	0.00	0.00	0.00	0.00	0.00	0.00	700.00	700.00	
SILVESTRE GUISEPPE		21-SILVEST		0.00	0.00	0.00	0.00	0.00	0.00	1,800.00	1,800.00	
VILLANDEVA STAR		21-VILLANU	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
VILLEGAS ELIZABETH		21-VILLEGA	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WAXING				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
APUZZO VIRGINIA		21-APUZZO	W	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CHIEN CINDY		21-CHIEN	W	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PERERA TINA		21-PERERA	W	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		21-RAMIREM	W	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MAKEUP				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LAMS		21-LAMS	W	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	70.00	(70.00)	2,780.00	2,710.00	0

Commissions

BEVERLY CENTER

DATE

6/99

CHIMS/LINEAR COMMISSION SCHEDULE

STYLIST NAME	J1 VISA	MAS90 CODE	SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER	
CHEESE JULIUS		07-CHEESE		0.00		0.00		80.00	(80.00)	0.00	(80.00)	
CLAY JULIA		07-CLAY	MM	0.00		0.00		0.00	0.00	0.00	0.00	
DEL MURO LINDA		07-DELMUR	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
HAUGER MARIAH		07-HAUGER	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
JIN KRIS		07-JIN	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
KAWAHARA DEWEY		07-KAWAHAR	D	0.00		0.00		0.00	0.00	0.00	0.00	
KIM GRACE		07-KIMY	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
KIM JEAN		07-KIMJ	VV	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
LOMALA SVETLANA		07-LOMAKA	MM	0.00		0.00		0.00	0.00	0.00	0.00	
LOMELI CEZAR		07-LOMELI	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
MAKSIMOVIC RADA		07-MAKSIMO	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
MORRIS COREY		07-MORR	MM	0.00		0.00		0.00	0.00	0.00	0.00	
PITTA CHRISTOPHER		07-PITTA	S	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
ROMAN RUDY		07-ROMAN	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
ROSEN, ELAN		07-ROSE	MM	0.00		0.00		0.00	0.00	0.00	0.00	
TRUJILLO JOSEPH		07-TRUJ	SP2	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
YI CANDICE		07-YI	MM	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
ZIMMERMAN RICHARD		07-ZIMMERM	V	0.00		0.00		80.00	(80.00)	0.00	(80.00)	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
				0.00		0.00		0.00	0.00	0.00	0.00	
COMMISSION				0.00		0.00		1,040.00	(1,040.00)	0.00	(1,040.00)	0.00

Commissions

CARLTON
CHIMS/LINEAR COMMISSION SCHEDULE

DATE CENTURY CITY *6/99*

STYLIST NAME	J1 VISA	MASSO CODE	SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER	
CHIN OK P		06-PARKC	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
CHOI JUDIA		06-CHOI	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
DAYTON CRYSTAL		06-DAYTON	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
DIEP SUSAN		06-DIEP	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
DUARTE TRINA		06-DUARTE	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
GORDON ANTHONY		06-GORDON	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
HANSEN TINA		06-HANSEN	VV	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
HILLIARD EVA		06-HILLIAR	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
HIRAYA AMY		06-HIRAYAM	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
HOHER GERD - CORP		CORPORATE	F	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
HOYOS GUILLERMO	AIP	06-HOYOS	I	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
KROHN MOLLIE		06-KROHN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
LARA JASON		06-LARA	F	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
LOPEZ ARTURO, MIGUEL		06-LOPEZMI	MM	0.00	0.00	0.00	0.00	0.00	3,100.00	3,100.00		
MATSUKURA MACHI		06-MATSUKU	C	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
SIVESIND KRISTIN		06-SIVESIN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
SMITH LEANNE		06-SMITHL	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
STEINMETZ BABAK		06-STEINME	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
VO, GLEN		06-VO	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
WILMOT JOY		06-WILMOT	D+	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
WILSHINSKI MICHAEL		06-WILSHIN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
ZARGOZA JAIME		06-ZARAGOZ	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
ZOHLING ALEXANDRA		06-ZOHL	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				0.00	0.00	0.00	0.00	0.00	0.00	0.00		
COMMISSION				0.00	0.00	0.00	0.00	160.00	(160.00)	3,100.00	2,940.00	0.00

Commissions

CARLTON
CHMSLINEAR COMMISSION SCHEDULE

FASHION SQUARE

DATE

6/99

STYLIST NAME	J1 VISA	MAS90 CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
ALBA GARCIA KARINA		03-ALBA	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
BOZILOV DIANA		03-BOZILOV	C	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
BROOKS LARRY		03-BROOKS	B	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
COHEN, FAVRILLE		03-COHEN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CUEVAS ELSA		03-CUEVAS	MM	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
DUXBRY KAREN		03-DUX	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
EFRANI ZOHRE		03-ERFANI	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
GEHRET MARYANN		03-GEHRET	SP3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GINES GLORIA		03-GINES	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
JAVANTASH SHAHNAZ		03-JAVANTA	MM	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
KHADEMI FARNAZ		03-KHADEMI	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
KOKOZYON KRISTI		03-KOKOZYO	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
LERETT DENISE		03-LERETTE	SP3	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
LOPEZ TRACY		03-LOPEZT	MM	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
MASADRYAN ANAHIT		03-MASH	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MCCUNE TERI		03-MCCUNE	G	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
MCINERNY CANDICE		03-MCIN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MITCHELL ROSALIND		03-MITCNER	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
MITCHELL TOBIAS		03-MITCHEL	D+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SARKISSIAN ALINA		03-SARK	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SOSA ROSIE		03-SOSA	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
VARGAS RITA		03-VARG	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	940.00	(940.00)	0.00	(940.00)	0.00

Commissions

CARLTON MARINA DEL REY
CHIMSALINEAR COMMISSION SCHEDULE

DATE 6/99

STYLIST NAME	J1 VISA	MAS90 CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
ARCHIBALD, VICLY		04-ARCHIBA	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BELESKY, ANN MAERIE		04-BELET	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BROWN LISA	J1	04-BROWN	MM	0.00	0.00	0.00	0.00	0.00	0.00	500.00	500.00	
CEJA FRANCES		04-CEJA	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
DELGADILLO GABRIELA		04-DELGADI	MM	0.00	0.00	0.00	0.00	40.00	(40.00)	0.00	(40.00)	
DORA TEDDA RAE		04-DORA	D+	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
FINE, MICHELLE		04-FINE	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GAST SASHA		04-GAST	C	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
GRANADOS-CRUZ MARIA		04-CRUZ	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
HALL MARCUS		04-HALL	S	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
JENISON MARY		04-JENS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
JENSON MARY		04-JENS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MORENO DOLORES		04-MORENO	D+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NOORZAY NASSRINE		04-NOORZAY	I	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
OWENS ROBERT		04-OWENS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PRYER MELISSA		04-PRYER	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ROMO FABIOLA		04-ROMO	I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SHONO SAJ		04-SHONO	B	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
VIER OSCAR		04-VIER	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
WEISS YVONE	J1	04-WEISS	MM	0.00	0.00	0.00	0.00	0.00	0.00	500.00	500.00	
WISBEY, CLEO	J1	04-WISBEY	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	520.00	(520.00)	1,000.00	480.00	0.00

Commissions

CARLTON
CHIMS/LINEAR COMMISSION SCHEDULE

SANTA MONICA

DATE 6/99

STYLIST NAME	J1 VISA	MAS90 CODE	SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
BERGER ROSALIE		02-BERGER	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FLOWERS MIRIAM		02-FLOWERS	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GUTIERREZ, ADRIANA		02-GUTIERA	C	0.00	0.00	0.00	0.00	0.00	700.00	700.00	
IWAMOTO SAM		02-IWAMOTO	D+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
JANSEN JANE		02-JANSEN	D+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
RAMANZANDEH, HELEN		02-RAMEZAN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TAMARU MASAYO		02-TAMARU	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	0.00	700.00	700.00	0.00

Commissions

LINEAR
CHIMS/LINEAR COMMISSION SCHEDULE

SANTA MONICA PLACE

DATE 6/99

STYLIST NAME	J1 VISA	MAS90 CODE		SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE
ABRAMS DAVID		05-ABRAMS	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGUIRRE THERESE		05-AGUIRRT	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BROWN DARWIN		05-BROWN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BRUEKNER DEBRA		05-BRUE	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CARTER EMRIE		05-CARTE	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUNNINGHAM SHAWN		05-CUNNING	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DIAZ PETER		05-DIAZP	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FORINASH HEATHER		05-FORIN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAMESON NICOLE		05-JAME	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KERNS NORIKO		05-KERNS	I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MC OLELAN JEFFREY		05-MCCLELL	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PINIERA WENDY		05-PINEIRA	I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOBAR ANDRES		05-TOBAR	V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMISSION				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Commissions

CARLTON WESTSIDE PAVILION
CHIMSLINEAR COMMISSION SCHEDULE

DATE

6/99

STYLIST NAME	J1 VISA	MASSO CODE	SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER	
AUGUSTINE JOY		08-AUGUSTI	C	0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	
BONDS KAREN		08-BARKER	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CRIM AYESHA		08-CRIM	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ELOSTAZ KANDA		08-ELOSTAZ	V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HASSANPOUR KATHY		08-HASSANP	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HUNTER TINA		08-HUNTER	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
KUSUMOTO LARISSA		08-KUSUMOT	M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LALLAS WENDY		08-LALLAS	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NUNO MONA		08-NUNO	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ROZEN RACHEL		08-ROSEN	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SOLIS LETICIA		08-SOLIS	S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
VODONIC JENNY		08-VODONIC	II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ZAKHAROVA LAURA		08-ZAKH	MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION				0.00	0.00	0.00	0.00	80.00	(80.00)	0.00	(80.00)	0.00

Commissions

LINEAR WESTSIDE PAVILION
CHIMSLINEAR COMMISSION SCHEDULE

DATE

6/99

STYLIST NAME	J1 VISA	MAS90 CODE	SALES TAKINGS	SALES TAKINGS	COMM DUE	COMM DUE	ADJ ASSISTS	SUB TOTAL	F/AMOUNT ADJ	TOTAL DUE	OTHER
DIETIKER DARIN		09-DIETIKE MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FOOTER DAMON		09-FOOTER V	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
KATSMAN KAYE		09-KATSMAN MM	0.00	0.00	0.00	0.00	110.00	(110.00)	0.00	(110.00)	
KNIGHTS NAOMI		09-KNIGHTS S	0.00	0.00	0.00	0.00	110.00	(110.00)	0.00	(110.00)	
LIPINSKY RICHARD		09-LIPINSK G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MINTERS ANDREA		09-MINTERA G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
OREGAN JAMES		09-OREGAN F	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00	1,200.00	
SHIMAZKI NOBU		09-SHIM MM	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00	4,000.00	
TANNER DANIEL		09-TANNER MM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
MAKE UP			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
LOMELT VICTOR		09-LOME W	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
COMMISSION			0.00	0.00	0.00	0.00	330.00	(330.00)	5,200.00	4,870.00	0.00

SCHEDULE "2.9(b)"

EMPLOYMENT RELATED AGREEMENTS

1. Employee Handbook and other material written Personnel Policies;
2. "Performance Agreements" with David Bracamontes, Leonard Castro, Dianne Davis, Gerhard Hoher, Jason Lara, Ronald Love, Tobias Mitchell and James O'Regan, as more fully described on Schedule 2.2;
3. Employment Letter Agreement with Piero G. Broccardo dated April 22, 1997. Enclosed within this Letter Agreement is a provision for Ownership Participation after 5 years of service with CHI.
4. Verbal Agreement with Desmond and Caroline Behan pursuant to which, at their election, they can acquire a 20% interest in Carlton Hair San Francisco, Inc., or the Mission Viejo Operation, if and when they become operational.

SCHEDULE "2.9(c)"

EMPLOYEE PLANS

1. Life Insurance – The beneficiaries are shown on the attached statements.
 - a. Allianz Life Insurance Company of North America
 - b. First Colony Life Insurance Company

2. Health Insurance – The beneficiaries are shown on the attached statements.
 - a. Kaiser
 - b. Blue Cross of California
 - c. Blue Shield of California

3. Dental Insurance – The Dental Insurance Plan of CHI is paid for solely by its employees. The beneficiaries are shown on the attached statements.

CARLTON HAIR INTERNATIONAL INC.

CORPORATE ACCOUNT
7 CORPORATE PARK DR., SUITE 100
IRVINE, CA 92606

WELLS FARGO BANK
WOODBRIDGE OFFICE
4850 BARRANCA PARKWAY
IRVINE, CA 92606

16-24/1220(7)

2/3/9

PAY
TO THE
ORDER OF

BLUE CROSS OF CALIFORNIA

[Handwritten Signature]
*****73

Seven Hundred Thirty-Five and 00/100*****

BLUE CROSS OF CALIFORNIA

NON-NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO

CERT# 570-53-2627 JEAN MAYER

⑈007880⑈ ⑆122000247⑆0983 111287⑈

CERTIFICATE NUMBER	SUBSCRIBER NAME	PRODUCT DESCRIPTION	NO COV	PAYS FROM	PAYS TO	PREMIUM	CODE(S)
565-45-2636	CARRASCO, RAHIRO	CLASSIC 1000	01	11-01-98	02-01-99	309.00	CL# 9443
570-53-2627	MAYER, JEAN J	CLASSIC 1000	02	11-01-98	02-01-99	735.00	11 P COY.
TOTAL ----->						1044.00	

IMPORTANT! WE APPRECIATE THE OPPORTUNITY TO PROVIDE YOUR INSURANCE COVERAGE. PLEASE PAY THE PREMIUM IMMEDIATELY TO AVOID CANCELLATION. IF YOU HAVE ANY QUESTIONS, PLEASE CALL YOUR DEDICATED CUSTOMER SERVICE UNIT AT 1-800-333-0912.

TOTAL AMOUNT DUE --> 1044.00

CARLTON HAIR INTERNATIONAL INC.

CORPORATE ACCOUNT
7 CORPORATE PARK DR., SUITE 100
IRVINE, CA 92606

WELLS FARGO BANK
WOODBRIDGE OFFICE
4850 BARRANCA PARKWAY
IRVINE, CA 92606

16-24/1220(7)

2/3/99

PAY TO THE ORDER OF

BLUE SHIELD OF CALIFORNIA

\$ *****445.2

Four Hundred Forty-Five and 29/100*****

DOLLAR

BLUE SHIELD OF CALIFORNIA

NON - NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO 614326149-0 A MAYER

⑆007879⑆ ⑆122000247⑆0983-111287⑆

Blue Shield of California APPROVAL

SEE MESSAGE ON REVERSE SIDE

DATE _____ CHECK NO. _____ AMOUNT _____

Keep this part for your records.

SUBSCRIBER NO.	HEALTH COVERAGE PERIOD		TOTAL
614326149-0	FROM 02/18/99	TO 05/01/99	445

THIS PAYMENT REQUEST MAY REFLECT A DUES INCREASE IF YOU ENTERED A NEW AGE LEVEL DURING THIS DUES PERIOD. PLEASE REFER TO YOUR SERVICE AGREEMENT SECTION B1

NAME: MAYER

PHONE: (800) 431-2809 AUTHORIZATION

24

CARLTON HAIR INTERNATIONAL INC.

CORPORATE ACCOUNT
7 CORPORATE PARK DR., SUITE 100
IRVINE, CA 92606

WELLS FARGO BANK
WOODBRIDGE OFFICE
4850 BARRANCA PARKWAY
IRVINE, CA 92606

80

16-24/1220(7)

5/24/99

PAY TO THE ORDER OF

BLUE SHIELD OF CALIFORNIA

*****375.00

Three Hundred Seventy-Five and 00/100*****

DOLLAR

BLUE SHIELD OF CALIFORNIA

NON - NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO 614327287-0 MAYER

⑆008043⑆ 122000247⑆0983 111287⑆

Blue Shield of California

SEE MESSAGE ON REVERSE SIDE

Keep this part for your records.

DATE _____
CHECK NO. _____
AMOUNT _____

DATE	SUBSCRIBER NO.	HEALTH COVERAGE PERIOD		TOTAL D
MAYER	614327287-0	FROM	TO	375.
CHECK #		04/01/99	07/01/99	
AMOUNT				

(800) 431-2809

874

CARLTON HAIR INTERNATIONAL INC.

CORPORATE ACCOUNT
7 CORPORATE PARK DR., SUITE 100
IRVINE, CA 92606

WELLS FARGO BANK
WOODBRIDGE BRANCH
4850 BARRANCA PARKWAY
IRVINE, CA 92606

16-24/1220(7)

804

3/24/99

PAY
TO THE
ORDER OF

BLUE SHIELD OF CALIFORNIA

***1,836.00

One Thousand Eight Hundred Thirty-Six and 00/100*****

DOLLARS

BLUE SHIELD OF CALIFORNIA

NON - NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO

560290921-0 CRANE

⑈008044⑈ ⑆122000247⑆0983 111287⑈

Blue Shield of California



SEE MESSAGE ON REVERSE SIDE

Keep

APPROVAL

Keep this part for your records

DATE _____
CHECK NO. _____
AMOUNT _____

NAME	SUBSCRIBER ACCOUNT #	HEALTH COVERAGE PERIOD	TOTAL DUE
CRANE HERSOWITZ	560290921-0	FROM 04/01/99 TO 07/01/99	1836.00

(800) 431-2809

8929

CARLTON HAIR INTERNATIONAL INC.

CORPORATE ACCOUNT
7 CORPORATE PARK DR., SUITE 100
IRVINE, CA 92606

WELLS FARGO BANK
WOODBRIDGE OFFICE
4850 BARRANCA PARKWAY
IRVINE, CA 92606

16-24/1220(7)

81

4/28/99

PAY
TO THE
ORDER OF

BLUE SHIELD OF CALIFORNIA

***1,464.00

One Thousand Four Hundred Sixty-Four and 00/100*****

DOLLAR

BLUE SHIELD OF CALIFORNIA

NON - NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO

551513151-0 HOHER 4/1-7/1/99

⑈008132⑈ ⑆122000247⑆0983 111287⑈

SEE MESSAGE ON REVERSE SIDE

DATE _____
CHECK NO. _____
AMOUNT _____

Keep this part for your records.



NAME	SUBSCRIBER NO.	HEALTH COVERAGE PERIOD		TOTAL
		FROM	TO	
HOHER	551513151-0	04/01/99	07/01/99	1464.

YOUR BLUE SHIELD DUES FOR THE COVERAGE PERIODS SHOWN ABOVE HAVE NOT BEEN RECEIVED. UNLESS YOU WISH TO DISCONTINUE YOUR COVERAGE, WE MUST RECEIVE YOUR PAYMENT IN FULL BY 04/18/99. IF YOU REQUIRE FURTHER ASSISTANCE OR CLARIFICATION, A CUSTOMER SERVICE REPRESENTATIVE MAY BE REACHED AT 1-800-431-2809.

(800) 431-2809

CARLTON HAIR INTERNATIONAL INC.
CORPORATE ACCOUNT
7 CORPORATE PARK DR., SUITE 100
IRVINE, CA 92606

WELLS FARGO BANK
WOODBRIDGE BRANCH
4850 BARRANCA PARKWAY
IRVINE, CA 92606

16-24/1220(7)

4/28/99

PAY TO THE ORDER OF

BLUE SHIELD OF CALIFORNIA

*****576.00

Five Hundred Seventy-Six and 00/100*****

DOLLARS

BLUE SHIELD OF CALIFORNIA

NON - NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO 599114836-0 LARA 4/15-7/15/99

⑆008133⑆ ⑆122000247⑆0983 111287⑆



SEE MESSAGE ON REVERSE SIDE

Keep this part for your records.

DATE _____
CHECK NO. _____
AMOUNT _____

NAME	SUBSCRIBER NO.	HEALTH COVERAGE PERIOD		TOTAL D.
		FROM	TO	
LARA	599114836-0	04/15/99	07/15/99	576.0

For dues information:
PHONE: (800) 431-2809

C1183 (0/88)

1979

HAIR, HEALTH, BEAUTY INC.
 7 CORPORATE PARK, STE 100
 IRVINE, CA 92606
 (714) 719-2805

UNION BANK OF CALIFORNIA
 HAIR, HEALTH, BEAUTY
 1666 SANDHILL DRIVE
 NEWPORT BEACH, CA 92660
 16-49/71 1220

18

5/26/99

PAY TO THE ORDER OF Blue Cross of California \$ 408.60

Four Hundred Eight & 10/100

DOLLAR

[Blue Cross of California]

NON - NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO 644-54-5594 L. Wainstein 5/1-7/1

POSTED

⑈001896⑈ ⑆122000496⑆ 0710025711⑈

RETURN THIS PORTION WITH YOUR PAYMENT



PAYS FROM		PAYS TO	
05-01-99		07-01-99	
CERTIFICATE NO.		GROUP NO.	
614-54-5594		00037B	
CONTRACT TYPE	# OF PERSONS COVERED	CONTRACT CODE	WORK LOCATION
B	01	1575	A42
BILLING TYPE		BILLING DATE	
REGULAR		03-31-99	

IF ADDRESS OR MEMBERSHIP CHANGE, INDICATE HERE → PROVIDE INFORMATION ON REVERSE SIDE

Make checks payable to: Blue Cross of California PLEASE DO NOT SEND CASH.

PLEASE PAY THIS AMOUNT →

\$408.00 BY 05-01-99

BLUE CROSS OF CALIFORNIA
 PO BOX 7030
 ANAHEIM CA 92850-7030

LIANE WAINSTEIN
 18600 JAMBOREE RD APT 305
 IRVINE CA 92612



10506145455942000000030722000408002

* An Independent Licensee of the Blue Cross Association

DMOR

SUBSCRIBER NO. 553590523-0	FILE CODE TYLER	GROUP NO. 0H91A00-0000	NO. OF PERSONS 4	CURRENT COVERAGE PERIOD FROM 06/01/99 TO 09/01/99	AMOUNT DUE \$ 1485.00	DATE DUE 06/01/99
Please show this number on your check Please indicate change of address below				PAST DUE COVERAGE PERIOD FROM TO	AMOUNT PAST DUE \$	TOTAL DUE \$ 1485.00
Please be sure this address shows through window CHRISTAL A TYLER 28703 MT RUSHMORE RD RANCHO PLS VERDES, CA 90275-0000						
BLUE SHIELD OF CALIFORNIA P.O. BOX 7021 ANAHEIM, CA 92850-7021						

CARLTON HAIR INTERNATIONAL 7 CORPORATE PARK DRIVE SUITE 100 IRVINE, CALIFORNIA 92714	8260
BANK OF AMERICA NEWPORT CENTER BRANCH 1020 500 NEWPORT CENTER DR., STE. 191 NEWPORT BEACH, CA 92660	6/4/1999
PAY TO THE ORDER OF BLUE SHIELD OF CALIFORNIA	\$ 1,485.00
One Thousand Four Hundred Eighty-Five and 00/100***** DOLLARS	
BLUE SHIELD OF CALIFORNIA PO BOX 7021 ANAHEIM, CA 92850-7021	NON-NEGOTIABLE AUTHORIZED SIGNATURE
MEMO 553590523-0 TYLER LMDR	

⑆008260⑆ ⑆122000661⑆ 10202⑆04954⑆

COMPANY
EMP

Salon	Corporation	Last Name	First Name	Amount	Amount Due	Amount	Amount Due
Linear Brea	CA	Brugnolo	Antonio	124.23			
Linear Brea	CA	Brugnolo	Raffaele		103.11		
Linear Brea	CA	Brugnolo	Francesco				
Linear Brea	CA	Brugnolo	Vincenzo				
Linear Brea	CA	Silvestro	Clementina		124.23		
Mainplace	CA	Davis	Dianne	124.23			
Mainplace	CA	Derby	Theresa	124.23			
Mainplace	CA	Lewis	Tami	124.23			
Mainplace	CA	Walton	Christine	124.23			
Mainplace	CA	Wilson	Teresa	124.23			
Montclair	CA	Corey-Rischio	Lyda	124.23		869.61	227.34
Brea	CHIMS	Castillo	Gina	124.23			
Crystal Court	CHIMS	Doyle	Frank	124.23			
Crystal Court	CHIMS	Doyle	Ena	124.23			
Crystal Court	CHIMS	Doyle	Julian	103.11			
Crystal Court	CHIMS	Mendelson	Steven	124.23			
Crystal Court	CHIMS	Mendelson	Justin		124.23		
Marketplace	CHIMS	Kaplan	Myron	124.23			
Marketplace	CHIMS	Kaplan	Michelle	124.23			
Riverside Galleria	CHIMS	Molina	Belinda	124.23			
Riverside Galleria	CHIMS	Molina	Nelson J		124.23		
Riverside Galleria	CHIMS	Molina	Miles		103.11		
Riverside Galleria	CHIMS	Molina	Mitchell				
Marketplace	CHIMS	Castro	Leonard	124.23			
Marketplace	CHIMS	Castro	Loni	124.23			
Marketplace	CHIMS	Castro	Alexa		103.11		
Marketplace	CHIMS	Castro	Tori				
Westminster	CHIMS	Nelson	Christine	124.23			
Westminster	CHIMS	Nelson	George		124.23		
Westminster	CHIMS	Nelson	Grant		103.11	1,345.41	682.02
Selwyn Hersowitz	Corp	Alvarez	Jacqueline	124.23			
Office	Corp	Ferguson	Patricia	124.23			
Office	Corp	Gabriel	Marc		124.23		
Office	Corp	Gabriel	Courtney		103.11		
Office	Corp	Gabriel	Justin				
Office	Corp	Love	Brigitte	124.23			
Office	Corp	Love	Ron	124.23			
Office	Corp	Love	Anita	124.23			
Office	Corp	Love	Natalie	103.11			
Office	Corp	Love	Roxanne				
Office	Corp	Miller-Gabriel	Teri	124.23		848.49	227.34
Warehouse	WH	Romero	Luis	124.23			
Warehouse	WH	Standing	Cynthia	124.23		248.46	-
Beverly Center	LA	Kawahara	Dewey	124.23			
Santa Monica Place	LA	Abrams	David	124.23			
Westside Pavillion	LA	Bonos	Karen	124.23		372.69	-
Walnut	LINEAR	Serrano	Joseph	124.23		124.23	-
Cerritos	MV	Langsam	Karen	124.23			
Montebello	MV	Rischio	Enzo	124.23		248.46	-
Scouth Coast Plaza	SCP	Bracamontes	David	124.23		124.23	-
Burbank	STORES	Kalantari	Jeanette	124.23			
Linear Glendale	STORES	Santana	Sylvia	124.23		248.46	-
TOTAL:						4430.04	1136.7
							5566.74

ENTAL - EMI KEES A
IN FULL.

BROWN INSURANCE SERVICES
1240 S. STATE COLLEGE, STE. 225
ANAHEIM, CA 92806

1999

JULY BILLING

60-CARLTON HAIR STORES, INC.

OFFICE # 26818

	KAISER	SAFEGUARD	TOTAL	TOTAL
ITA ANITA				.50
				.50
BTOTALS	0.00	0.00	0.00	.50
				.50
RLTON GLENDALE				.00
				.00
BTOTALS		0.00	0.00	.00
ST COVINA				
LINDO, JENNIFER		15.50	15.50	
NZALES-DELSI, LAURA		26.50	26.50	
LESIAS, ELIZABETH		38.50	38.50	
SCHIO, ENZO		15.50	15.50	
BTOTALS		96.00	96.00	
IRBANK				
ILANTARI, JEANETTE		15.50	15.50	
IBTOTALS		15.50	15.50	
INEAR GLENDALE				
JBTOTALS		0.00	0.00	
S	0.00	111.50	111.50	

DUE: JULY 1, 1999

BROWN INSURANCE SERVICES
1240 S. STATE COLLEGE, STE. 225

JUNE 17, 1999

JULY BILLING

CC062-LINEAR HAIR, INC.

INVOICE # 26820

	KAISER	SAFEGUARD	TOTAL
01 LINEAR CROSSROADS			
SUBTOTALS	0.00	0.00	0.00
02 LINEAR WALNUT			
WRIGHT, JOE		15.50	15.50
SUBTOTALS	0.00	15.50	15.50
TOTALS	0.00	15.50	15.50

DUE: JULY 1, 1999

BROWN INSURANCE SERVICES
1240 S. STATE COLLEGE, STE. 225

JUNE 17, 1999

INVOICE # 26821

JULY BILLING

CC063-CARLTON HAIR INTERNATIONAL

	KAISER	SAFEGUARD	TOTAL
02 CARLTON SANTA MONICA			
03 FASHION SQUARE-SHERMAN OAKS			
MILLER, MARTY		15.50	15.50
RAMIREZ, PATRICIA		15.50	15.50
REYES, ALEJANDRO		38.50	38.50
ROMERO, ROSE		38.50	38.50
SUBTOTALS	0.00	108.00	108.00
04 CARLTON MARINA DEL REY			
GAST, SASHA		15.50	15.50
SUBTOTALS	0.00	15.50	15.50
05 LINEAR SANTA MONICA			
SUBTOTALS			
06 CENTURY CITY			
HOHER, GERHARD		38.50	38.50
SMART, DEREK		15.50	15.50
SMITH, LEANNE		15.50	15.50
SUBTOTALS	0.00	69.50	69.50
07 BEVERLY CENTER			
CHOCHKEH, NINVA		15.50	15.50
PITTA, CHRISTOPHER		15.50	15.50

TRADEMARK
REEL: 002225 FRAME: 0224

00063

SUBTOTALS	0.00	31.00	31.00
08 CARLTON WESTSIDE PAVILLIONS			
BONDS-BARKER, KAREN		15.50	15.50
NAKACHE, RAPHAEL		15.50	15.50
SOLIS, LETICIA		15.50	15.50
SUBTOTALS	0.00	46.50	46.50
09 LINEAR WESTSIDE PAVILLIONS			
BARNETT, KEVIN		15.50	15.50
CORBONE, DOMINIC		15.50	15.50
DIETIKER, DARIN		15.50	15.50
FOOTER, DAMON		15.50	15.50
LOHEIMER, HELENE		15.50	15.50
ORTIZ, CESAR		15.50	15.50
PIPPIN, MICHELLE		15.50	15.50
SHIMAZAKI, NOBUAKI		15.50	15.50
TORRES, TONY		15.50	15.50
SUBTOTALS	0.00	139.50	139.50
10 LINEAR MARINA DEL REY			
CHENG, NANCY		26.50	26.50
SUBTOTALS	0.00	26.50	26.50
TOTALS	0.00	436.50	436.50

DUE: JULY 1, 1999

B R O W N I N S U R A N C E S E R V I C E S
1240 S. STATE COLLEGE, STE. 225

JUNE 17, 1999

JULY BILLING

CC064-CHIMS, INC.

INVOICE # 26822

	KAISER	SAFEGUARD	TOTAL
03 MARKET PLACE			
CASTRO, LEONARD		38.50	38.50
SUBTOTALS	0.00	38.50	38.50
04 CRYSTAL COURT			
GUST, TRACY	0.00	15.50	15.50
SUBTOTALS	0.00	15.50	15.50
06 CARLTON BREA			
GOSS, CHRISTA		15.50	15.50
NGUYEN, THUY HOA		38.50	38.50
SUBTOTALS	0.00	54.00	54.00
07 RIVERSIDE			
WHITE, JENNY		15.50	15.50
SUBTOTALS	0.00	15.50	15.50
08 WESTMINSTER			
HUGHES, HEATHER		15.50	15.50
NIKAJ, MARIA		15.50	15.50
PEAIRS, JENNIFER		15.50	15.50
SALGADO, MARIO		15.50	15.50
SUBTOTALS	0.00	62.00	62.00
TOTALS	0.00	185.50	185.50

TRADEMARK
REEL: 002225 FRAME: 0226

BROWN INSURANCE SERVICES
1240 S. STATE COLLEGE, STE. 225

JUNE 17, 1999

INVOICE# 26823

JULY BILLING

CC065-CARLTON HAIR CALIFORNIA. INC

	KAISER	SAFEGUARD	TOTAL
01 LINEAR BREA			
MARKEL, TYLA		15.50	15.50
MATURINO, MIGUEL		38.50	38.50
MONTAGHAMI, MELODY		15.50	15.50
SUBTOTALS	0.00	69.50	69.50
02 MAINPLACE			
MERINO, MICHELLE		26.50	26.50
PUNTES, CINDY		15.50	15.50
SUBTOTALS	0.00	42.00	42.00
03 MONTCLAIR			
BARNETT, DOLORES		15.50	15.50
REGALADO, ANGELA		15.50	15.50
SUBTOTALS	0.00	31.00	31.00
TOTALS	0.00	142.50	142.50

DUE: JULY 1, 1999

BROWN INSURANCE SERVICES
1240 S. STATE COLLEGE, STE. 225

JUNE 17, 1999

INVOICE# 26824

JULY BILLING

CC066-CARLTON CORPORATE OFFICE

	KAISER	SAFEGUARD	TOTAL
01 CORPORATE			
BRACAMONTES, DAVID		15.50	15.50
STADING, CYNTHIA		26.50	26.50
SUBTOTALS	0.00	42.00	42.00
TOTAL	0.00	42.00	42.00

DUE: JULY 1, 1999

BROWN INSURANCE SERVICES
1240 S. STATE COLLEGE, STE. 225

JUNE 17, 1999

INVOICE# 26825

JULY BILLING

CC067-MISSION VIEJO

	KAISER	SAFEGUARD	TOTAL
01 CERRITOS			
CRUZ, NANCY		38.50	38.50
JEMISON, ERICA		15.50	15.50
SUBTOTALS		54.00	54.00
03 MONTEBELLO			
SUBTOTALS			
TOTAL	0.00	54.00	54.00

DUE: JULY 1, 1999

SUMMARY PLAN DESCRIPTION
EMPLOYER DATA SHEET
Premium Only Plan

TAX ID NUMBER: 95-3576722
PLAN YEAR: 1/1/98

GROUP NUMBER: 603
PHONE NUMBER: 714-261-9045

CONTACT PERSON: Ruggero G. Broccardo

ADMINISTRATOR:

Carlton Hair International Inc.
7 Corporate Park Drive
Suite 100
Irvine California 92714

ADMINISTRATION AGENT:

FlexPlan
2302 International Lane
Madison WI 53704
(608) 241-1900 (800) 422-4661 FAX: (608) 241-4584

BENEFITS OFFERED TO EMPLOYEES:

Medical or Medical-Related Insurance Premium

EMPLOYEES WHO FIT ANY OF THE BELOW CATEGORIES ARE NOT ELIGIBLE FOR THE ABOVE BENEFITS:

Part-time Employees working 30 hours or less per week
Seasonal Employees working 6 months or less
Employees under 21 years of age or less
Employees on Probation 24 months or less
Non U.S. Citizens
Members of a bargaining unit

PURPOSE:

Your employer has adopted this Flexible Compensation Plan to provide compensation alternatives for qualifying participating employees and dependents. You will now be able to choose among the above mentioned pre-taxed benefits in lieu of taxable compensation.

The Plan is intended to qualify as a "Cafeteria Plan" within the meaning of Section 125(d) of the Internal Revenue Code and the benefits you elect will be excluded from your income under Section 125(a).

FlexPlan

Premium Only Plan Administrative Procedures Checklist

The employer administrator should complete the following steps:

1. Read the Plan Document and Summary Plan Description. To enable you to explain the plan to the employees and answer their questions regarding participation in the plan.
2. Distribute a copy of the Summary Plan Description and a copy of the POP NOTICE sheet to each eligible employee as soon as possible.
3. FlexPlan will file the IRS Form 5500 within 7 months after each plan year-end.
4. Provide the opportunity to employees to review any documents relating to the Premium Only Plan. Employers must make the documents available within three working days for review after the employee has requested the information.
5. Future considerations:

A new Summary Plan Description must be provided to participating employees within 210 days after the 5th plan year if there has been a Plan amendment.

A rewritten and updated Summary Plan Description must be provided to participating employees every 10 years.

FlexPlan

POP NOTICE

YOUR ELIGIBLE INSURANCE PREMIUMS WILL BE 100 % TAX-EXEMPT

For the new Plan Year, your employer will deduct your share of eligible insurance premiums before bring taxed! The opportunity for you to pay your eligible insurance premiums pre-tax is made possible through IRS Section 125 commonly referred to as Flexible Compensation. The income taxes saved include State, Federal and Social Security. The reduction in Social Security Taxes may reduce Social Security retirement benefits.

It is not necessary to return this form. Your share of eligible premium(s) will automatically be deducted before taxes. If you do not wish to take advantage of having your eligible insurance contributions deducted pre-tax and prefer to be taxed on these dollars, contact your payroll department.

FlexPlan™

Premium Only Plan Participant Summary Plan Description

This is a Summary Plan Description, and any conflict between the Summary Plan Description will be resolved by the language in the Plan Document.

FlexSystem is a Division of Total Administrative Services Corporation (TASC)
2302 International Lane • Madison, WI 53704
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FP - 018 - 3/26/98

TRADEMARK
REEL: 002225 FRAME: 0233

ELECTION OF BENEFITS

Benefits. For purposes of this Plan, medical or medical-related premiums include the cost of medical and hospitalization insurance, major medical insurance, dental insurance, and/or vision insurance, as well as disability and group term life insurance. Qualified medical insurance premiums includes coverage on you, your spouse, and any eligible dependent children.

Change in Family Status. You may not make a change after the start of the Plan Year unless the change and new election are based on and consistent with the following:

- a. A change in family status requested on rules established by the Internal Revenue Code (i.e., marriage, divorce, death of a spouse or child, birth or adoption of a child, or termination of spouse's employment).
- b. A premium increase imposed by a fully insured or self-funded plan on an elected benefit, but only to the extent of the premium increase.
- c. Changes in insurance plans or carriers but only to the extent of the premium change for an elected benefit.
- d. A federally qualified H.M.O. offered for the first time but only to the extent of the premium change.

Irrevocability of Participation. Participation made by you under the Plan shall be irrevocable during the Plan Year subject to a change in family status. You may revoke your participation for the balance of the Plan Year and file a new election only if both the revocation and the new participation is based on and consistent with a change in family status. Any new election shall be effective at such time as the administrator shall prescribe but not earlier than the first pay period beginning after the election form is signed.

ELIGIBILITY

Existing Employees. If you are in the Employer's employment on the Plan's effective date, you shall be eligible to become a Participant on the later of the Plan's Effective Date or the date you satisfy the eligibility requirements.

New Employees. If your employment by the Employer begins after the Plan's Effective Date, you will be eligible to become a Participant on the entry date in the Adoption Agreement following the date you satisfy the eligibility requirements.

Re-employment of Former Employees. A re-employed former Employee shall be treated the same as a new employee in determining eligibility.

Age Requirement. There will be no maximum or minimum age requirement for participation in the Plan unless otherwise specified in the Adoption Agreement.

Termination of Participation. You will automatically cease to be a Participant on the earliest of the following dates:

- a. Your death;
- b. The date you terminate your employment;
- d. The date the Plan terminates;
- e. The date you retire under any employer-sponsored retirement, pension or annuity plan;
- f. The date you receive retirement benefits under any state or federal government retirement plan or social security law;
- g. The date the administrator determines you made fraudulent or improper use of any plan, certificate or identification.

TERMINATION

Employee Right to Terminate. Once the Plan Year commences, your election is irrevocable except when:

- a. Legislation requires termination of or substantial amendment to the Plan.
- b. The company terminates the Plan and/or coverages.

Plan Termination. The Plan or any portion of the Plan shall be subject to termination at any time by the Employer.



KAISER PERMANENTE

March 24, 1999

ROGER BROCCARDO, OFFICE MANAGER
CARLTON HAIR INTERNATIONAL
7 CORPORATE PARK # 100
IRVINE, CA 92606-5107

Re: Renewal Notice for Purchaser ID # 128617

Dear ROGER BROCCARDO:

We value the on-going relationship you have with us and we thank you for the opportunity to continue to serve as your group's health plan.

We have enclosed the new *Group Agreement* between CARLTON HAIR INTERNATIONAL and Kaiser Foundation Health Plan, Inc., for the contract period June 1, 1999 through May 31, 2000. In addition, the summary of Health Plan contract language changes and clarifications is provided. This summary also discusses design and structure changes to the *Group Agreement*.

Please review the *Group Agreement* carefully. Included are two copies of the signature page. Have one copy signed on behalf of your Group and returned in the envelope provided. Please keep the *Group Agreement* and the extra copy of the signature page for your records.

Please note: If there have been any changes to your policy for the following product(s), they will be sent to you by the other carrier: PMI Dental Health Plan.

If you have any questions, please contact your account manager JOSE CASILLAS. Thank you again for continuing to offer Kaiser Permanente as a quality health care plan for your employees.

Sincerely,

Jack Hudes
Vice President, Marketing and Sales

Enclosures.

cc: Stephen Claffin

TRADEMARK
REEL: 002225 FRAME: 0235

Enrollment Unit Chart

The chart below lists all of the products, also called Contract Options, that you have purchased. It also describes how your Contract Options are organized into administrative groupings called Enrollment Units. Please keep this document handy for future reference as the information it contains could be helpful when you call us to discuss coverage, payments or membership reporting. The following describes Contract Options and Enrollment Units:

Contract option. A unique Contract Option exists for each coverage option (product including benefits and eligibility rules) that you offer to your members. For example, if you offer the same benefits to all of your members but require different enrollment rules for different segments of your membership, you will have a separate Contract Option for each different coverage option. In addition, a different Contract Option will exist for each product offered to your members. For example, non-Medicare (Traditional Plan), Medicare (Senior Advantage) and dental (Delta Dental) products would each be a separate Contract Option. Also, each Contract Option has a unique name and number. Please refer to the Contract Option/EOC number to help you determine the *Evidence of Coverage* that applies to the Contract Option. Note: If your contract with us includes non-Kaiser Foundation Health Plan products (for example, Delta Dental), you will receive the policy for those Contract Option(s) under separate cover from the carrier.

Enrollment unit. An Enrollment Unit represents a grouping of Contract Options based on product offering and billing requirements. If there are Contract Options only available to specific segments of your member population, then there will be a distinct Enrollment Unit for each segment. If your membership population has different billing requirements, then there will be a separate enrollment unit for each segment, even if the Contract Options for each segment are identical. The following are the enrollment units associated with your group:

Contract name: CARLTON HAIR INTERNATIONAL
Purchaser ID: 128617 **Contract ID:** 1.3

Enrollment unit number: 0 Name: CARLTON HAIR INTERNATIONAL
Billing contact: MR. ROGER BROCCARDO

Contract option #	Product/contract option names
1	KAISER PERMANENTE TRADITIONAL PLAN / KAISER PERMANENTE TRADITIONAL PLAN
2	KAISER PERMANENTE SENIOR ADVANTAGE / KAISER PERMANENTE SENIOR ADVANTAGE
3	KAISER PERMANENTE SENIOR ADVANTAGE / WORKING AGED - RISK
4	PMI DENTAL HEALTH PLAN / PMI DENTAL HEALTH PLAN- RISK

1999 Group Agreement Summary of Changes and Clarifications

Each year at contract renewal time, we inform you about benefit changes and clarifications of contract language. The following is a summary of the most important changes and clarifications that have been made to the enclosed *Group Agreement*. Unless otherwise indicated, these changes are effective January 1, 1999. Please refer to the *Group Agreement* for a complete description of benefits and coverage.

Group Agreement redesigned

We are pleased to send you our redesigned *Group Agreement*. We have changed the structure and clarified the language. The main structural difference you will notice is that the subscriber *Evidence of Coverage (EOC)* document is now incorporated into your *Agreement* (one *EOC* for each coverage option associated with your Group). The section titled *Group Agreement* contains information that only applies to your group, such as monthly dues. Information that is important to both you and the subscriber is found in the *Evidence of Coverage*, for example, benefit descriptions. By incorporating the *Evidence of Coverage* into the *Group Agreement*, we have eliminated redundancy and ensured consistency between documents used by you, as the group administrator, and your employees, as subscribers. While a separate *Evidence of Coverage* for each coverage option may make the *Agreement* longer, we expect that you will find the change makes the *Agreement* easier to understand and administer.

Member material

In the past, we provided a summary of your *Service Agreement*, titled *Disclosure Form and Evidence of Coverage*, for distribution to employees considering enrollment and to those already enrolled. In response to your needs, we created a separate *Disclosure Form* for distribution to employees considering enrollment and a separate *Evidence of Coverage* to be provided after enrollment.

The *Disclosure Form* provides clear, concise information your employees need to make an informed health care choice. The *Evidence of Coverage* provides only that information applicable to a member including a detailed explanation of coverage. It is not merely a summary of your *Agreement* like the previous *Disclosure Form and Evidence of Coverage*. You may duplicate the *Evidence of Coverage* contained in this *Agreement* and provide it to your employees who are subscribers, or, you can call us to request a supply of the document(s).

Changes and clarifications

We have also made some changes to the terms of your *Group Agreement*. In addition, please refer to the "Termination on Notice" and "Amendment of Agreement" sections in the *Group Agreement* as we have clarified the requirements under which you may terminate your *Group Agreement*. Unless otherwise indicated, the following changes apply to each type of coverage you have purchased:

Supplemental drug benefit. The following change is effective on your Group's renewal effective date if your *Group Agreement* includes coverage for outpatient prescription drugs:

- The copayment for prescribed drugs related to the treatment of sexual dysfunction disorders has been changed to 50% of the Member rate when prescribed by a Plan Physician. However, the cost may vary if Group has requested different coverage. Pending regulatory approval, episodic sexual dysfunction drugs, as determined by a Plan Physician, will be limited to a specific dosage requirement (doses that exceed the covered limited dosage will be dispensed at the Member rate)

Dialysis. The copayment for Dialysis has been changed to no charge for Medicare Cost Members to agree with Kaiser Permanente Senior Advantage. For all other Members, it remains the same as the primary care office visit copayment.

- Anyone who enrolls in a Senior Advantage product with an effective date of 1/1/99 or greater must have both parts of Medicare (A & B). Likewise, if a Member was entitled to Medicare Parts A and B through Social Security on 12/31/98 and later loses entitlement to either part, they will be terminated from Senior Advantage
- Previously, existing Members who lived outside the Service Area when they became entitled to Medicare could enroll in Senior Advantage. Beginning January 1, 1999, existing Members must live inside the Senior Advantage Service Area to enroll
- Persons who are receiving Medicare hospice benefits may enroll in Senior Advantage. Previously, HCFA would not allow such enrollment
- The effective date of Senior Advantage coverage has been changed to the first of the month following our receipt of a completed Senior Advantage Election Form if entitled to both parts of Medicare
- Dialysis services will be provided when a Senior Advantage Member is temporarily outside the Service Area
- Copayments for Out-of-Plan Emergency Services and Out-of-Area Urgent Care will be charged on the same basis as if the services had been obtained from Plan Providers
- Under "Reduction in Benefits" in the *Evidence of Coverage*, we have added that we may coordinate benefits when a Member has health benefits coverage through more than one health care plan and one of them is Group coverage that is subject to Medicare secondary payer law
- We have deleted the paragraph regarding termination for "Nonpayment of any other charges" as we may only terminate for nonpayment of monthly charges

THE CLAFLIN AGENCY

OK 1-13/99


12/17/98

Roger Broccardo
CARLTON HAIR INTERNATIONAL
7 Corporate Park
Ste. 100
Irvine, CA 92606

Dear Roger,

I received the contracts for the COBRA administration yesterday and am passing them on to you for your signature. Even though the fees are listed at the back of the third copy, it's understood that I am paying these. All you need to do is sign and date the three copies and pass them back to me and I'll forward you an executed agreement once they come back to me. (It sounds so evil - an executed agreement.)

Happy Holidays!



Stephen Claflin CLU, ChFC, RHU



December 10, 1998

Stephen Claflin
The Claflin Agency
4630 Campus Drive, Suite 200H
Newport Beach, CA 92660

Dear Stephen:

Thank you for referring Carlton Hair International to COBRAPRO's administration services. Their effective date for services is December 1, 1998.

Enclosed are three copies of the COBRA Administration Service Agreement. You and a representative from Carlton Hair International should sign, then please forward all three copies to COBRAPRO. We will then forward two fully executed copies of the agreement to you, one for your files and one for Carlton Hair International.

Please do not hesitate to call our office if you have any questions or concerns. You may reach me at (714) 835-5006 ext. 185.

Sincerely,

A handwritten signature in black ink that reads "Carol D. White". The signature is written in a cursive, flowing style.

Carol D. White
COBRA Operations Manager

721 South Parker, Suite 300, Orange, CA 92868

714-835-6752 Fax 714-953-6293

TRADEMARK
REEL: 002225 FRAME: 0240

SERVICE AGREEMENT
COBRA ADMINISTRATION
WORD & BROWN INSURANCE ADMINISTRATORS

This agreement is entered into this 1st day of December 1998 by and among Carlton Hair International (hereinafter "Client"), The Clafin Agency (hereinafter "Company"), and Word & Brown Insurance Administrators, Inc. (hereinafter "W&B").

WHEREAS, the Company has independently concluded that the Client is required to perform certain duties under the Group Health Plan Provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), 26 U.S.C. Section 4980B; 29 U.S.C. Section 11651 (a), as subsequently amended, and

WHEREAS, W&B provides services to assist employers in satisfying their obligation under COBRA continuation requirements as an agent of the plan administrator; and

WHEREAS, the Company desires to utilize the services of W&B to assist Client in fulfilling its responsibilities under COBRA,

NOW, THEREFORE, for and in consideration of these premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. W&B will perform the following services for Company:

1.1 Produce and Mail to each Qualified Beneficiary of Client:

- A. Notification of coverage continuation rights with election form by first class mail with certificate of mailing.
- B. Notification of conversion rights upon termination of group coverage within 180 days prior to the end of any COBRA continuation period.
- C. Notification of coverage continuation rights for subsequent qualifying events.
- D. Notification of termination of COBRA continuation coverage for non-payment of premium or at the end of any COBRA continuation period.

1.2 Premium Accounting:

- A. Bill and collect premium monthly from each Qualified Beneficiary.
- B. Remit to Client a check each month for the total premium collected from appropriate Qualified Beneficiaries.
- C. Provide Client with a monthly activity and premium reconciliation report.
- D. Maintain a premium trust account.

1.3 Recordkeeping and Correspondence for Client:

- A. Maintain hard copy files of all notifications and correspondence.
- B. Communicate new premium rates to each Qualified Beneficiary.
- C. Provide Client with updates on changes in the law.

2. By this Agreement, Company is contracting with W&B to perform the services enumerated above on behalf of Company's Client. W&B assumes neither responsibility nor liability for any actions taken or services performed or NOT performed by any entity prior to the effective date of this Agreement.

This Agreement does NOT nor is it to be construed as relieving Client of any fiduciary responsibility for proper administration of its Plan(s) and its liability for conforming such Plan(s) to the provisions of the Internal Revenue code, as amended or the Employee Retirement Income Security Act, as amended.

3. Client is responsible for the initial notification of all employees and dependents of their continuation rights unless client participates in optional service for W&B to process initial notifications on behalf of client.

4. Client shall notify W&B of the following:

- 4.1 Death of a covered employee/retiree;
- 4.2 Termination of coverage for a covered employee (for reasons other than gross misconduct) or reduction in the employee's hours. Client shall be solely responsible for determining whether or not an employee has been terminated for gross misconduct, as that term is defined by COBRA;
- 4.3 Divorce/legal separation of covered employees;
- 4.4 Covered employee/retiree becoming entitled to benefits under Title XVIII of the Social Security Act (Medicare);
- 4.5 Dependent children who cease to be covered as "dependent" under the terms of the group health plan;
- 4.6 Client filing for Bankruptcy;
- 4.7 Any other event resulting in a covered employee and/or dependent becoming qualified to continue coverage under the provisions of COBRA, as subsequently amended.

The Client must mail and/or FAX to W&B written notification of the above events on forms provided by W&B within 30 days of the qualifying event. Notification will NOT be considered received by W&B until Client has received written confirmation of receipt from W&B.

W&B shall assume all information, verbal or written, provided by Client is accurate and W&B shall be entitled to rely exclusively upon it.

5. It is agreed that, if W&B is unable to perform a specific duty because requested information is NOT obtainable from Client on a timely basis, W&B shall NOT be responsible for any consequences that arise. It is further agreed that W&B shall NOT by any of its actions, be deemed responsible for any actions of Company or Client.
6. It is agreed that W&B:
- 6.1 Shall NOT be responsible for the selection, terms or validity of any Plan(s) or insurance contract(s);
- 6.2 Shall NOT be deemed to be an insurer, underwriter, guarantor, or payor with respect to any benefit(s) payable under any Plan(s) or insurance contract(s);
- 6.3 Shall NOT be liable for any federal or state tax or penalty of any nature which may be imposed under any law or regulation against Client for negligence in performance of duties defined in Section Four of this Agreement;
- W&B agrees to hold harmless and indemnify Employer and/or Client from any Department of Labor or Internal Revenue Service excise taxes pertaining to a failure under COBRA caused by negligence of W&B in performance of the services referenced in Section 2 above.
- 6.4 Shall NOT be deemed to have assumed any obligation to Client or to any employee or qualified beneficiary except as set forth in this Agreement; and
- 6.5 Shall NOT have any duty to question any action of Client or any agent of Client.
7. Notwithstanding anything to the contrary contained in this Agreement, it is agreed by and between the parties that W&B will at all times act in a ministerial capacity. W&B shall NOT be deemed to be a Fiduciary or Plan Administrator. W&B shall NOT provide any legal or tax advice to Company, Client or to any employee or qualified beneficiary; nor act in any fiduciary capacity.
8. Client is responsible for notifying W&B in writing of the terms and conditions of the health plan(s) under which a qualified beneficiary is covered, including but not limited to:
- 8.1 Name and address of each carrier and any change thereto;
- 8.2 Effective date of coverage for each qualified beneficiary;
- 8.3 Premium rate(s) and any change(s) thereto; and
- 8.4 Actuarially calculating Applicable Premium (as defined in COBRA) for each self-funded plan. Client or Company shall bear the total expense for computing this premium.
9. Company or Client shall provide W&B with thirty (30) days prior written notice of any change in carrier(s); benefit(s); coverage(s) or premium rate(s). W&B shall NOT be responsible for the payment or collection of any additional premium for which adequate prior notice was not received.
10. Company shall pay W&B compensation as set forth on the Fee Schedule ("Schedule") attached hereto and incorporated herein by reference. Fees may be revised by W&B each anniversary of this Agreement. W&B shall invoice the Company on a monthly basis and the following shall apply. The Company shall remit fees to W&B as specified on the monthly statement by the indicated due date. Administrative services which need to be redone due to incorrect data furnished by or on behalf of Client shall be subject to additional fees based on time and expense. Additional fees shall also be charged if services are performed which cause disruption of W&B's normal business procedures to meet Company or Client's time deadlines or which involve extreme travel demands. Fees unpaid for a period of more than (30) days shall accrue a service charge at the rate of one and one-half (1 1/2) percent per month (or the maximum amount that may be permitted by law, if less). W&B retains the right to revise the Schedule from time to time. W&B shall have a lien on all records and documents in its possession relating to the services performed by W&B to secure any fees or other charges due to it hereunder.
- In the event that the Company fails to remit fees as specified on the monthly statement, within 90 days of the due date, Client shall then accept responsibility for all outstanding fees and shall be required to remit all said fees and service charges payable to W&B.
- W&B shall, in addition to the compensation set forth in the prior paragraph, be entitled to collect and retain an administrative fee from each qualified beneficiary equal to two percent (2%) of the premium paid (as defined in COBRA).
11. Either party may terminate this Agreement with respect to Client upon thirty (30) days prior written notice. W&B shall not have further liability or responsibility to provide any service under this Agreement once termination is effective.
- Company shall remit W&B all fees due to the date of termination within ten (10) days after the termination date. No fee payable or remitted shall be prorated or refunded upon termination of this Agreement by Company.
- Within forty-five (45) days after the effective date of termination, and upon the Client or Company's written request and receipt by W&B of all service fees due, W&B shall provide the Client with a status report of each of the COBRA continuees who were subject to this Agreement, including all details necessary to transfer responsibility to the new administrator.
- Notwithstanding the above, this Agreement shall terminate immediately upon:
- 11.1 Termination of Client's business for any reason; or
- 11.2 Filing for bankruptcy, being placed into receivership or any other insolvency action by or on behalf of Client.

- 12. This Agreement may be executed in one or more counterparts each of which shall be deemed an original but which together shall constitute one and the same Agreement.
- 13. This Agreement and any attachments, amendments or addendum sets forth the full and complete understanding of the parties. This Agreement supersedes all prior communications, representations or agreements, verbal or written, between the parties. This Agreement shall be binding upon the parties and their respective successors and assignees.

Except as otherwise provided herein, no amendment, modification or supplement to this Agreement shall be binding unless in writing and duly executed by each party.

The invalidity of any portion of this Agreement shall NOT affect the validity of the remainder provide the basic purpose of this Agreement may be achieved through the remaining valid provisions.

- 14. W&B's relationship with Company shall be that of independent contractor and nothing in this Agreement shall be construed as creating the relationship of employer and employee between Company and officers, employees or agents of W&B or the relationship of a partnership or joint venture between the parties.

- 15. This Agreement has been executed in and shall be governed by the laws of the State of California. It is agreed that venue and jurisdiction shall be the Superior Court, County of Orange, State of California.

- 16. The Company and Client acknowledge that they shall have no title or ownership rights to any of the products or material relating to W&B delivered to it in conjunction with this Agreement. The Company or Client shall not license, market, copy, modify, sell or transfer any of such materials, in whole or part. It is expressly understood and agreed that such materials are proprietary to W&B. The Company and Client acknowledge and recognize that any breach of this paragraph would result in irreparable harm to W&B, and accordingly, agree that in addition to and not in lieu of all other remedies available to W&B by reason of such breach W&B shall be entitled to equitable relief (including, without limitation, to specific performance and injunctive relief) to enjoin the occurrence and continuation of such breach.

- 17. W&B or its officer or designated agent, shall attend any audit held by the Internal Revenue Service, or hearing by any governmental agency or bureau, regarding compliance with said Act by the Company, and will provide at such audit or hearing, records and documentation so as to assist Company at such hearing in evidencing compliance with COBRA.

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

The Claffin Agency
 By: *Stephen M. Claffin*
 Authorized Representative Signature
Stephen M. Claffin
 (Authorized Representative's Name and Title Printed)
 Date: 12/17/98

Word & Brown Insurance Administrators, Inc.
 By: _____
 Authorized Representative Signature
Corey A. Procnuniar, Vice President
 (Authorized Representative's Name and Title Printed)
 Date: _____

Carlton Hair International
 By: *Ruggero G. Broccardo*
 Authorized Representative Signature
RUGGERO G. BROCCARDO CONTROLLER
 (Authorized Representative's Name and Title Printed)
 Date: Jan 13, 99

WORD & BROWN INSURANCE ADMINISTRATORS, INC.
FEE SCHEDULE

This Schedule, effective December 1, 1998, is attached to and forms a part of the COBRA Administration Agreement between W&B, Client and Company.

INITIAL SET-UP FEE **\$150.00**
One-time charge includes an introductory set-up meeting, Administrative Guide Handbook, supply of forms, database customization of plans and rates, and toll-free phone assistance.

MONTHLY MAINTENANCE FEE **\$40.00**
Fixed ongoing fee for consultation and support services to qualified beneficiaries and client, carrier interface, computer programming and maintenance, COBRA legal and legislative updates, year-end activity summary for IRS/DOL audits, and postage expenses.

ADMINISTRATION FEE **\$34.00**
One-time charge per qualifying event includes notification and election form, election period and initial payment tracking, enrollment and eligibility processing, reporting, premium billing and collecting, termination event processing, data archiving and other services.

QUALIFIED BENEFICIARY TAKEOVER FEE **\$34.00**
One-time charge per qualified beneficiary takeover (active COBRA continuees) includes introductory letter, billing, collecting, reports and support services.

INITIAL NOTIFICATION-All Employees **\$3.75**
For each currently insured employee and covered spouse, initial notification includes distribution via first class USPS proof-of-mailing method, document archiving, and inquiry referral to COBRAPRO.

INITIAL NOTIFICATION-Newly Covered Employees **\$3.75**
For each "newly covered" insured employee and covered spouse, initial notification includes distribution via first class USPS proof-of-mailing method, document archiving, and inquiry referral to COBRAPRO.

Allianz Life Insurance Co. y
of North America
Administrative Office
P.O. Box 500 / Dallas, Texas 75221-0500
Call Toll Free 800-527-9030

Allianz 

LIFE INSURANCES

BILLING STATEMENT

CARLTON HAIR INTERNATIONAL
7 CORPORATE PARK DR. #100
IRVINE CA 92714

GROUP NUMBER 72839
BILLING DATE 05/01/99
GROUP DUE DATE 05/31/99
BILL INDEX A0023

INSUREDS NAME	POLICY NUMBER	POLICY DUE DATE	PAYMENT DUE AMOUNT	EMPLOYEE NUMBER	REMARKS
HERSOWITZ, RUSSE	1001371745	05011999	350.30		
HOHER, GERHA	1001371746	05011999	97.84		
MAYER, JOHAN	1001371747	05011999	535.12		
O'ROURKE, MICHA	1001371748	05011999	399.04		
	TOTAL IN-FORCE		1,382.30		

*****PLEASE RETURN ONE COPY OF BILL WITH REMITTANCE*****

TRADEMARK
REEL: 002225 FRAME: 0245



Allianz Life Insurance Company of North America
 National Service Center
 P. O. Box 219032 / Dallas, Texas 75221-9032
 Telephone (214) 978-7000
 Call Toll Free 800-554-7781

Annual Statement

Agent: MA-9999

GROUP: 72839
 CARLTON HAIR INTERNATIONAL

FOR POLICY YEAR ENDING MAY 01, 1999

RUN DATE 05/04/99

Insured: RUSSELL HERSONWITZ
 Owner: CARLTON HAIR
 Tel: Home # NOT AVAILABLE
 Business # NOT AVAILABLE
 Policy No.: 1001371745
 Issue Date: MAY 01, 1986
 Issue Age: 36
 Maturity Date: MAY 01, 2049

Current Face Amount: \$975,000
 Current Death Benefit: \$975,000
 Death Benefit Option: A
 Additional Coverage: NONE

ALLIANZ LIFE
 We provide solutions to your life insurance and financial services needs, supported with lifetime client care. Call us when you need assistance.

SUMMARY OF TRANSACTIONS

Policy Month Ending	Beginning Accumulation Account Value	+	Premiums Received	-	Expense Charges	Insurance Cost Charges	-	Withdrawals/ Other Charges	+	Interest Credited	=	Ending Accumulation Account Value	Ending Cash Value
05/01/1998	26,188.67		0.00		7.00	268.34		0.00		0.00		25,913.33	24,526.49
06/01/1998	25,913.33		350.30		7.00	268.29		0.00		110.98		26,074.80	25,034.80
07/01/1998	26,074.80		350.30		7.00	268.24		0.00		107.71		26,233.05	25,193.05
08/01/1998	26,233.05		350.30		7.00	268.19		0.00		111.11		26,394.75	25,354.75
09/01/1998	26,394.75		700.60		7.00	268.04		0.00		112.69		26,883.96	25,843.96
10/01/1998	26,883.96		350.30		7.00	267.99		0.00		108.47		27,043.22	26,003.22
11/01/1998	27,043.22		0.00		7.00	268.04		0.00		112.64		26,880.82	25,840.82
12/01/1998	26,880.82		350.30		7.00	267.99		0.00		108.42		27,040.03	26,000.03
01/01/1999	27,040.03		700.60		7.00	267.84		0.00		112.87		27,529.62	26,489.62
02/01/1999	27,529.62		0.00		7.00	267.89		0.00		112.74		27,367.47	26,327.47
03/01/1999	27,367.47		700.60		7.00	267.74		0.00		102.91		27,847.20	26,807.20
04/01/1999	27,847.20		0.00		7.00	267.79		0.00		113.67		27,686.08	26,646.08
05/01/1999	27,686.08		350.30		24.52	0.00		0.00		109.90		28,097.24	27,057.24

POLICY LOAN ACTIVITY

Beginning Loan Balance	0.00
Plus New Loans Taken	0.00
Plus Interest Charged	0.00
Less Loan Repayments	0.00
Equals	0.00
Ending Loan Balance	0.00

Outstanding loans reduce the death benefit and cash value.
 Ending net cash value is \$27,057.24.



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Annual Statement

Agent: NA-9999

GROUP: 72839
 CARLTON HAIR INTERNATIONAL

RUN DATE 05/04/99

FOR POLICY YEAR ENDING MAY 01, 1999

Current Face Amount: \$300,000
 Current Death Benefit: \$300,000
 Death Benefit Option: A
 Additional Coverage: NONE

ALLIANZ LIFE
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Insured: GERHARD HOHER
 Owner: CARLTON HAIR
 Tel: Home # NOT AVAILABLE
 Business # NOT AVAILABLE
 Policy No.: 1001371746
 Issue Date: MAY 01, 1986
 Issue Age: 34
 Maturity Date: MAY 01, 2051

SUMMARY OF TRANSACTIONS

Policy Month Ending	Beginning Accumulation Account Value	Premiums Received +	Expense Charges -	Insurance Cost Charges -	Withdrawals/Other Charges +	Interest Credited =	Ending Accumulation Account Value	Ending Cash Value
05/01/1998	7,742.46	0.00	7.00	68.70	0.00	0.00	7,666.76	7,299.25
06/01/1998	7,666.76	97.84	7.00	68.68	0.00	33.43	7,715.50	7,439.90
07/01/1998	7,715.50	97.84	7.00	68.67	0.00	31.20	7,762.02	7,486.42
08/01/1998	7,762.02	97.84	7.00	68.66	0.00	32.75	7,810.10	7,534.50
09/01/1998	7,810.10	195.68	7.00	68.62	0.00	33.32	7,949.78	7,674.18
10/01/1998	7,949.78	97.84	7.00	68.61	0.00	32.17	7,997.33	7,721.73
11/01/1998	7,997.33	0.00	7.00	68.62	0.00	33.63	7,955.34	7,679.74
12/01/1998	7,955.34	97.84	7.00	68.61	0.00	31.94	8,002.66	7,727.06
01/01/1999	8,002.66	195.68	7.00	68.57	0.00	32.94	8,142.01	7,866.41
02/01/1999	8,142.01	0.00	7.00	68.58	0.00	33.67	8,100.10	7,824.50
03/01/1999	8,100.10	195.68	7.00	68.55	0.00	30.24	8,236.77	7,961.17
04/01/1999	8,236.77	0.00	7.00	68.56	0.00	33.76	8,194.97	7,919.37
05/01/1999	8,194.97	97.84	6.85	0.00	0.00	32.44	8,311.55	8,035.95

Summary of Loan Activity

Beginning Loan Balance	0.00
Plus New Loans Taken	0.00
Plus Interest Charged	0.00
Less Loan Repayments	0.00
Equals	
Ending Loan Balance	0.00

Outstanding loans reduce the death benefit and cash value.
 Ending net cash value is \$8,035.95.



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 National Service Center
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 Call Toll Free 800-554-7781

Annual Statement

Agent: NA-9999

GROUP: 72839
 CARLTON HAIR INTERNATIONAL

RUN DATE 05/04/99

FOR POLICY YEAR ENDING MAY 01, 1999

Insured: JOHANN MAYER
 Owner: CARLTON HAIR
 Tel: Home# NOT AVAILABLE
 Business# NOT AVAILABLE
 Policy No.: 1001371747
 Issue Date: MAY 01, 1986
 Issue Age: 44
 Maturity Date: MAY 01, 2041

Current Face Amount: \$975,000
 Current Death Benefit: \$975,000
 Death Benefit Option: A
 Additional Coverage: NONE

ALLIANZ LIFE
 We provide solutions to your life insurance and financial services needs, supported with lifetime client care. Call us when you need assistance.

SUMMARY OF TRANSACTIONS

Policy Month Ending	Beginning Accumulation Account Value	+	Premiums Received	-	Expense Charges	-	Insurance Cost Charges	-	Withdrawals/Other Charges	+	Interest Credited	=	Ending Accumulation Account Value	Ending Cash Value
05/01/1998	34,999.61		0.00		7.00		507.18		0.00		0.00		34,485.43	32,282.85
06/01/1998	34,485.43		535.12		7.00		507.10		0.00		147.45		34,616.44	32,964.71
07/01/1998	34,616.44		535.12		7.00		507.03		0.00		143.09		34,743.16	33,091.43
08/01/1998	34,743.16		535.12		7.00		506.95		0.00		147.53		34,874.40	33,222.67
09/01/1998	34,874.40		1,070.24		7.00		506.57		0.00		149.74		35,505.89	33,854.16
10/01/1998	35,505.89		535.12		7.00		506.49		0.00		143.60		35,633.66	33,981.93
11/01/1998	35,633.66		0.00		7.00		506.71		0.00		147.99		35,267.94	33,742.36
12/01/1998	35,267.94		535.12		7.00		506.63		0.00		142.12		35,394.09	34,372.41
01/01/1999	35,394.09		1,070.24		7.00		506.26		0.00		147.99		36,024.14	34,006.90
02/01/1999	36,024.14		0.00		7.00		506.48		0.00		147.97		35,658.63	34,622.54
03/01/1999	35,658.63		1,070.24		7.00		506.11		0.00		133.43		36,274.27	34,257.76
04/01/1999	36,274.27		0.00		7.00		506.33		0.00		148.55		35,909.49	34,257.76
05/01/1999	35,909.49		535.12		37.46		0.00		0.00		142.35		36,512.04	34,860.31

Policy Loan Activity

Beginning Loan Balance 0.00
 Plus New Loans Taken 0.00
 Plus Interest Charged 0.00
 Less Loan Repayments 0.00
 Equals
 Ending Loan Balance 0.00

Outstanding loans reduce the death benefit and cash value.
 Ending net cash value is \$34,860.31.

TRADEMARK

REEL: 002225 FRAME: 0248



Allianz Life Insurance Company of North America
 National Service Center
 P. O. Box 219032 / Dallas, Texas 75221-9032
 Telephone (214) 978-7000
 Call Toll Free 800-554-7781

Annual Statement

Agent: NA-9999

GROUP: 72839
 CARLTON HAIR INTERNATIONAL

FOR POLICY YEAR ENDING MAY 01, 1999 RUN DATE 05/04/99

Insured: MICHAEL O'ROURKE
 Owner: CARLTON HAIR
 Tel: Home # NOT AVAILABLE
 Business # NOT AVAILABLE
 Policy No.: 1001371748
 Issue Date: MAY 01, 1986
 Issue Age: 43
 Maturity Date: MAY 01, 2042

Current Face Amount: \$750,000
 Current Death Benefit: \$750,000
 Death Benefit Option: A
 Additional Coverage: NONE

ALLIANZ LIFE
 We provide solutions to your life insurance and financial services needs, supported with lifetime client care. Call us when you need assistance.

SUMMARY OF TRANSACTIONS

Policy Month Ending	Beginning Accumulation Account Value	+	Premiums Received	-	Expense Charges	-	Insurance Cost Charges	-	Withdrawals/ Other Charges	+	Interest Credited	=	Ending Accumulation Account Value	Ending Cash Value
05/01/1998	25,416.91		0.00		7.00		361.99		0.00		0.00		25,047.92	23,419.72
06/01/1998	25,047.92		399.04		7.00		361.93		0.00		107.03		25,157.12	23,936.12
07/01/1998	25,157.12		399.04		7.00		361.87		0.00		103.89		25,263.24	24,042.24
08/01/1998	25,263.24		399.04		7.00		361.81		0.00		108.12		25,373.65	24,152.65
09/01/1998	25,373.65		798.08		7.00		361.54		0.00		108.05		25,855.36	24,634.36
10/01/1998	25,855.36		399.04		7.00		361.48		0.00		104.72		25,962.70	24,741.70
11/01/1998	25,962.70		0.00		7.00		361.63		0.00		108.31		25,702.38	24,481.38
12/01/1998	25,702.38		399.04		7.00		361.57		0.00		103.66		25,808.57	24,587.57
01/01/1999	25,808.57		798.08		7.00		361.30		0.00		106.98		26,289.45	25,068.45
02/01/1999	26,289.45		0.00		7.00		361.45		0.00		108.62		26,029.62	24,808.62
03/01/1999	26,029.62		798.08		7.00		361.19		0.00		97.77		26,501.40	25,280.40
04/01/1999	26,501.40		0.00		7.00		361.33		0.00		107.92		26,240.99	25,019.99
05/01/1999	26,240.99		399.04		27.94		0.00		0.00		104.15		26,688.30	25,467.30

Policy Loan Activity

Beginning Loan Balance 0.00
 Plus New Loans Taken 0.00
 Plus Interest Charged 0.00
 Less Loan Repayments 0.00
 Equals Ending Loan Balance 0.00

Outstanding loans reduce the death benefit and cash value.
 Ending net cash value is \$25,467.30.

TRADEMARK

REEL: 002225 FRAME: 0249

First Colony Life INSURANCE COMPANY

P. O. BOX 1280 • 700 MAIN STREET • LYNCHBURG, VIRGINIA 24505 • TELEPHONE (804) 845-0911

STATEMENT OF PAYMENTS DUE

Carton Hair International LTD
7 Corporate Park 100
Irvine CA 92714

May-99

PLEASE EXPLAIN THE REASON FOR NON-PAYMENT OF AN
ITEM LISTED ON THIS STATEMENT.
IF ANY OF THE PERSONS LISTED HAVE LEFT YOUR EMPLOYMENT,
PLEASE FURNISH US WITH HIS OR HER ADDRESS

S0002885		Billing Date	4/20/99		
Insured	Policy Number	Premiums Due For	Premium Due	Coverage	
Hersowitz	2731293	05/01/99	191.23	Life	*
Hoher	2731294	05/01/99	57.23	Life	*
Mayer	2731299	05/01/99	390.29	Life	*
O'Rourke	2731886	05/01/99	270.38	Life	*

Please pay this amount 909.13

First Colony Life Insurance Company

HO. OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24505-1280
 WESTERN REGIONAL OFFICE: P.O. BOX 4114 WOODLAND HILLS, CA 91365 4114
 804 - 845-0911

Page 1 of 6

REPORT TO OWNER (including a Guide to Your Report)

S0002885

GENERAL INFORMATION

Owner(s)	CARLTON HAIR INTERNATIONAL LTD 7 CORPORATION PARK #100 IRVINE CA 92714	General Agent	FLYNN ASSO INS MKTNG
		Service Agent	SCHLOSS, NORBERT V
Insured(s)	RUSSELL HERSOWITZ	Report Period	05/15/98 - 05/14/99
Policy Number	2731293	Report Date	05/18/99
Policy Date	05/15/97	Plan	FLEX PREM ADJUST LIFE INS
Current		Product	FIRST TERM(R) 20
Modal Premium	\$191.23	Rider(s)	NONE
	Monthly		
Death Bene Opt	Option 1		

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

	<u>End of Last Report Period</u>	<u>End of Current Report Period</u>	<u>End of Next Report Period (PROJECTED)</u>
Policy Value	75.66	-193.93	-295.72
Cash Surrender Value	75.66	0.00	0.00
Outstanding Policy Loan	0.00	0.00	0.00
Net Cash Surrender Value	75.66	0.00	0.00
Death Benefit	650,000.00	650,000.00	650,000.00
Specified Amount	650,000.00	650,000.00	650,000.00

Projections Regarding Your Life Insurance Coverage

If CURRENT interest and cost of insurance rates remain unchanged, your Current Modal Premium is insufficient to allow you to stop paying premiums for your life insurance coverage by 2050. The level modal premium that will allow you to do so based on our CURRENT rates is \$ 682.95.

If you continue to pay your Current Modal Premium and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1999. Based on these assumptions, our projections indicate that in addition to payment of your Current Modal Premium you will need to make a single sum payment of at least \$ 402.16 within 30 days of the Report Date in order to continue your coverage to the end of the next report period.

If you choose not to make any more premium payments and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1999.

If you choose not to make any more premium payments, your life insurance coverage will not continue to the end of the next report period based on GUARANTEED interest and cost of insurance rates. Your coverage may continue for a longer period based on CURRENT interest and cost of insurance rates and continuing premium payments. Please refer to the preceding projections.

TRADEMARK
REEL: 002225 FRAME: 0251

Fidelity Colony Life Insurance Company

HOME OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24505-1280
 WESTERN REGIONAL OFFICE: P.O. BOX 4114 WOODLAND HILLS, CA 91365-4114
 804 - 845-0911

Page 3 of 6

REPORT TO OWNER (continued)

Policy No. 2731293

Billing Control No. S0002885

DETAIL OF TRANSACTIONS (Continued)

Summary of Transactions and Policy Values

<u>Date</u>	<u>Premiums Received</u>	<u>Deductions</u>	<u>Interest</u>	<u>Total Policy Value</u>
05/15/98	0.00	166.19 (2)	0.00	-90.44
06/09/98	191.23	19.12 (1)	**	**
06/15/98	0.00	166.19 (2)	0.18	-84.34
07/15/98	0.00	166.21 (2)	0.00	-250.55
08/04/98	191.23	19.12 (1)	**	**
08/10/98	191.23	19.12 (1)	**	**
08/15/98	0.00	166.23 (2)	0.44	-72.12
08/20/98	191.23	19.12 (1)	**	**
09/15/98	0.00	166.23 (2)	0.72	-65.52
10/15/98	0.00	166.25 (2)	0.00	-231.77
10/20/98	382.46	38.24 (1)	**	**
11/15/98	0.00	166.23 (2)	1.43	-52.35
12/15/98	0.00	166.25 (2)	0.01	-218.59
01/15/99	0.00	166.25 (2)	0.00	-384.84
01/19/99	191.23	19.12 (1)	**	**
02/09/99	382.46	38.24 (1)	**	**
02/15/99	0.00	166.22 (2)	1.07	-33.66
03/12/99	191.23	19.12 (1)	**	**
03/15/99	0.00	166.22 (2)	0.09	-27.68
04/15/99	0.00	166.25 (2)	0.00	-193.93
05/14/99	0.00	0.00	0.00	-193.93
Totals:	1,912.30	2,185.92	3.94	

Footnote Key

- (1) Premium Expense Charge - total charge for Report Period: \$ 191.20
- (2) Monthly Deduction
- (2a) Monthly Deduction - waived according to the terms of the Waiver rider included in your policy
- (3) Partial Withdrawal(s) - includes \$25 administrative fee for each processed withdrawal

First Colony Life Insurance Company

HOME OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24505-1280
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Page 5 of 6

GUIDE TO YOUR REPORT

Policy No. 2731293

Billing Control No. S0002885

This Guide provides a general explanation of some of the information appearing in your Report. If you have any questions regarding your policy or your Report, please call your insurance broker or contact our Policyholder's Service Department at (804) 948-5100.

GENERAL INFORMATION

Report Period is the period covered by this Report. Report Date is the date this Report was prepared.

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

Our projections are based on these assumptions:

1. The applicable modal premium is paid and received on the due date(s); however, we do make projections assuming you choose not to pay any more premiums.
2. No new policy loans, loan repayments, partial withdrawals or surrenders, or other policy changes are made.
3. Any policy loan interest is paid when due.
4. Current old and new money interest rates and current cost of insurance rates remain unchanged. These rates are subject to change however. We also make a projection based on guaranteed interest and cost of insurance.

Projected values are not guaranteed.

We would deduct any Outstanding Policy Loan from the Death Benefit in determining the death proceeds payable upon the Insured's death.

Projections Regarding Your Life Insurance Coverage. We make several projections regarding your premium(s) and the expected length of your coverage. This section shows the results of those projections. Our projections do not take into account any transactions or policy changes that occur during the period from the end of the Report Period to the Report Date. In making those projections, we assume that your policy is not in a grace period. For those projections based on current interest, we use the current new money interest rate in place of any current old money rate(s).

INTEREST

Our Approach We use an "old money/new money" approach to credit interest to your unloaned policy value. Under this approach, we allocate the unloaned policy value among a number of Unloaned Funds. We credit interest on each fund at a current rate that is based on the date the fund was created.

Initially, we have only one fund, a "new money" fund. When conditions dictate a change in current interest rates, we accomplish the change by reallocating the unloaned policy value. We create another new money fund and assign it a current new money interest rate; all previous new money then becomes "old money." We then move the interest earned by each old money fund into the newly created new money fund. Old money then starts to earn interest at the old money interest rate declared for the fund in which it is contained. In declaring a new interest rate for an old money fund, we consider the date the fund was created and the interest rates previously applicable to that fund.

Upon request, we will, without charge, provide additional information about our method of interest crediting.

(Continued)

TRADEMARK
REEL: 002225 FRAME: 0253

Firs Colony Life Insurance Company

HOME OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24505-1280
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Page 1 of 6

REPORT TO OWNER (including a Guide to Your Report)

S0002885

GENERAL INFORMATION

Owner(s) **CARLTON HAIR INTERNATIONAL LTD** General Agent **FLYNN ASSO INS MKTNG**
7 CORPORATE PARK
#100 Service Agent **SCHLOSS, NORBERT V**
IRVINE CA 92714

Insured(s) **GERHARD HOHER** Report Period **05/15/98 - 05/14/99**
 Report Date **05/18/99**
 Policy Number **2731294** Plan **FLEX PREM ADJUST LIFE INS**
 Policy Date **05/15/97** Product **FIRST TERM(R) 20**
 Current Rider(s) **NONE**
 Modal Premium **\$57.23** Monthly
 Death Bene Opt **Option 1**

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

	<u>End of Last Report Period</u>	<u>End of Current Report Period</u>	<u>End of Next Report Period (PROJECTED)</u>
Policy Value	23.39	-56.49	-86.16
Cash Surrender Value	23.39	0.00	0.00
Outstanding Policy Loan	0.00	0.00	0.00
Net Cash Surrender Value	23.39	0.00	0.00
Death Benefit	200,000.00	200,000.00	200,000.00
Specified Amount	200,000.00	200,000.00	200,000.00

Projections Regarding Your Life Insurance Coverage

If CURRENT interest and cost of insurance rates remain unchanged, your Current Modal Premium is insufficient to allow you to stop paying premiums for your life insurance coverage by 2051. The level modal premium that will allow you to do so based on our CURRENT rates is \$ 202.85.

If you continue to pay your Current Modal Premium and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1999. Based on these assumptions, our projections indicate that in addition to payment of your Current Modal Premium you will need to make a single sum payment of at least \$ 118.56 within 30 days of the Report Date in order to continue your coverage to the end of the next report period.

If you choose not to make any more premium payments and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1999.

If you choose not to make any more premium payments, your life insurance coverage will not continue to the end of the next report period based on GUARANTEED interest and cost of insurance rates. Your coverage may continue for a longer period based on CURRENT interest and cost of insurance rates and continuing premium payments. Please refer to the preceding projections.

TRADEMARK
 REEL: 002225 FRAME: 0254

First Colony Life Insurance Company

HOME OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24505-1280
 WESTERN REGIONAL OFFICE: P.O. BOX 4114 WOODLAND HILLS, CA 91365-4114
 804 - 845-0911

Page 3 of 6

REPORT TO OWNER (continued)

Policy No. 2731294
 Billing Control No. S0002885

DETAIL OF TRANSACTIONS (Continued)

Summary of Transactions and Policy Values

<u>Date</u>	<u>Premiums Received</u>	<u>Deductions</u>	<u>Interest</u>	<u>Total Policy Value</u>
05/15/98	0.00	49.67 (2)	0.00	-26.25
06/09/98	57.23	5.72 (1)	**	**
06/15/98	0.00	49.67 (2)	0.05	-24.36
07/15/98	0.00	49.68 (2)	0.00	-74.04
08/04/98	57.23	5.72 (1)	**	**
08/10/98	57.23	5.72 (1)	**	**
08/15/98	0.00	49.68 (2)	0.13	-20.57
08/20/98	57.23	5.72 (1)	**	**
09/15/98	0.00	49.68 (2)	0.21	-18.53
10/15/98	0.00	49.69 (2)	0.00	-68.22
10/20/98	114.46	11.44 (1)	**	**
11/15/98	0.00	49.68 (2)	0.43	-14.45
12/15/98	0.00	49.69 (2)	0.00	-64.14
01/15/99	0.00	49.69 (2)	0.00	-113.83
01/19/99	57.23	5.72 (1)	**	**
02/09/99	114.46	11.44 (1)	**	**
02/15/99	0.00	49.68 (2)	0.32	-8.66
03/12/99	57.23	5.72 (1)	**	**
03/15/99	0.00	49.68 (2)	0.03	-6.80
04/15/99	0.00	49.69 (2)	0.00	-56.49
05/14/99	0.00	0.00	0.00	-56.49
Totals:	572.30	653.38	1.17	

Footnote Key

- (1) Premium Expense Charge - total charge for Report Period: \$ 57.20
- (2) Monthly Deduction
- (2a) Monthly Deduction - waived according to the terms of the Waiver rider included in your policy
- (3) Partial Withdrawal(s) - includes \$25 administrative fee for each processed withdrawal

This Guide provides a general explanation of some of the information appearing in your Report. If you have any questions regarding your policy or your Report, please call your insurance broker or contact our Policyholder's Service Department at (804) 948-5100.

GENERAL INFORMATION

Report Period is the period covered by this Report. Report Date is the date this Report was prepared.

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

Our projections are based on these assumptions:

1. The applicable modal premium is paid and received on the due date(s); however, we do make projections assuming you choose not to pay any more premiums.
2. No new policy loans, loan repayments, partial withdrawals or surrenders, or other policy changes are made.
3. Any policy loan interest is paid when due.
4. Current old and new money interest rates and current cost of insurance rates remain unchanged. These rates are subject to change however. We also make a projection based on guaranteed interest and cost of insurance.

Projected values are not guaranteed.

We would deduct any Outstanding Policy Loan from the Death Benefit in determining the death proceeds payable upon the Insured's death.

Projections Regarding Your Life Insurance Coverage. We make several projections regarding your premium(s) and the expected length of your coverage. This section shows the results of those projections. Our projections do not take into account any transactions or policy changes that occur during the period from the end of the Report Period to the Report Date. In making those projections, we assume that your policy is not in a grace period. For those projections based on current interest, we use the current new money interest rate in place of any current old money rate(s).

INTEREST

Our Approach We use an "old money/new money" approach to credit interest to your unloaned policy value. Under this approach, we allocate the unloaned policy value among a number of Unloaned Funds. We credit interest on each fund at a current rate that is based on the date the fund was created.

Initially, we have only one fund, a "new money" fund. When conditions dictate a change in current interest rates, we accomplish the change by reallocating the unloaned policy value. We create another new money fund and assign it a current new money interest rate; all previous new money then becomes "old money." We then move the interest earned by each old money fund into the newly created new money fund. Old money then starts to earn interest at the old money interest rate declared for the fund in which it is contained. In declaring a new interest rate for an old money fund, we consider the date the fund was created and the interest rates previously applicable to that fund.

Upon request, we will, without charge, provide additional information about our method of interest crediting.

(Continued)

First Colony Life Insurance Company

HOME OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24505-1280
 WESTERN REGIONAL OFFICE: P.O. BOX 4114 WOODLAND HILLS, CA 91365-4114
 804 - 845-0911

Page 1 of 6

REPORT TO OWNER (including a Guide to Your Report)

S0002885

GENERAL INFORMATION

Owner(s)	CARLTON HAIR INTERNATIONAL LTD 7 CORPORATION PARK #100 IRVINE CA 92714	General Agent	FLYNN ASSO INS MKTNG
		Service Agent	SCHLOSS, NORBERT V
Insured(s)	RUSSELL HERSOWITZ	Report Period	05/15/97 - 05/14/98
Policy Number	2731293	Report Date	05/16/98
Policy Date	05/15/97	Plan	FLEX PREM ADJUST LIFE INS
		Product	FIRST TERM(R) 20
Current Modal Premium	\$191.23	Rider(s)	NONE
	Monthly		
Death Bene Opt	Option 1		

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

	<u>End of Last Report Period</u>	<u>End of Current Report Period</u>	<u>End of Next Report Period (PROJECTED)</u>
Policy Value	0.00	75.66	-25.24
Cash Surrender Value	0.00	75.66	0.00
Outstanding Policy Loan	0.00	0.00	0.00
Net Cash Surrender Value	0.00	75.66	0.00
Death Benefit	0.00	650,000.00	650,000.00
Specified Amount	0.00	650,000.00	650,000.00

Projections Regarding Your Life Insurance Coverage

If CURRENT interest and cost of insurance rates remain unchanged, your Current Modal Premium is insufficient to allow you to stop paying premiums for your life insurance coverage by 2050. The level modal premium that will allow you to do so based on our CURRENT rates is \$ 921.92.

If you continue to pay your Current Modal Premium and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1998. Based on these assumptions, our projections indicate that in addition to payment of your Current Modal Premium you will need to make a single sum payment of at least \$ 101.01 within 30 days of the Report Date in order to continue your coverage to the end of the next report period.

If you choose not to make any more premium payments and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1998.

If you choose not to make any more premium payments, your life insurance coverage will not continue to the end of the next report period based on GUARANTEED interest and cost of insurance rates. Your coverage may continue for a longer period based on CURRENT interest and cost of insurance rates and continuing premium payments. Please refer to the preceding projections.

TRADEMARK
 REEL: 002225 FRAME: 0257

First Colony Life Insurance Company

HOME OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24505 1280
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 804 - 845-0911

Page 3 of 6

REPORT TO OWNER (continued)

Policy No. 2731293
 Billing Control No. S0002885

DETAIL OF TRANSACTIONS (Continued)

Summary of Transactions and Policy Values

Date	Premiums Received	Deductions	Interest	Total Policy Value
06/04/97	382.46	38.25 (1)	**	**
06/15/97	0.00	332.27 (2)	0.66	12.60
07/15/97	0.00	166.18 (2)	0.07	-153.51
08/08/97	191.23	19.12 (1)	**	**
08/15/97	0.00	166.17 (2)	0.21	-147.36
08/26/97	191.23	19.12 (1)	**	**
09/15/97	0.00	166.17 (2)	0.60	-140.82
09/26/97	191.23	19.12 (1)	**	**
10/15/97	0.00	166.17 (2)	0.58	-134.30
10/20/97	191.23	19.12 (1)	**	**
11/15/97	0.00	166.17 (2)	0.79	-127.57
12/09/97	191.23	19.12 (1)	**	**
12/15/97	0.00	166.20 (2)	0.18	-121.48
12/30/97	191.23	19.12 (1)	**	**
01/15/98	0.00	166.20 (2)	0.47	-115.10
02/15/98	0.00	166.21 (2)	0.00	-281.31
03/09/98	191.23	19.12 (1)	**	**
03/15/98	0.00	166.21 (2)	0.17	-275.24
04/15/98	0.00	166.21 (2)	0.00	-441.45
05/05/98	573.69	57.36 (1)	**	**
05/14/98	0.00	0.00	0.78	75.66
Totals:	2,294.76	2,223.61	4.51	

Footnote Key

- (1) Premium Expense Charge - total charge for Report Period: \$ 229.45
- (2) Monthly Deduction
- (2a) Monthly Deduction - waived according to the terms of the Waiver rider included in your policy
- (3) Partial Withdrawal(s) - includes \$25 administrative fee for each processed withdrawal

This Guide provides a general explanation of some of the information appearing in your Report. If you have any questions regarding your policy or your Report, please call your insurance broker or contact our Policyholder's Service Department at (804) 948-5100.

GENERAL INFORMATION

Report Period is the period covered by this Report. Report Date is the date this Report was prepared.

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

Our projections are based on these assumptions:

1. The applicable modal premium is paid and received on the due date(s); however, we do make projections assuming you choose not to pay any more premiums.
2. No new policy loans, loan repayments, partial withdrawals or surrenders, or other policy changes are made.
3. Any policy loan interest is paid when due.
4. Current old and new money interest rates and current cost of insurance rates remain unchanged. These rates are subject to change however. We also make a projection based on guaranteed interest and cost of insurance.

Projected values are not guaranteed.

We would deduct any Outstanding Policy Loan from the Death Benefit in determining the death proceeds payable upon the Insured's death.

Projections Regarding Your Life Insurance Coverage. We make several projections regarding your premium(s) and the expected length of your coverage. This section shows the results of those projections. Our projections do not take into account any transactions or policy changes that occur during the period from the end of the Report Period to the Report Date. In making those projections, we assume that your policy is not in a grace period. For those projections based on current interest, we use the current new money interest rate in place of any current old money rate(s).

INTEREST

Our Approach We use an "old money/new money" approach to credit interest to your unloaned policy value. Under this approach, we allocate the unloaned policy value among a number of Unloaned Funds. We credit interest on each fund at a current rate that is based on the date the fund was created.

Initially, we have only one fund, a "new money" fund. When conditions dictate a change in current interest rates, we accomplish the change by reallocating the unloaned policy value. We create another new money fund and assign it a current new money interest rate; all previous new money then becomes "old money." We then move the interest earned by each old money fund into the newly created new money fund. Old money then starts to earn interest at the old money interest rate declared for the fund in which it is contained. In declaring a new interest rate for an old money fund, we consider the date the fund was created and the interest rates previously applicable to that fund.

Upon request, we will, without charge, provide additional information about our method of interest crediting.

(Continued)

First Colony Life Insurance Company

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 804 - 845-0911

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REPORT TO OWNER (including a Guide to Your Report)

S0002885

GENERAL INFORMATION

Owner(s) CARLTON HAIR INTERNATIONAL LTD General Agent FLYNN ASSO INS MKTNG
 7 CORPORATE PARK
 #100 Service Agent SCHLOSS, NORBERT V
 IRVINE CA 92714

Insured(s) GERHARD HOHER

Report Period 05/15/97 - 05/14/98

Policy Number 2731294

Report Date 05/16/98

Policy Date 05/15/97

Plan FLEX PREM ADJUST LIFE INS

Product FIRST TERM(R) 20

Current

Rider(s) NONE

Modal Premium \$57.23 Monthly

Death Bene Opt Option 1

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

	<u>End of Last Report Period</u>	<u>End of Current Report Period</u>	<u>End of Next Report Period (PROJECTED)</u>
Policy Value	0.00	23.39	-6.01
Cash Surrender Value	0.00	23.39	0.00
Outstanding Policy Loan	0.00	0.00	0.00
Net Cash Surrender Value	0.00	23.39	0.00
Death Benefit	0.00	200,000.00	200,000.00
Specified Amount	0.00	200,000.00	200,000.00

Projections Regarding Your Life Insurance Coverage

If CURRENT interest and cost of insurance rates remain unchanged, your Current Modal Premium is insufficient to allow you to stop paying premiums for your life insurance coverage by 2051. The level modal premium that will allow you to do so based on our CURRENT rates is \$ 283.99.

If you continue to pay your Current Modal Premium and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1998. Based on these assumptions, our projections indicate that in addition to payment of your Current Modal Premium you will need to make a single sum payment of at least \$ 29.32 within 30 days of the Report Date in order to continue your coverage to the end of the next report period.

If you choose not to make any more premium payments and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until MAY, 1998.

If you choose not to make any more premium payments, your life insurance coverage will not continue to the end of the next report period based on GUARANTEED interest and cost of insurance rates. Your coverage may continue for a longer period based on CURRENT interest and cost of insurance rates and continuing premium payments. Please refer to the preceding projections.

TRADEMARK
 REEL: 002225 FRAME: 0260

First Colony Life Insurance Company

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 804 - 845-0911

Page 3 of 6

REPORT TO OWNER (continued)

Policy No. 2731294
 Billing Control No. S0002885

DETAIL OF TRANSACTIONS (Continued)

Summary of Transactions and Policy Values

<u>Date</u>	<u>Premiums Received</u>	<u>Deductions</u>	<u>Interest</u>	<u>Total Policy Value</u>
06/04/97	114.46	11.45 (1)	**	**
06/15/97	0.00	99.32 (2)	0.20	3.89
07/15/97	0.00	49.67 (2)	0.02	-45.76
08/08/97	57.23	5.72 (1)	**	**
08/15/97	0.00	49.67 (2)	0.06	-43.86
08/26/97	57.23	5.72 (1)	**	**
09/15/97	0.00	49.67 (2)	0.18	-41.84
09/26/97	57.23	5.72 (1)	**	**
10/15/97	0.00	49.67 (2)	0.17	-39.83
10/20/97	57.23	5.72 (1)	**	**
11/15/97	0.00	49.67 (2)	0.24	-37.75
12/09/97	57.23	5.72 (1)	**	**
12/15/97	0.00	49.68 (2)	0.06	-35.86
12/30/97	57.23	5.72 (1)	**	**
01/15/98	0.00	49.68 (2)	0.14	-33.89
02/15/98	0.00	49.68 (2)	0.00	-83.57
03/09/98	57.23	5.72 (1)	**	**
03/15/98	0.00	49.68 (2)	0.05	-81.69
04/15/98	0.00	49.68 (2)	0.00	-131.37
05/05/98	171.69	17.16 (1)	**	**
05/14/98	0.00	0.00	0.23	23.39
Totals:	686.76	664.72	1.35	

Footnote Key

- (1) Premium Expense Charge - total charge for Report Period: \$ 68.65
- (2) Monthly Deduction
- (2a) Monthly Deduction - waived according to the terms of the Waiver rider included in your policy
- (3) Partial Withdrawal(s) - includes \$25 administrative fee for each processed withdrawal

This Guide provides a general explanation of some of the information appearing in your Report. If you have any questions regarding your policy or your Report, please call your insurance broker or contact our Policyholder's Service Department at (804) 948-5100.

GENERAL INFORMATION

Report Period is the period covered by this Report. **Report Date** is the date this Report was prepared.

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

Our projections are based on these assumptions:

1. The applicable modal premium is paid and received on the due date(s); however, we do make projections assuming you choose not to pay any more premiums.
2. No new policy loans, loan repayments, partial withdrawals or surrenders, or other policy changes are made.
3. Any policy loan interest is paid when due.
4. Current old and new money interest rates and current cost of insurance rates remain unchanged. These rates are subject to change however. We also make a projection based on guaranteed interest and cost of insurance.

Projected values are not guaranteed.

We would deduct any **Outstanding Policy Loan** from the **Death Benefit** in determining the death proceeds payable upon the Insured's death.

Projections Regarding Your Life Insurance Coverage. We make several projections regarding your premium(s) and the expected length of your coverage. This section shows the results of those projections. Our projections do not take into account any transactions or policy changes that occur during the period from the end of the Report Period to the Report Date. In making those projections, we assume that your policy is not in a grace period. For those projections based on current interest, we use the current new money interest rate in place of any current old money rate(s).

INTEREST

Our Approach We use an "old money/new money" approach to credit interest to your unloaned policy value. Under this approach, we allocate the unloaned policy value among a number of **Unloaned Funds**. We credit interest on each fund at a current rate that is based on the date the fund was created.

Initially, we have only one fund, a "new money" fund. When conditions dictate a change in current interest rates, we accomplish the change by reallocating the unloaned policy value. We create another new money fund and assign it a current new money interest rate; all previous new money then becomes "old money." We then move the interest earned by each old money fund into the newly created new money fund. Old money then starts to earn interest at the old money interest rate declared for the fund in which it is contained. In declaring a new interest rate for an old money fund, we consider the date the fund was created and the interest rates previously applicable to that fund.

Upon request, we will, without charge, provide additional information about our method of interest crediting.

(Continued)

First Colony Life Insurance Company

HOME OFFICE: 2700 MAIN STREET - P.O. BOX 1280 - LYNCHBURG, VA 24502-1280
 WESTERN REGIONAL OFFICE: P.O. BOX 4114 - WOODLAND HILLS, CA 91365-4114
 804 - 845-0911

Page 1 of 6

REPORT TO OWNER (including a Guide to Your Report)

S0002885

GENERAL INFORMATION

Owner(s)	CARLTON HAIR INTERNATIONAL LTD 7 CORPORATE PARK #100 IRVINE CA 92714	General Agent	FLYNN ASSO INS MKTNG
		Service Agent	SCHLOSS, NORBERT V
Insured(s)	JOHANN MAYER	Report Period	06/01/97 - 05/31/98
Policy Number	2731299	Report Date	06/02/98
Policy Date	06/01/97	Plan	FLEX PREM ADJUST LIFE INS
		Product	FIRST TERM(R) 20
Current Modal Premium	\$390.29	Rider(s)	NONE
	Monthly		
Death Bene Opt	Option 1		

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

	<u>End of Last Report Period</u>	<u>End of Current Report Period</u>	<u>End of Next Report Period (PROJECTED)</u>
Policy Value	0.00	156.59	-53.81
Cash Surrender Value	0.00	156.59	0.00
Outstanding Policy Loan	0.00	0.00	0.00
Net Cash Surrender Value	0.00	156.59	0.00
Death Benefit Specified Amount	0.00	650,000.00	650,000.00
	0.00	650,000.00	650,000.00

Projections Regarding Your Life Insurance Coverage

If CURRENT interest and cost of insurance rates remain unchanged, your Current Modal Premium is insufficient to allow you to stop paying premiums for your life insurance coverage by 2041. The level modal premium that will allow you to do so based on our CURRENT rates is \$ 1,108.08.

If you continue to pay your Current Modal Premium and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until JUNE, 1998. Based on these assumptions, our projections indicate that in addition to payment of your Current Modal Premium you will need to make a single sum payment of at least \$ 204.16 within 30 days of the Report Date in order to continue your coverage to the end of the next report period.

If you choose not to make any more premium payments and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until JUNE, 1998.

If you choose not to make any more premium payments, your life insurance coverage will not continue to the end of the next report period based on GUARANTEED interest and cost of insurance rates. Your coverage may continue for a longer period based on CURRENT interest and cost of insurance rates and continuing premium payments. Please refer to the preceding projections.

TRADEMARK
 REEL: 002225 FRAME: 0263

First Colony Life Insurance Company

HOME OFFICE: 700 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24502-1280
 WESTERN REGIONAL OFFICE: P.O. BOX 4114 WOODLAND HILLS, CA 91365-4114
 804 - 845-0911

DETAIL OF TRANSACTIONS (Continued)

Summary of Transactions and Policy Values

<u>Date</u>	<u>Premiums Received</u>	<u>Deductions</u>	<u>Interest</u>	<u>Total Policy Value</u>
06/04/97	780.48	78.05 (1)	**	**
06/09/97	0.10	0.01 (1)	**	**
07/01/97	0.00	678.81 (2)	3.33	27.04
08/01/97	0.00	339.57 (2)	0.15	-312.38
08/08/97	390.29	39.03 (1)	**	**
08/26/97	390.29	39.03 (1)	**	**
09/01/97	0.00	339.38 (2)	1.85	52.61
09/26/97	390.29	39.03 (1)	**	**
10/01/97	0.00	339.38 (2)	0.58	65.07
10/20/97	390.29	39.03 (1)	**	**
11/01/97	0.00	339.37 (2)	1.09	78.05
12/01/97	0.00	339.55 (2)	0.41	-261.09
12/09/97	390.29	39.03 (1)	**	**
12/30/97	390.29	39.03 (1)	**	**
01/01/98	0.00	339.42 (2)	1.52	103.53
02/01/98	0.00	339.60 (2)	0.56	-235.51
03/01/98	0.00	339.65 (2)	0.00	-575.16
03/09/98	390.29	39.03 (1)	**	**
04/01/98	0.00	339.65 (2)	1.37	-562.18
05/01/98	0.00	339.65 (2)	0.01	-901.82
05/05/98	1,170.87	117.09 (1)	**	**
05/31/98	0.00	0.00	4.63	156.59
Totals:	4,683.48	4,542.39	15.50	

Footnote Key

- (1) Premium Expense Charge - total charge for Report Period: \$ 468.36
- (2) Monthly Deduction
- (2a) Monthly Deduction - waived according to the terms of the Waiver rider included in your policy
- (3) Partial Withdrawal(s) - includes \$25 administrative fee for each processed withdrawal

This Guide provides a general explanation of some of the information appearing in your Report. If you have any questions regarding your policy or your Report, please call your insurance broker or contact our Policyholder's Service Department at (804) 948-5100.

GENERAL INFORMATION

Report Period is the period covered by this Report. Report Date is the date this Report was prepared.

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

Our projections are based on these assumptions:

1. The applicable modal premium is paid and received on the due date(s); however, we do make projections assuming you choose not to pay any more premiums.
2. No new policy loans, loan repayments, partial withdrawals or surrenders, or other policy changes are made.
3. Any policy loan interest is paid when due.
4. Current old and new money interest rates and current cost of insurance rates remain unchanged. These rates are subject to change however. We also make a projection based on guaranteed interest and cost of insurance.

Projected values are not guaranteed.

We would deduct any Outstanding Policy Loan from the Death Benefit in determining the death proceeds payable upon the Insured's death.

Projections Regarding Your Life Insurance Coverage. We make several projections regarding your premium(s) and the expected length of your coverage. This section shows the results of those projections. Our projections do not take into account any transactions or policy changes that occur during the period from the end of the Report Period to the Report Date. In making those projections, we assume that your policy is not in a grace period. For those projections based on current interest, we use the current new money interest rate in place of any current old money rate(s).

INTEREST

Our Approach We use an "old money/new money" approach to credit interest to your unloaned policy value. Under this approach, we allocate the unloaned policy value among a number of Unloaned Funds. We credit interest on each fund at a current rate that is based on the date the fund was created.

Initially, we have only one fund, a "new money" fund. When conditions dictate a change in current interest rates, we accomplish the change by reallocating the unloaned policy value. We create another new money fund and assign it a current new money interest rate; all previous new money then becomes "old money." We then move the interest earned by each old money fund into the newly created new money fund. Old money then starts to earn interest at the old money interest rate declared for the fund in which it is contained. In declaring a new interest rate for an old money fund, we consider the date the fund was created and the interest rates previously applicable to that fund.

Upon request, we will, without charge, provide additional information about our method of interest crediting.

(Continued)

First Colony Life Insurance Company

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 804 - 845-0911

Page 1 of 6

REPORT TO OWNER (including a Guide to Your Report)

S0002885

GENERAL INFORMATION

Owner(s) **CARLTON HAIR INTERNATIONAL LTD** General Agent **FLYNN ASSO INS MKTNG**
 7 CORPORATE PARK
 #100 Service Agent **SCHLOSS, NORBERT V**
 IRVINE CA 92714

Insured(s) **MICHAEL O'ROURKE**

Report Period **06/01/97 - 05/31/98**

Policy Number **2731886**
 Policy Date **06/01/97**

Report Date **06/02/98**
 Plan **FLEX PREM ADJUST LIFE INS**
 Product **FIRST TERM(R) 20**

Current
 Modal Premium **\$270.38** Monthly

Rider(s) **NONE**

Death Bene Opt **Option 1**

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

	<u>End of Last Report Period</u>	<u>End of Current Report Period</u>	<u>End of Next Report Period (PROJECTED)</u>
Policy Value	0.00	106.88	-40.46
Cash Surrender Value	0.00	106.88	0.00
Outstanding Policy Loan	0.00	0.00	0.00
Net Cash Surrender Value	0.00	106.88	0.00
Death Benefit	0.00	500,000.00	500,000.00
Specified Amount	0.00	500,000.00	500,000.00

Projections Regarding Your Life Insurance Coverage

If CURRENT interest and cost of insurance rates remain unchanged, your Current Modal Premium is insufficient to allow you to stop paying premiums for your life insurance coverage by 2042. The level modal premium that will allow you to do so based on our CURRENT rates is \$ **824.83**.

If you continue to pay your Current Modal Premium and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until **JUNE, 1998**. Based on these assumptions, our projections indicate that in addition to payment of your Current Modal Premium you will need to make a single sum payment of at least \$ **143.37** within 30 days of the Report Date in order to continue your coverage to the end of the next report period.

If you choose not to make any more premium payments and CURRENT interest and cost of insurance rates do not change, your life insurance coverage should continue until **JUNE, 1998**.

If you choose not to make any more premium payments, your life insurance coverage will not continue to the end of the next report period based on GUARANTEED interest and cost of insurance rates. Your coverage may continue for a longer period based on CURRENT interest and cost of insurance rates and continuing premium payments. Please refer to the preceding projections.

TRADEMARK
 REEL: 002225 FRAME: 0266

First Colony Life Insurance Company

HOME OFFICE: 60 MAIN STREET P.O. BOX 1280 LYNCHBURG, VA 24502-1280
 WESTERN REGIONAL OFFICE: P.O. BOX 4114 WOODLAND HILLS, CA 91365-4114
 804 - 845-0911

DETAIL OF TRANSACTIONS (Continued)

Summary of Transactions and Policy Values

<u>Date</u>	<u>Premiums Received</u>	<u>Deductions</u>	<u>Interest</u>	<u>Total Policy Value</u>
06/04/97	540.76	54.08 (1)	**	**
07/01/97	0.00	470.52 (2)	2.31	18.47
08/01/97	0.00	235.37 (2)	0.10	-216.80
08/08/97	270.38	27.04 (1)	**	**
08/26/97	270.38	27.04 (1)	**	**
09/01/97	0.00	235.25 (2)	1.28	35.91
09/26/97	270.38	27.04 (1)	**	**
10/01/97	0.00	235.25 (2)	0.40	44.40
10/20/97	270.38	27.04 (1)	**	**
11/01/97	0.00	235.24 (2)	0.75	53.25
12/01/97	0.00	235.35 (2)	0.28	-181.82
12/09/97	270.38	27.04 (1)	**	**
12/30/97	270.38	27.04 (1)	**	**
01/01/98	0.00	235.28 (2)	1.05	70.63
02/01/98	0.00	235.39 (2)	0.38	-164.38
03/01/98	0.00	235.42 (2)	0.00	-399.80
03/09/98	270.38	27.04 (1)	**	**
04/01/98	0.00	235.42 (2)	0.95	-390.93
05/01/98	0.00	235.42 (2)	0.00	-626.35
05/05/98	811.14	81.12 (1)	**	**
05/31/98	0.00	0.00	3.21	106.88
Totals:	3,244.56	3,148.39	10.71	

Footnote Key

- (1) Premium Expense Charge - total charge for Report Period: \$ 324.48
- (2) Monthly Deduction
- (2a) Monthly Deduction - waived according to the terms of the Waiver rider included in your policy
- (3) Partial Withdrawal(s) - includes \$25 administrative fee for each processed withdrawal

This Guide provides a general explanation of some of the information appearing in your Report. If you have any questions regarding your policy or your Report, please call your insurance broker or contact our Policyholder's Service Department at (804) 948-5100.

GENERAL INFORMATION

Report Period is the period covered by this Report. Report Date is the date this Report was prepared.

POLICY VALUES AND BENEFITS, INCLUDING PROJECTIONS

Our projections are based on these assumptions:

1. The applicable modal premium is paid and received on the due date(s); however, we do make projections assuming you choose not to pay any more premiums.
2. No new policy loans, loan repayments, partial withdrawals or surrenders, or other policy changes are made.
3. Any policy loan interest is paid when due.
4. Current old and new money interest rates and current cost of insurance rates remain unchanged. These rates are subject to change however. We also make a projection based on guaranteed interest and cost of insurance.

Projected values are not guaranteed.

We would deduct any Outstanding Policy Loan from the Death Benefit in determining the death proceeds payable upon the Insured's death.

Projections Regarding Your Life Insurance Coverage. We make several projections regarding your premium(s) and the expected length of your coverage. This section shows the results of those projections. Our projections do not take into account any transactions or policy changes that occur during the period from the end of the Report Period to the Report Date. In making those projections, we assume that your policy is not in a grace period. For those projections based on current interest, we use the current new money interest rate in place of any current old money rate(s).

INTEREST

Our Approach We use an "old money/new money" approach to credit interest to your unloaned policy value. Under this approach, we allocate the unloaned policy value among a number of Unloaned Funds. We credit interest on each fund at a current rate that is based on the date the fund was created.

Initially, we have only one fund, a "new money" fund. When conditions dictate a change in current interest rates, we accomplish the change by reallocating the unloaned policy value. We create another new money fund and assign it a current new money interest rate; all previous new money then becomes "old money." We then move the interest earned by each old money fund into the newly created new money fund. Old money then starts to earn interest at the old money interest rate declared for the fund in which it is contained. In declaring a new interest rate for an old money fund, we consider the date the fund was created and the interest rates previously applicable to that fund.

Upon request, we will, without charge, provide additional information about our method of interest crediting.

(Continued)



First Colony Life Insurance Company
AGE Financial Assurance Company

ZC#0

P.O. Box 1280 • Lynchburg, Virginia 24505-1280 • (804) 845-3911

06/07/99

POLICY NUMBER	DUE DATE	PAYMENT FOR	AMOUNT
2786861	06-26-99	12 MONTHS PREMIUM	\$489.20

TYPE OF APPROVAL

SP LIFE

ACCOUNT #

DATE

INSURED - MAYER, JOHANN

2786861
CARLTON HAIR INTERNATIONAL LTD
7 CORPORATE PARK
#100
IRVINE CA 92714

831

CARLTON HAIR INTERNATIONAL INC.
CORPORATE ACCOUNT
7 CORPORATE PARK DR., SUITE 100
IRVINE, CA 92606

WELLS FARGO BANK
WOODBRIIDGE OFFICE
4850 BARRANCA PARKWAY
IRVINE, CA 92606
16-24/1220(7)

6/21/99

PAY TO THE ORDER OF

FIRST COLONY LIFE INSURANCE COMPANY

*****489.20

Four Hundred Eighty-Nine and 20/100***** DOLLARS

FIRST COLONY LIFE INSURANCE CO
PO BOX 1280
LYNCHBURG, VI 24505-1280

NON - NEGOTIABLE

AUTHORIZED SIGNATURE

MEMO

ACCT 2786861 ANNUAL - J MAYER

⑈008315⑈ ⑆12200024710983 111287⑈

▼ INDICATE ADDRESS CHANGE • PLEASE RETURN PORTION BELOW WITH YOUR PAYMENT ▼

SALON: Corporate.
 NAME: R Broccardo.

CARLTON HAIR INTERNATIONAL INC.
 CORPORATE ACCOUNT
 7 CORPORATE PARK DR., SUITE 100
 IRVINE, CA 92606

WELLS FARGO BANK
 WOODBRIDGE OFFICE
 4850 BARRANCA PARKWAY
 IRVINE, CA 92606
 16-24/1220(7)

82

0/2/99

PAY TO THE ORDER OF R G BROCCARDO *****306.4

Three Hundred Six and 40/100***** DOLLAR

R G BROCCARDO

NON - NEGOTIABLE
 AUTHORIZED SIGNATURE

MEMO MED - 6/99

⑈008256⑈ ⑆122000247⑆0983 111287⑈

EMERGENCY TELEPHONE:

REASON FOR CHANGE

- HIRED
- REHIRED
- PROMOTION
- TRANSFER
- DISCHARGE
- RESIGNATION
- LAYOFF
- OTHER

Medical/Ins. 283.60
Health 26.00
\$ 309.60

COMMENTS, IF NECESSARY Medical Cost - of
ftg coverage. - Single Party
coverage.

CARLTON HAIR INTERNATIONAL
 CORPORATE PARK SUITE 100
 IRVINE, CALIFORNIA 92606

AUTHORIZED BY _____ MANAGER APPROVED BY _____ OFFICE

CARLTON HAIR INTERNATIONAL INC.
 CORPORATE ACCOUNT
 7 CORPORATE PARK DR., SUITE 100
 IRVINE, CA 92606

WELLS FARGO BANK
 WOODBRIDGE OFFICE
 4850 BARRANCA PARKWAY
 IRVINE, CA 92606
 16-24/1220(7)

3/24/99

8

PAY TO THE ORDER OF

BLUE CROSS OF CALIFORNIA

*****296.

Two Hundred Ninety-Six and 60/100*****

DOL

BLUE CROSS OF CALIFORNIA

NON - NEGOTIABLE
 AUTHORIZED SIGNATURE

MEMO

MED/LIFE/DENTAL P BROCCARDO

⑆008055⑆ ⑆122000247⑆0983 111287⑆

BLUE CROSS OF CALIFORNIA
 P.O. BOX 9041
 OXNARD CA 93031-9041

Blue Cro

KEEP THIS PORTION FOR YOUR RECORDS



PAYS FROM		PAYS TO	
04-01-99		06-01-99	
CERTIFICATE NO.		GROUP NO.	
614-30-0129		00740C	
CONTRACT TYPE	# OF PERSONS COVERED	CONTRACT CODE	WORK LOCATION
A	01	7888	A04
BILLING TYPE		BILLING DATE	
REGULAR		03-02-99	
7030		NO. 96576	

IMPORTANT! WE APPRECIATE THE OPPORTUNITY TO PROVIDE YOUR INSURANCE COVERAGE. PLEASE PAY THE PREMIUM BY DUE DATE BELOW TO AVOID CANCELLATION IF YOU HAVE ANY QUESTIONS, PLEASE CALL YOUR DEDICATED CUSTOMER SERVICE UNIT 1-800-333-0912.

PIERO G BROCCARDO
 7 CORPORATE PARK DR #100
 IRVINE CA 92606

PAYMENT DUE BY 04-01-99 DATE PAID BILLED AMOUNT \$212.00

CERTIFICATE NUMBER	SUBSCRIBER NAME	PRODUCT DESCRIPTION	NO COV	PAYS FROM	PAYS TO	PREMIUM
614-30-0129	BROCCARDO, PIERO G	LIFE 50,000	01	04-01-99	06-01-99	18.60
		IND PPO DENTAL	01	04-01-99	06-01-99	66.00
TOTAL						84.60

IMPORTANT! WE APPRECIATE THE OPPORTUNITY TO PROVIDE YOUR INSURANCE COVERAGE. PLEASE PAY PREMIUM BY THE DUE DATE BELOW TO AVOID CANCELLATION. IF YOU HAVE ANY QUESTIONS, PLEASE CALL YOUR DEDICATED CUSTOMER SERVICE UNIT AT 1-800-333-0912.

TOTAL AMOUNT DUE --- 84.60

SCHEDULE "2.10"

CONTRACTS, AGREEMENTS AND COMMITMENTS

1. EQUIPMENT LEASES

<u>LESSOR</u>	<u>ACCOUNT NUMBER</u>	<u>LEASE TOTAL</u>
First Federal	16548	\$4,227.16
First Federal	22072	8,564.76
Unistar Leasing	6080099	5,567.76
Fidelity Leasing	2536000	2,601.00
Fidelity Leasing	25360001	6,267.60
Fidelity Leasing	-	5,400.00
First Sierra	990501	45,617.40
First Sierra	990502	11,346.12
First Sierra	990503	71,308.80
First Sierra	990504	61,472.16
Imperial Business Credit	239261	88,194.24
Ford Credit	XA 61130	28,265.40

2. LOANS

<u>CREDITOR</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE AS OF 5/31/99</u>
Bank of America	\$200,000	\$ 6,000
DelMed Corp. (Aliso Viejo)	50,000	15,626
DelMed Corp. (Aliso Viejo)	100,000	60,739
DelMed Corp.	60,000	55,529
Ghent California	100,000	39,707
Ghent California (Carlton Glendale)	35,000	12,647
Ghent California Loan No. 4	40,000	35,925
Schwarzkopf, Inc.	320,000	230,471
Schwarzkopf, Inc.	200,000	185,868
Wells Fargo	145,000	145,000

3. TENANT LEASES

<u>TENANT</u>	<u>LOCATION</u>
Carlton Hair International, Inc.	Linear Westside Pavilion
Carlton Hair International, Inc.	Westside Pavilion
Carlton Hair International, Inc.	Century City Shopping Center
Carlton Hair International, Inc.	Santa Monica Place
Carlton Hair International, Inc.	Montana Santa Monica
Carlton Hair International, Inc.	Marina Del Rey
Carlton Hair International, Inc.	Media City Center, Burbank
Carlton Hair International, Inc. (Hair.Health.Beauty)	Park Plaza, Aliso Viejo
Carlton Hair International, Inc.	Beverly Center
Carlton Hair International, Inc. (California)	Main Placè, Santa Ana
Carlton Hair International, Inc.	Sherman Oaks Fashion Square
Carlton Hair International, Inc. (Stores)	Plaza @ West Covina
CHIMS, INC.	Glendale Galleria
CHIMS, INC.	Marketplace, Irvine
CHIMS, INC.	Montclair Plaza
CHIMS, INC.	Westminster Mall
CHIMS, INC.	Corporate Park Drive
CHIMS, INC.	Crystal Court
CHIMS, INC.	Brea Mall
CHIMS, INC.	Riverside
CHIMS, INC.	Linear Brea
CHIMS, INC.	Santa Anita Fashion Park
CHIMS, INC.	Linear South Coast Plaza
Carlton Hair Mission Viejo, Inc.	Los Cerritos Center
Carlton Hair Mission Viejo, Inc.	Montebello
Linear Hair, Inc. (Linear)	Walnut Village, Irvine
Carlton Hair International, Inc.	Linear, Marina Del Rey
Linear Hair, Inc. (Linear)	Crossroads, Irvine
Linear Hair Brea, Inc. (Hair.Health.Beauty)	Newport Beach
Carlton Hair Stores, Inc. (Stores)	Valencia
Carlton Hair Stores, Inc.	Linear, Glendale
CHIMS, INC.	Airport Business Center

4. Dividends originally declared in the amount of \$101,500, with an unpaid balance of \$59,565 owed to CHI Shareholders.

5. Rental Agreement with Pride Laundry for laundry machines at the salons in the approximate amount of \$100 per month per store.
6. Agreement with Muzak for the providing of music at the salons.
7. Turn-Key Salon Rental Agreement between Linear Hair Brea Salon, Inc., and Carlton Hair California, Inc., for the operation and management of the Linear Brea Salon.
8. Pursuant to the two (2) Schwarzkopf loans listed in item 2, CHI has entered into 2 Purchase Agreements whereby CHI is obligated to purchase from Schwarzkopf at least 90% of CHI's total salon product, excluding CHI's own brands.
9. Performance Agreements as listed or referenced on Schedule 2.2
10. Business Licenses as listed or referenced on Schedule 2.6(a).
11. Employment Agreements as listed or referenced on Schedule 2.9(b).
12. Insurance Policies as listed or referenced on Schedule 2.12
13. Related-Party Contracts as listed or referenced on Schedule 2.16.

SCHEDULE "2.11"

ENVIRONMENTAL MATTERS

NONE

SCHEDULE "2.12"

INSURANCE

TYPE	LIABILITY LIMITS	DEDUCTIBLE	COVERAGE EXCLUSIONS
Employment Practices Liability	\$1,000,000 per occurrence; \$1,000,000 Annual Aggregate	\$15,000	As set forth in the relevant policies.
Workers' Compensation Insurance	\$1,000,000		As set forth in the relevant policies.
Business Package Insurance	\$1,000,000 per occurrence; \$2,000,000 Annual Aggregate	\$500	As set forth in the relevant policies.

Life, Health and Dental Insurance plans as described on Schedule 2.9(c).

SCHEDULE "2.13"

RESTRICTED PERSONAL PROPERTY

NO RESTRICTIONS OR CONDITIONS ON USE OF PERSONAL PROPERTY

SCHEDULE "2.13(a)"

TANGIBLE PERSONAL PROPERTY

A COMPREHENSIVE LIST OF CHI'S TANGIBLE PERSONAL PROPERTY IS ATTACHED TO CHI'S PREVIOUSLY FILED TAX RETURNS, WHICH HAVE BEEN MADE AVAILABLE TO PARENT.

1. All of the furniture, fixtures and equipment at the following locations are being used as security for the loans made by Hymie Hersowitz, which loans are more fully described on Schedule 2.16:

CHIMS, Inc.
1107 Brea Mall
Brea, CA 92621

CHIMS, Inc.
Carlton Galleria
1218 Galleria-at-Tyler
Riverside, CA 92503

2. All of the furniture, fixtures and equipment at the following location is being used as security for the \$40,000 loan made by Ghent California, which loan is more fully described on Schedule 2.16:

Carlton Hair International, Inc.
4708 Admiralty Way
Marina Del Rey, CA 90292

SCHEDULE "2.13(b)"

INTANGIBLE PERSONAL PROPERTY

TRADEMARK APPLICATIONS ON FILE

HAIR.HEALTH.BEAUTY PROFESSIONAL and Design

SUPERBELLISSIMO

OUT OF AFRICA

HHB HAIRCARE

CARLTON HAIR INTERNATIONAL

CHI is also in the process of applying for Trademarks in all 50 states. The status of those state applications is unclear.

CHI/Docs/Schedules

CHI/Docs/Schedules

TRADEMARK
REEL: 002225 FRAME: 0279

SCHEDULE "2.15"


INVENTORIES

ATTACHED IS A SCHEDULE OF THE WAREHOUSE INVENTORY.

THE "ASSUMED" INVENTORY FOR EACH SALON IS \$5,000 PER SALON.

Warehouse inventory as at May 31. 99

	000		0.00 *
Retail		62,998.53 +	
Professional		78,022.85 +	
Supplies		7,823.41 +	
Beauty	004	16,596.64 +	
Cafe Beauty		165,441.43 0	
	005	45,423.09 +	
		<u>\$ 210,864.52 *</u>	
	000		0.00 *


RUGGIERO G. BROCCARDO

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
15223	PURIFYING SHAMPOO 16oz/HHB 0010 FINISHED GOOD	STD	EACH	000				120	1.32	158.40
15224	VOLUMIZING SHAMPOO 16oz/HHB 0010 FINISHED GOOD	STD	EACH	000				43	2.85	122.55
15227	DETANGLE COND 16oz/HHB 0011 FINISHED GOOD	STD	EACH	000				26	1.15	29.90
15228	REPLENISH COND 16oz/HHB 0011 FINISHED GOOD	STD	EACH	000				111	2.30	255.30
15229	VOLUMIZING GEL 4oz/HHB 0009 FINISHED GOOD	STD	EACH	000				101	1.45	146.45
15231	VOLUMIZING MOUSSE 7oz/HHB 0009 FINISHED GOOD	STD	EACH	000				86	3.72	319.92
2001	CLEANSE 8oz 0010 FINISHED GOOD	STD	EACH	000				84	1.56	131.04
2002	LINEAR CLEANSE 16oz 0010 FINISHED GOOD	STD	EACH	000				72	2.86	205.92
2003	LINEAR CLEANSE 32oz 0010 FINISHED GOOD	STD	EACH	000				19	5.20	98.80
2006	LINEAR ENRICH 8oz 0010 FINISHED GOOD	STD	EACH					3-	1.56	4.68-
				000				29	1.56	45.24
								ITEM 2006 TOTAL:		40.56
								26	1.56	40.56
2007	LINEAR ENRICH 16oz 0010 FINISHED GOOD	STD	EACH					3-	2.86	8.58-
2021	LINEAR MOISTURE 8oz 0010 FINISHED GOOD	STD	EACH	000				50	1.56	78.00
2022	LINEAR MOISTURIZING 16.0Z 0010 FINISHED GOOD	STD	EACH					3-	2.86	8.58-
2023	LINEAR MOISTURIZING 32oz 0010 FINISHED GOOD	STD	EACH					1-	5.20	5.20-
2026	LINEAR PRO-10 8oz 0011 FINISHED GOOD	STD	EACH					3-	1.82	5.46-
2027	LINEAR PRO-10 16oz 0011 FINISHED GOOD	STD	EACH					3-	3.38	10.14-
2031	LINEAR RENEW 8oz 0011 FINISHED GOOD	STD	EACH					2-	3.38	6.76-
2037	LINEAR RECONSTRUCTOR 8oz 0011 FINISHED GOOD	STD	EACH	000				37	3.38	125.06
2038	LINEAR RECONSTRUCT 16oz 0011 FINISHED GOOD	STD	EACH	000				124	5.98	741.52
2039	LINEAR RECONSTRUCTOR 32 oz 0011 FINISHED GOOD	STD	EACH	000				20	10.92	218.40
2042	LINEAR DETANGLER 8.0Z 0011 FINISHED GOOD	STD	EACH	000				20	2.08	41.60
2046	LINEAR DESIGN MOUSSE 0009 FINISHED GOOD	STD	EACH					6-	3.00	18.00-

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
3018	ECOLY SAGE 32oz 0011 FINISHED GOOD	STD	EACH	000				162	5.20	842.40
3023	ECOLY ROSEMARY 32oz 0011 FINISHED GOOD	STD	EACH	000				119	9.36	1,113.84
3027	ECOLY TRI-WHEAT 16oz 0011 FINISHED GOOD	STD	EACH	000				461	7.02	3,236.22
3028	ECOLY TRI WHEAT 32oz 0011 FINISHED GOOD	STD	EACH	000				118	11.18	1,319.24
3032	ECOLY LEAVE-IN TRI WHEAT 16oz 0011 FINISHED GOOD	STD	EACH	000				269	5.07	1,363.83
3035	ECOLY CHAMOMILE 1oz 0009 FINISHED GOOD	STD	EACH	000				50	3.90	195.00
3038	MINT THERAPY OIL 1 OZ 0009 FINISHED GOOD	STD	EACH	000				66	3.90	257.40
3041	ECOLY TEA TREE THERAPY OIL 1. 0009 FINISHED GOOD	STD	EACH	000				19	3.90	74.10
3044	LAUREL TREE AREATED HAIR SPRA 0009 FINISHED GOOD	STD	EACH	000				164	4.00	656.00
3045	OAK TREE XTRA FIRM SPRAY 0009 FINISHED GOOD	STD	EACH	000				153	4.00	612.00
3047	ECOLY WILLOW BARK GEL 8.OZ 0009 FINISHED GOOD	STD	EACH	000				365	2.34	854.10
3051	ECOLY GEL MOUSSE 0009 FINISHED GOOD	STD	EACH	000				68	3.38	229.84
3052	ECOLY OAK BARK GEL 4oz 0009 FINISHED GOOD	STD	EACH	000				465	3.38	1,571.70
3055	ECOLY SLIPPERY ELM GLOSS 2oz 0009 FINISHED GOOD	STD	EACH	000				267	3.12	833.04
3059	ECOLY LAUREL TREE 8oz 0009 FINISHED GOOD	STD	EACH	000				228	2.08	474.24
3063	SUNDEW CRYSTAL SPRAY 1.7 OZ 0009 FINISHED GOOD	STD	EACH	000				100	2.86	286.00
3085	ECOLY PUMP 32.OZ 0008 FINISHED GOOD	STD	EACH	000				374	.29	108.46
3089	CYPRESS THICKENING LOTION 0009 FINISHED GOOD	STD	EACH	000				480	3.12	1,497.60
3090	SLIPPERY ELM GLOSS 4.OZ 0009 FINISHED GOOD	STD	EACH	000				260	5.20	1,352.00
3091	WILLOW BARK PRAY GEL 10.OZ 0009 FINISHED GOOD	STD	EACH	000				372	2.86	1,063.92
3093	LINDEN FABRICATING MOUSE 10 0009 FINISHED GOOD	STD	EACH	000				336	2.86	960.96
3094	ALMOND PUTTY & POMADE 4oz. 0009 FINISHED GOOD	STD	EACH	000				108	4.42	477.36
3097	CUCUMBER 10.OZ 0010 FINISHED GOOD	STD	EACH	000				300	1.95	585.00
3098	PAPAYA 10.OZ 0010 FINISHED GOOD	STD	EACH	000				426	1.95	830.70

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
3099	PRIMROSE 10.OZ 0010	FINISHED GOOD	STD	EACH	000				373	1.77	660.21
3100	SAGE 10.OZ 0011	FINISHED GOOD	STD	EACH	000				336	1.95	655.20
3101	TRI-WHEAT RECONSTRUCTOR 10.OZ 0011	FINISHED GOOD	STD	EACH	000				449	3.90	1,751.10
3102	TRI-WHEAT LEAVE IN 10.OZ 0011	FINISHED GOOD	STD	EACH	000				319	2.99	953.81
3103	LAUREL TREE PUMP SPRAY 10.OZ 0011	FINISHED GOOD	STD	EACH	000				228	2.60	592.80
3104	CUCUMBER 4 OZ 0010	FINISHED GOOD	STD	EACH	000				107	1.04	111.28
3105	PAPAYA 4 OZ 0010	FINISHED GOOD	STD	EACH	000				128	1.04	133.12
3106	PRIMROSE 4 OZ 0010	FINISHED GOOD	STD	EACH	000				96	1.04	99.84
3107	SAGE 4 OZ 0011	FINISHED GOOD	STD	EACH	000				150	1.04	156.00
3108	TRI-WHEAT RECONSTRUCTOR 4 OZ 0011	FINISHED GOOD	STD	EACH	000				12	1.95	23.40
3109	TRI-WHEAT LEAVE IN 4 OZ 0011	FINISHED GOOD	STD	EACH	000				75	1.56	117.00
3110	WILLOW BARK GEL 4 OZ 0009	FINISHED GOOD	STD	EACH	000				59	1.30	76.70
3112	ROSEMARY MINT 10 OZ 0011	FINISHED GOOD	STD	EACH	000				420	3.51	1,474.20
3117	ROSEMARY MINT 4OZ 0011	FINISHED GOOD	STD	EACH	000				84	1.04	87.36
3119	SUDSY SEA HORSE SHMP 8.5OZ ECOL	FINISHED GOOD	STD	EACH	000				4	2.30	9.20
3122	SILKY SEAWEED DETANGLER 8OZ ECOL	FINISHED GOOD	STD	EACH	000				13	2.30	29.90
3123	SNEAKY OCTOPUS BBL BTH 8.5OZ ECOL	FINISHED GOOD	STD	EACH	000				13	2.30	29.90
3124	JELLY FISH STYLING GEL 8.5OZ ECOL	FINISHED GOOD	STD	EACH	000				78	2.30	179.40
3128	ALMOND TREE MOLD PUTTY 2oz. 0009	FINISHED GOOD	STD	EACH	000				36	1.82	65.52
3130	RUBY PURIFYING SH 8.5OZ 0010	FINISHED GOOD	STD	EACH	000				44	2.34	102.96
3131	SPANGY SHOWER GEL 8.5OZ 0010	FINISHED GOOD	STD	EACH	000				63	2.34	147.42
3132	SUN BLOCK 4OZ 0019	FINISHED GOOD	STD	EACH	000				108	3.22	347.76
3133	AFTER SUN COOLING GEL 4OZ 0019	FINISHED GOOD	STD	EACH	000				150	1.57	235.50
3134	BODY LOTION 4OZ 0019	FINISHED GOOD	STD	EACH	000				66	1.57	103.62

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
3136	THINGS - STAYPUT 2 oz. 0009 FINISHED GOOD	STD	EACH	000				36	3.89	140.04
3137	THINGS - STRETCH 0009 FINISHED GOOD	STD	EACH	000				138	3.89	536.82
3149	BIG SX HAIR-ROOT PUMP 10.6 oz 0009 FINISHED GOOD	STD	EACH	000				124	3.38	419.12
3150	BIG SEXY SHAMPOO 8.5 oz. 0010 FINISHED GOOD	STD	EACH	000				84	1.81	152.04
3151	BIG SEXY CONDITIONER 8.5 oz. 0011 FINISHED GOOD	STD	EACH	000				31	1.81	56.11
3152	BIG SEXY VOLUMIZING SP 10.6oz 0009 FINISHED GOOD	STD	EACH	000				273	3.38	922.74
4030	CARLTON # 1 0013 FINISHED GOOD	STD	EACH	000				504	2.55	1,285.20
4031	CARLTON # 2 0013 FINISHED GOOD	STD	EACH	000				396	4.25	1,683.00
4032	CARLTON # 3 0013 FINISHED GOOD	STD	EACH	000				432	4.25	1,836.00
4034	CARLTON # 5 0013 FINISHED GOOD	STD	EACH	000				360	2.72	979.20
4037	CARLTON #1-A 0013 FINISHED GOOD	STD	EACH	000				648	2.55	1,652.40
5096	TONING 5-0 LIGHT BROWN SCHW FINISHED GOOD	STD	EACH	000				98	4.75	465.50
5097	TONING 7-0 MEDIUM BLONDE SCHW FINISHED GOOD	STD	EACH	000				144	4.75	684.00
5098	TONING 9.5-1 PASTEL ASH BLONDE SCHW FINISHED GOOD	STD	EACH	000				48	4.75	228.00
5099	TONING 5-7 LIGHT COP. BROWN SCHW FINISHED GOOD	STD	EACH	000				48	4.75	228.00
5100	TONING 8-7 LT COPPER BLONDE SCHW FINISHED GOOD	STD	EACH	000				168	4.75	798.00
5101	TONING 7-67 MED AUBURN BLONDE SCHW FINISHED GOOD	STD	EACH	000				154	4.75	731.50
5102	TONING 7-87 MED CHESNUT BLONDE SCHW FINISHED GOOD	STD	EACH	000				125	4.75	593.75

REPORT TOTAL:

62,998.53

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	UM	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1059	DIA01 MONO DARK BLONDE LORE	FINISHED GOOD	STD	EACH	000				232.00	1.92	445.44
1060	DIA02 MONO LIGHT BROWN LORE	FINISHED GOOD	STD	EACH	000				159.00	1.92	305.28
1061	DIA03 MONO MEDIUM BROWN LORE	FINISHED GOOD	STD	EACH	000				106.00	1.92	203.52
1062	DIA04 MONO DARK BROWN LORE	FINISHED GOOD	STD	EACH	000				193.00	1.92	370.56
1063	DIA05 MONO DARKEST BROWN LORE	FINISHED GOOD	STD	EACH	000				100.00	1.92	192.00
1064	DIA06 MONO LIGHT ASH BLONDE LORE	FINISHED GOOD	STD	EACH	000				139.00	1.92	266.88
1065	DIA07 MONO NATURAL ASH LORE	FINISHED GOOD	STD	EACH	000				90.00	1.92	172.80
1066	DIA08 MONO LT NAT ASH BROWN LORE	FINISHED GOOD	STD	EACH	000				134.00	1.92	257.28
1067	DIA09 MONO MED NAT ASH BROWN LORE	FINISHED GOOD	STD	EACH	000				105.00	1.92	201.60
1068	DIA10 MONO DARK NAT ASH BLOND LORE	FINISHED GOOD	STD	EACH	000				135.00	1.92	259.20
1069	DIA11 MONO LIGHT CHESNUT BROWN LORE	FINISHED GOOD	STD	EACH	000				145.00	1.92	278.40
1070	DIA12 MONO MEDIUM CHESNUT BRN LORE	FINISHED GOOD	STD	EACH	000				101.00	1.92	193.92
1071	DIA13 MONO DARK CHESNUT BROWN LORE	FINISHED GOOD	STD	EACH	000				176.00	1.92	337.92
1072	DIA14 MONO LIGHT GOLDEN BLONDE LORE	FINISHED GOOD	STD	EACH	000				245.00	1.92	470.40
1073	DIA15 MONO MEDIUM GOLDEN BLON LORE	FINISHED GOOD	STD	EACH	000				221.00	1.92	424.32
1074	DIA16 MONO DARK GOLDEN BLONDE LORE	FINISHED GOOD	STD	EACH	000				183.00	1.92	351.36
1075	DIA17 MONO LIGHT BEIGE 0001	FINISHED GOOD	STD	EACH	000				143.00	1.93	275.99
1076	DIA18 MONO GOLD LORE	FINISHED GOOD	STD	EACH	000				131.00	1.92	251.52
1077	DIA19 MONO GOLDEN COPPER LORE	FINISHED GOOD	STD	EACH	000				48.00	1.92	92.16
1078	DIA20 MONO COPPER LORE	FINISHED GOOD	STD	EACH	000				82.00	1.92	157.44
1079	DIA21 MONO LIGHT AUBURN LORE	FINISHED GOOD	STD	EACH	000				158.00	1.92	303.36
1080	DIA22 MONO AUBURN LORE	FINISHED GOOD	STD	EACH	000				16.00	1.92	30.72
1081	DIA23 MONO DARK AUBURN LORE	FINISHED GOOD	STD	EACH	000				178.00	1.92	341.76
1082	DIA24 MONO RED MAHOGANY LORE	FINISHED GOOD	STD	EACH	000				324.00	1.92	622.08

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1083	DIA25 MONO PLUM LORE FINISHED GOOD	STD	EACH	000				208.00	1.92	399.36
1084	DIA26 MONO CLEAR LORE FINISHED GOOD	STD	EACH	000				223.00	1.92	428.16
1085	DIA27 MONO BLUE BLACK LORE FINISHED GOOD	STD	EACH	000				225.00	1.92	432.00
1086	DIA28 MONO NATURAL BLACK LORE FINISHED GOOD	STD	EACH	000				144.00	1.92	276.48
1087	DIA29 MONO BLACK BORDEAUX LORE FINISHED GOOD	STD	EACH	000				147.00	1.92	282.24
1088	DIA30 MONO VIVID RED COPPER LORE FINISHED GOOD	STD	EACH	000				171.00	1.92	328.32
1088-1	DIA VIVID RED COPPER LORE FINISHED GOOD	STD	EACH	000				20.00	5.78	115.60
1089-1	DIA VIVID RED LORE FINISHED GOOD	STD	EACH	000				3.00	5.78	17.34
1090	DIA32 MONO VIVID RED MAHOGANY LORE FINISHED GOOD	STD	EACH	000				177.00	1.92	339.84
1090-1	DIA VIVID RED MAHOGANY LORE FINISHED GOOD	STD	EACH	000				48.00	5.78	277.44
1091-1	DIA VIVID RED PLUM LORE FINISHED GOOD	STD	EACH	000				1.00	5.78	5.78
1092	LOREAL 20 VOL DEVELOPER 31oz LORE FINISHED GOOD	STD	EACH	000				37.00	2.61	96.57
1093	LOREAL 30 VOL DEVELOPER LORE FINISHED GOOD	STD	EACH	000				36.00	1.49	53.64
1094	LOREAL DIACOLOR DEVELOPER LORE FINISHED GOOD	STD	EACH	000				24.00	3.03	72.72
1099	LOREAL EFFASOL BOX OF 12 UNITS LORE FINISHED GOOD	STD	EACH	000				17.00	21.36	363.12
1101	LOREAL TUBE KEY 1 unit LORE FINISHED GOOD	STD	EACH	000				146.00	.83	121.18
1105	LOREAL DIACOLOR CHART LORE FINISHED GOOD	STD	EACH	000				21.00	35.75	750.75
1115	5-00 LIGHT BROWN FORTE/810 0001 FINISHED GOOD	STD	EACH	000				125.00	2.25	281.25
1116	6-00 DARK BLONDE FORTE /811 0001 FINISHED GOOD	STD	EACH	000				164.00	2.25	369.00
1117	7-00 MEDIUM BLONDE FORTE /812 0001 FINISHED GOOD	STD	EACH	000				105.00	2.25	236.25
1118	8-00 LIGHT BLONDE FORTE/813 0001 FINISHED GOOD	STD	EACH	000				170.00	2.25	382.50
1119	9-00 EXTRA LT BLOND FORTE/814 0001 FINISHED GOOD	STD	EACH	000				209.00	2.25	470.25
1120	1-0 BLACK / 800 0001 FINISHED GOOD	STD	EACH	000				142.00	2.25	319.50
1121	3-0 DARK BROWN /801 0001 FINISHED GOOD	STD	EACH	000				145.00	2.25	326.25

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1122	4-0 MEDIUM BROWN / 802 0001 FINISHED GOOD	STD	EACH	000				329.00	2.25	740.25
1123	5-0 LIGHT BROWN / 803 0001 FINISHED GOOD	STD	EACH	000				48.00	2.25	108.00
1124	6-0 DARK BLONDE / 804 0001 FINISHED GOOD	STD	EACH	000				144.00	2.25	324.00
1125	7-0 MEDIUM BLONDE / 805 0001 FINISHED GOOD	STD	EACH	000				333.00	2.25	749.25
1126	8-0 LIGHT BLONDE / 806 0001 FINISHED GOOD	STD	EACH	000				241.00	2.25	542.25
1127	9-0 EXTRA LIGHT BOLNDE / 807 0001 FINISHED GOOD	STD	EACH	000				288.00	2.25	648.00
1128	10-0 ULTRA LIGHT BLONDE / 808 0001 FINISHED GOOD	STD	EACH	000				216.00	2.25	486.00
1129	1-1 BLUE BLACK / 816 0001 FINISHED GOOD	STD	EACH	000				135.00	2.25	303.75
1130	3-1 DARK ASH BROWN / 817 0001 FINISHED GOOD	STD	EACH	000				193.00	2.25	434.25
1131	4-1 MEDIUM ASH BROWN / 818 0001 FINISHED GOOD	STD	EACH	000				366.00	2.25	823.50
1132	5-1 LIGHT ASH BROWN / 819 0001 FINISHED GOOD	STD	EACH	000				282.00	2.25	634.50
1133	6-1 DARK ASH BLONDE / 824 0001 FINISHED GOOD	STD	EACH	000				427.00	2.25	960.75
1134	7-1 MEDIUM ASH BLONDE / 825 0001 FINISHED GOOD	STD	EACH	000				248.00	2.25	558.00
1135	8-1 LIGHT ASH BLONDE / 826 0001 FINISHED GOOD	STD	EACH	000				142.00	2.25	319.50
1136	9-1 XTRA LIGHT ASH BLOND / 827 0001 FINISHED GOOD	STD	EACH	000				348.00	2.25	783.00
1137	10-1 ULTRA LIGHT ASH BLND / 828 0001 FINISHED GOOD	STD	EACH	000				244.00	2.25	549.00
1138	4-4 MEDIUM BEIGE BROWN / 840 0001 FINISHED GOOD	STD	EACH	000				300.00	2.25	675.00
1139	5-4 LIGHT BEIGE BROWN / 841 0001 FINISHED GOOD	STD	EACH	000				266.00	2.25	598.50
1140	6-4 DARK BEIGE BLONDE / 842 0001 FINISHED GOOD	STD	EACH	000				184.00	2.25	414.00
1141	7-4 MEDIUM BEIGE BLONDE / 843 0001 FINISHED GOOD	STD	EACH	000				120.00	2.25	270.00
1142	8-4 LIGHT BEIGE BLONDE / 844 0001 FINISHED GOOD	STD	EACH	000				184.00	2.25	414.00
1143	9-4 XTRA LT BEIGE BLONDE / 845 0001 FINISHED GOOD	STD	EACH	000				158.00	2.25	355.50
1144	10-4 ULTRA LT BEIGE BLONDE / 846 0001 FINISHED GOOD	STD	EACH	000				249.00	2.25	560.25
1145	3-69 DARK AUBURN BROWN / 856 0001 FINISHED GOOD	STD	EACH	000				48.00	2.25	108.00

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1146	4-68 MEDIUM AUBURN BROWN/857 0001 FINISHED GOOD	STD	EACH	000				295.00	2.25	663.75
1147	5-68 LIGHT AUBURN BROWN/ 858 0001 FINISHED GOOD	STD	EACH	000				216.00	2.25	486.00
1148	6-68 DARK AUBURN BLONDE / 859 0001 FINISHED GOOD	STD	EACH	000				245.00	2.25	551.25
1149	7-67 MEDIUM AUBURN BLONDE/860 0001 FINISHED GOOD	STD	EACH	000				112.00	2.25	252.00
1150	4-5 MEDIUM GOLDEN BROWN/ 848 0001 FINISHED GOOD	STD	EACH	000				235.00	2.25	528.75
1151	5-5 LIGHT GOLDEN BROWN/ 849 0001 FINISHED GOOD	STD	EACH	000				314.00	2.25	706.50
1152	6-5 DARK GOLDEN BLONDE/ 850 0001 FINISHED GOOD	STD	EACH	000				164.00	2.25	369.00
1153	7-5 MEDIUM GOLDEN BLONDE/ 851 0001 FINISHED GOOD	STD	EACH	000				446.00	2.25	1,003.50
1154	8-5 LIGHT GLODEN BLONDE/ 852 0001 FINISHED GOOD	STD	EACH	000				108.00	2.25	243.00
1155	9-5 XTLIGHT GOLDEN BLONDE/853 0001 FINISHED GOOD	STD	EACH	000				202.00	2.25	454.50
1156	5-7 LIGHT COPPER BROWN/ 862 0001 FINISHED GOOD	STD	EACH	000				235.00	2.25	528.75
1157	6-7 DARK COPPER BLONDE/ 863 0001 FINISHED GOOD	STD	EACH	000				237.00	2.25	533.25
1158	7-7 MEDIUM COPPER BLONDE/ 864 0001 FINISHED GOOD	STD	EACH	000				276.00	2.25	621.00
1159	8-7 LIGHT COPPER BLONDE / 865 0001 FINISHED GOOD	STD	EACH	000				264.00	2.25	594.00
1160	9-7 EXT LT. COPPER BLONDE/866 0001 FINISHED GOOD	STD	EACH	000				247.00	2.25	555.75
1161	9-5-7 PASTEL COPPER BLONDE/867 0001 FINISHED GOOD	STD	EACH	000				235.00	2.25	528.75
1162	3-78 DK COPPER GOLD BROWN/868 0001 FINISHED GOOD	STD	EACH	000				177.00	2.25	398.25
1163	4-75 MED COPPER GOLD BROWN/869 0001 FINISHED GOOD	STD	EACH	000				202.00	2.25	454.50
1166	8-87 LIGHT CHESNUT BLONDE/ 872 0001 FINISHED GOOD	STD	EACH	000				91.00	2.25	204.75
1167	6-87 DARK CHESNUT BLONDE/ 867 0001 FINISHED GOOD	STD	EACH	000				52.00	2.25	117.00
1168	7-87 MEDIUM CHESNUT BLONDE/871 0001 FINISHED GOOD	STD	EACH	000				156.00	2.25	351.00
1169	9-87 XT LT CHESNUT BLONDE/873 0001 FINISHED GOOD	STD	EACH	000				144.00	2.25	324.00
1170	5-88 LIGHT MAHOGANY BROWN/874 0001 FINISHED GOOD	STD	EACH	000				315.00	2.25	708.75
1171	6-88 DARK MAHOGANY BLONDE/ 875 0001 FINISHED GOOD	STD	EACH	000				228.00	2.25	513.00

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1172	7-88 MED MAHOGANY BLONDE/ 876 0001	FINISHED GOOD	STD	EACH	000				289.00	2.25	650.25
1173	6-10 FOR DARK BLONDE HAIR/ 877 0001	FINISHED GOOD	STD	EACH	000				125.00	2.25	281.25
1174	7-10 FOR MED. BLONDE HAIR/ 878 0001	FINISHED GOOD	STD	EACH	000				196.00	2.25	441.00
1175	8-10 FOR LT. BLONDE HAIR /879 0001	FINISHED GOOD	STD	EACH	000				142.00	2.25	319.50
1176	9.5-91 PAST VIOLET ASH BLD/881 0001	FINISHED GOOD	STD	EACH	000				8.00	2.25	18.00
1177	12-0 ULTIMATE NAT BLONDE/882 0001	FINISHED GOOD	STD	EACH	000				294.00	2.25	661.50
1179	11-2 ULTIMATE SMOKEY BLND/884 0001	FINISHED GOOD	STD	EACH	000				222.00	2.25	499.50
1180	11-4 ULTIMATE BEIGE BLONDE/885 0001	FINISHED GOOD	STD	EACH	000				130.00	2.25	292.50
1181	0-00 BLONDING CREME / 880 0001	FINISHED GOOD	STD	EACH	000				288.00	2.25	648.00
1182	0-10 BLUE CONCENTRATE/ 886 0001	FINISHED GOOD	STD	EACH	000				86.00	2.25	193.50
1183	0-11 BLUE ASH CONCENTRATE/887 0001	FINISHED GOOD	STD	EACH	000				97.00	2.25	218.25
1184	0-22 ANTI YEL. CONCENTRATE/888 0001	FINISHED GOOD	STD	EACH	000				72.00	2.25	162.00
1185	0-33 ANTI RED CONCENTRATE/ 889 0001	FINISHED GOOD	STD	EACH	000				60.00	2.25	135.00
1186	0-55 GOLD CONCENTRATE / 890 0001	FINISHED GOOD	STD	EACH	000				92.00	2.25	207.00
1187	0-88 RED CONCENTRATE / 891 0001	FINISHED GOOD	STD	EACH	000				108.00	2.25	243.00
1188	0-99 VIOLET CONCENTRATE /892 0001	FINISHED GOOD	STD	EACH	000				72.00	2.25	162.00
1197	IGORA FASHION N-NATURAL/450 0001	FINISHED GOOD	STD	EACH	000				40.00	2.25	90.00
1198	IGORA FASHION B-BEIGE /451 0001	FINISHED GOOD	STD	EACH	000				15.00	2.25	33.75
1199	IGORA FASHION G-RED GOLD/452 0001	FINISHED GOOD	STD	EACH	000				72.00	2.25	162.00
1200	IGORA FASHION K-RED COPPER/453 0001	FINISHED GOOD	STD	EACH	000				77.00	2.25	173.25
1201	IGORA FASHION R-RED BROWN/454 0001	FINISHED GOOD	STD	EACH	000				56.00	2.25	126.00
1205	220 INDIAN TITIAN GOLD/ 560 0002	FINISHED GOOD	STD	EACH	000				6.00	3.52	21.12
1207	240 INDIAN RED / 562 0002	FINISHED GOOD	STD	EACH	000				13.00	3.52	45.76
1208	250 INDIAN RED VIOLET / 563 0002	FINISHED GOOD	STD	EACH	000				8.00	3.52	28.16

INVENTORY VALUATION REPORT

ARLTON HAIR PROFESSIONAL

SORTED BY ITEM NUMBER

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1209	270 INDIAN VIOLET/ 564 0002 FINISHED GOOD	STD	EACH	000				6.00	3.52	21.12
1213	IGOF 3-0 DARK BROWN / 610 0002 FINISHED GOOD	STD	EACH	000				36.00	1.87	67.32
1214	IGOF 4-0 MEDIUM BROWN/ 611 0002 FINISHED GOOD	STD	EACH	000				33.00	1.87	61.71
1215	IGOF 5-0 LIGHT BROWN / 612 0002 FINISHED GOOD	STD	EACH	000				21.00	1.87	39.27
1216	IGOF 6-0 DARK BLONDE / 613 0002 FINISHED GOOD	STD	EACH	000				11.00	1.87	20.57
1217	IGOF 7-0 MEDIUM BLONDE / 614 0002 FINISHED GOOD	STD	EACH	000				22.00	1.87	41.14
1218	IGOF 8-0 LIGHT BLONDE / 615 0002 FINISHED GOOD	STD	EACH	000				10.00	1.87	18.70
1219	IGOF 9-4 XTRA LT BLONDE / 624 0002 FINISHED GOOD	STD	EACH	000				21.00	1.87	39.27
1222	IGOF 9-7 XTR LT COP BLONDE/625 0002 FINISHED GOOD	STD	EACH	000				21.00	1.87	39.27
1224	9.5-7 PAST COP BLONDE / 626 0002 FINISHED GOOD	STD	EACH	000				32.00	1.87	59.84
1228	IGOF 5-79 LT COP RED BROWN/619 0002 FINISHED GOOD	STD	EACH	000				25.00	1.87	46.75
1229	IGOF 7-7 MED COP BROWN/ 623 0002 FINISHED GOOD	STD	EACH	000				26.00	1.87	48.62
1231	IGOF 5-89 LT BURG BROWN /631 0002 FINISHED GOOD	STD	EACH	000				21.00	1.87	39.27
1232	IGOF 5-88 LT MAHOG BROWN/630 0002 FINISHED GOOD	STD	EACH	000				18.00	1.87	33.66
1234	IGOF 2-96 RED VIOLET / 641 0002 FINISHED GOOD	STD	EACH	000				28.00	1.87	52.36
1236	IGOF 2-88 MAHOGANY / 638 0002 FINISHED GOOD	STD	EACH	000				28.00	1.87	52.36
1239	IGOF 9-1 XT LT ASH BLONDE/616 0002 FINISHED GOOD	STD	EACH	000				31.00	1.87	57.97
1240	IGOF 9.5-1 PASTEL ASH BLND/617 0002 FINISHED GOOD	STD	EACH	000				17.00	1.87	31.79
1241	9-7 XT LIGHT COPPER BLONDE/625 0002 FINISHED GOOD	STD	EACH	000				21.00	2.18	45.78
1249	OXIGENTA LOTION 10 VOL / 382 0004 FINISHED GOOD	STD	EACH	000				75.00	3.62	271.50
1250	OXIGENTA LOTION 20 VOL / 383 0004 FINISHED GOOD	STD	EACH	000				49.00	3.62	177.38
1251	OXIGENTA LOTION 30 VOL /384 0004 FINISHED GOOD	STD	EACH	000				80.00	3.62	289.60
1252	OXIGENTA LOTION 40 VOL / 388 0004 FINISHED GOOD	STD	EACH	000				99.00	3.62	358.38
1254	IGORA VARIO BLONDE PLUS /396 0003 FINISHED GOOD	STD	EACH	000				29.00	8.62	249.98

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1255	IGORA MODULAT 3 STEP KIT/387 0006 FINISHED GOOD	STD	EACH	000				57.00	4.75	270.75
1256	SCHW HANDY SCALE 250 gr./9311 0008 FINISHED GOOD	STD	EACH	000				4.00	14.00	56.00
1259	IGORA ROYAL/SOFT/IF CHART/9620 0012 FINISHED GOOD	STD	EACH	000				21.00	50.00	1,050.00
1262	IGORA FASHION CHART / 9382 0012 FINISHED GOOD	STD	EACH	000				10.00	20.00	200.00
1263	THE EDUCATOR GUIDE/ 9622 0012 FINISHED GOOD	STD	EACH	000				11.00	50.00	550.00
1264	ALKALINE BOX PERM EXTRA/242 0005 FINISHED GOOD	STD	EACH	000				3.00	1.98	5.94
1265	ALKALINE BOX PERM #1 / 243 0005 FINISHED GOOD	STD	EACH	000				6.00	1.98	11.88
1277	WELLA PRESENTATION 001 0002 FINISHED GOOD	STD	EACH	000				63.00	2.00	126.00
1278	WELLA PRESENTATION WHITE 018 0002 FINISHED GOOD	STD	EACH	000				65.00	2.00	130.00
1279	WELLA PRESENTATION 029 0002 FINISHED GOOD	STD	EACH	000				41.00	2.00	82.00
1280	WELLA PRESENTATION 031 0002 FINISHED GOOD	STD	EACH	000				43.00	2.00	86.00
1281	WELLA PRESENTATION 032 0002 FINISHED GOOD	STD	EACH	000				94.00	2.00	188.00
1282	WELLA PRESENTATION 035 0002 FINISHED GOOD	STD	EACH	000				48.00	2.00	96.00
1283	WELLA PRESENTATION 037 0002 FINISHED GOOD	STD	EACH	000				58.00	2.00	116.00
1284	WELLA PRESENTATION 038 0002 FINISHED GOOD	STD	EACH	000				60.00	2.00	120.00
1285	WELLA PRESENTATION 039 0002 FINISHED GOOD	STD	EACH	000				73.00	2.00	146.00
1286	WELLA PRESENTATION 040 0002 FINISHED GOOD	STD	EACH	000				67.00	2.00	134.00
1287	WELLA PRESENTATION 041 0002 FINISHED GOOD	STD	EACH	000				48.00	2.00	96.00
1288	WELLA PRESENTATION 044 0002 FINISHED GOOD	STD	EACH	000				67.00	2.00	134.00
1289	WELLA PRESENTATION 046 0002 FINISHED GOOD	STD	EACH	000				50.00	2.00	100.00
1290	WELLA PRESENTATION 047 0002 FINISHED GOOD	STD	EACH	000				80.00	2.00	160.00
1291	WELLA PRESENTATION 048 0002 FINISHED GOOD	STD	EACH	000				56.00	2.00	112.00
1292	WELLA PRESENTATION 051 0002 FINISHED GOOD	STD	EACH	000				60.00	2.00	120.00
1293	WELLA PRESENTATION 057 0002 FINISHED GOOD	STD	EACH	000				46.00	2.00	92.00

INVENTORY VALUATION REPORT

ARLTON HAIR PROFESSIONAL

SORTED BY ITEM NUMBER

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1294	WELLA PRESENTATION 066 0002	FINISHED GOOD	STD	EACH	000				61.00	2.00	122.00
1295	WELLA PRESENTATION 067 0002	FINISHED GOOD	STD	EACH	000				63.00	2.00	126.00
1296	WELLA PRESENTATION 077 0002	FINISHED GOOD	STD	EACH	000				30.00	2.00	60.00
1297	WELLA PRESENTATION OG 0002	FINISHED GOOD	STD	EACH	000				41.00	2.00	82.00
1298	WELLA PRESENTATION OR 0002	FINISHED GOOD	STD	EACH	000				48.00	2.00	96.00
1300	WELLA PRESENTATION OB 0002	FINISHED GOOD	STD	EACH	000				30.00	2.00	60.00
1301	WELLA PRESENTATION REAGENT 0004	FINISHED GOOD	STD	EACH	000				92.00	2.92	268.64
1302	WELLA WELLITE 0003	FINISHED GOOD	STD	EACH	000				36.00	2.99	107.64
1303	ZOTOS ACCLAIM PLUS REGULAR PW 0005	FINISHED GOOD	STD	EACH	000				89.00	2.39	212.71
1304	ZOTOS ACCLAIM PLUS EXTRA BODY 0005	FINISHED GOOD	STD	EACH	000				80.00	2.39	191.20
1305	APHOGEE 16 oz 0005	FINISHED GOOD	STD	EACH	000				22.00	11.49	252.78
1306	KINETICS PERM REGULAR 716 0005	FINISHED GOOD	STD	EACH	000				193.00	2.50	482.50
1307	KMS EO2 8OZ 0007	FINISHED GOOD	STD	EACH	000				23.00	15.33	352.59
1311	KMS BETWEEN 8oz 0007	FINISHED GOOD	STD	EACH	000				43.00	4.33	186.19
1316	TINT MIXING BOWLS 0008	FINISHED GOOD	STD	EACH	000				9.00	1.49	13.41
1318	EFALOCK PERM ROD BEIGE 0005	FINISHED GOOD	STD	EACH	000				6.00	4.00	24.00
1319	EFALOCK PERM ROD BLACK 0005	FINISHED GOOD	STD	EACH	000				17.00	4.00	68.00
1320	EFALOCK PERM ROD BLUE 0005	FINISHED GOOD	STD	EACH	000				25.00	4.00	100.00
1323	EFALOCK PERM ROD PINK 0005	FINISHED GOOD	STD	EACH	000				40.00	4.00	160.00
1326	BARBICIDE 1/2 GALLON 0008	FINISHED GOOD	STD	EACH	000				16.00	7.33	117.28
1327	BARBICIDE JAR (LITER) 0008	FINISHED GOOD	STD	EACH	000				11.00	12.95	142.45
1328	WILLET SUPER JUMBO END PAPERS 0008	FINISHED GOOD	STD	EACH	000				77.00	1.49	114.73
1329	JUMBO END PAPER 0008	FINISHED GOOD	STD	EACH	000				103.00	1.49	153.47
1330	ALCON FOILS BOX OF 500 0008	FINISHED GOOD	STD	EACH	000				147.00	5.89	865.83

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1331	SMALL TINT BRUSH 0008 FINISHED GOOD	STD	EACH	000				350.00	.69	241.50
1332	LARGE TINT BRUSH 0008 FINISHED GOOD	STD	EACH	000				253.00	.69	174.57
1333	TINT APPLICATOR BOTTLE 0008 FINISHED GOOD	STD	EACH	000				11.00	2.14	23.54
1335	LINC IND GLOVES SMALL 0008 FINISHED GOOD	STD	EACH	000				38.00	4.34	164.92
1336	LINC IND. GLOVES MEDIUM 0008 FINISHED GOOD	STD	EACH	000				11.00	4.34	47.74
1337	LINC IND. GLOVES LARGE 0008 FINISHED GOOD	STD	EACH	000				17.00	4.34	73.78
1338	CELLUCOTTON 44053 / 3 LBS. 0008 FINISHED GOOD	STD	EACH	000				14.00	8.70	121.80
1339	SALON WHITE MIRROR 0008 FINISHED GOOD	STD	EACH	000				8.00	1.99	15.92
1341	BOBBY BLACK 2" (1lb/BOX) 0008 FINISHED GOOD	STD	EACH	000				7.00	3.15	22.05
1342	BOBBY BROWN 2" (1lb/BOX) 0008 FINISHED GOOD	STD	EACH	000				20.00	3.15	63.00
1344	HAIR PINS BROWN (1 3/4)OR (3") 0008 FINISHED GOOD	STD	EACH	000				24.00	4.72	113.28
1345	STEEL DOUBLE PRONG CLIP MISO FINISHED GOOD	STD	EACH	000				13.00	2.66	34.58
1346	LARGE APPOINTMENT BOOK 0008 FINISHED GOOD	STD	EACH	000				35.00	5.93	207.55
1479	#000 CRYSTAL CLEAR 1 LITER 0004 FINISHED GOOD	AVG	EACH	000				93.00	9.34	868.62
1480	#01B ONYX, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				87.00	1.94	168.78
1481	#03A TERRA COTTA, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				165.00	1.95	321.75
1482	#03G CINNAMON, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				237.00	1.94	459.78
1483	#03N ESPRESSO, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				240.00	1.95	468.00
1484	#03NB MOCHA JAVA, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				239.00	1.95	466.05
1485	#03R ROXY RED, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				283.00	1.95	551.85
1486	#03V ORCHID, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				100.00	1.95	195.00
1487	#06AA BONFIRE, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				202.00	1.95	393.90
1488	#06G ST.TROPEZ, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				131.00	1.95	255.45
1489	#06N MORROCAN SAND, SHADES EQ 0002 FINISHED GOOD	AVG	EACH	000				120.00	1.95	234.00

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1490	#06NB BRANDY, SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				66.00	1.95	128.70
1491	#06R ROCKET FIRE, SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				116.00	1.95	226.20
1492	#06Y BANANA, SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				110.00	1.63	179.30
1493	#09AA PAPAYA, SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				239.00	1.95	466.05
1494	#09G VANILLA CREME SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				85.00	1.95	165.75
1495	#09N CAFE AU LAIT, SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				71.00	1.95	138.45
1496	#09NB IRISH CREME, SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				41.00	1.95	79.95
1497	#09V PLATNTUM ICE, SHADES EQ 0002	FINISHED GOOD	AVG	EACH	000				151.00	1.95	294.45
1498	SEQ COLOR KICKER ORANGE 0002	FINISHED GOOD	AVG	EACH	000				294.00	1.90	558.60
1499	SEQ COLOR KICKER RED-RED 0002	FINISHED GOOD	AVG	EACH	000				15.00	1.90	28.50
1500	SEQ COLOR KICKER YELLOWD 0002	FINISHED GOOD	AVG	EACH	000				34.00	1.55	52.70
1504	PROCESSING SOLUTION 1 LITER 0004	FINISHED GOOD	AVG	EACH	000				32.00	2.97	95.04
1515	6-2 DARK SMOKEY BLONDE / 830 0001	FINISHED GOOD	STD	EACH	000				182.00	2.25	409.50
1516	7-2 MEDIUM SMOKEY BLONDE/ 831 0001	FINISHED GOOD	STD	EACH	000				81.00	2.25	182.25
1517	8-2 LIGHT SMOKEY BLONDE / 832 0001	FINISHED GOOD	STD	EACH	000				99.00	2.25	222.75
1518	9-2 XT LIGHT SMOKEY BLONDE/833 0001	FINISHED GOOD	STD	EACH	000				170.00	2.25	382.50
1519	10-2 ULTRA LT SMOKEY BLND /834 0001	FINISHED GOOD	STD	EACH	000				185.00	2.25	416.25
1526	SOFT 1-0 BLACK 0002	FINISHED GOOD	STD	EACH	000				11.00	2.25	24.75
1527	SOFT 3-0 DARK BROWN 0002	FINISHED GOOD	STD	EACH	000				37.00	2.25	83.25
1529	SOFT 5-0 LIGHT BROWN 0002	FINISHED GOOD	STD	EACH	000				52.00	2.25	117.00
1530	SOFT 6-0 DARK BLONDE 0002	FINISHED GOOD	STD	EACH	000				34.00	2.25	76.50
1531	SOFT 7-0 MEDIUM BLONDE 0002	FINISHED GOOD	STD	EACH	000				81.00	2.25	182.25
1532	SOFT 8-0 LIGHT BLONDE 0002	FINISHED GOOD	STD	EACH	000				19.00	2.25	42.75
1533	SOFT 8-1 LIGHT ASH BLONDE 0002	FINISHED GOOD	STD	EACH	000				44.00	2.25	99.00

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1535	SOFT 9.5-1 PASTEL ASH BLONDE 0002	FINISHED GOOD	STD	EACH	000				43.00	2.25	96.75
1537	SOFT 5-06 BRAZIL 0002	FINISHED GOOD	STD	EACH	000				41.00	2.25	92.25
1538	SOFT 4-06 MEDIUM RED BROWN 0002	FINISHED GOOD	STD	EACH	000				108.00	2.25	243.00
1539	SOFT 6-06 MOCHA BROWN 0002	FINISHED GOOD	STD	EACH	000				53.00	2.25	119.25
1540	SOFT 6-08 RED BOACH 0002	FINISHED GOOD	STD	EACH	000				48.00	2.25	108.00
1541	SOFT 4-09 AUBERGINE 0002	FINISHED GOOD	STD	EACH	000				86.00	2.25	193.50
1542	SOFT 7-5 HAZELNUT 0002	FINISHED GOOD	STD	EACH	000				26.00	2.25	58.50
1543	SOFT 7-58 MED GOLDEN RED BLOND 0002	FINISHED GOOD	STD	EACH	000				118.00	2.25	265.50
1544	SOFT 5-68 MEDIUM AUBURN 0002	FINISHED GOOD	STD	EACH	000				75.00	2.25	168.75
1545	SOFT 6-58 COGNAC 0002	FINISHED GOOD	STD	EACH	000				6.00	2.25	13.50
1546	SOFT 6-87 RED COPPER 0002	FINISHED GOOD	STD	EACH	000				12.00	2.25	27.00
1547	SOFT 7-79MD COPPER VIOLET BLND 0002	FINISHED GOOD	STD	EACH	000				84.00	2.25	189.00
1548	SOFT 7-87 DARK RED CHESTNUT 0002	FINISHED GOOD	STD	EACH	000				129.00	2.25	290.25
1549	SOFT 0-10 BLUE CONCENTRATE 0002	FINISHED GOOD	STD	EACH	000				82.00	2.25	184.50
1550	SOFT 5-96 BEAUJOLAIS 0002	FINISHED GOOD	STD	EACH	000				45.00	2.25	101.25
1551	SOFT 6-89DARK RED VIOLET BLOND 0002	FINISHED GOOD	STD	EACH	000				70.00	2.25	157.50
1552	SOFT 6-99 DARK VIOLET BLONDE 0002	FINISHED GOOD	STD	EACH	000				6.00	2.25	13.50
1553	SOFT 4-69 DARK MOHOGANY 0002	FINISHED GOOD	STD	EACH	000				25.00	2.25	56.25
1554	SOFT 9-04 LIGHT BLONDE BEIGE 0002	FINISHED GOOD	STD	EACH	000				81.00	2.25	182.25
1555	SOFT 0-98 VIOLET RED COPPER 0002	FINISHED GOOD	STD	EACH	000				2.00	2.25	4.50
1560	SOFT 10-01 ULTRA LIGHT ASH BLO 0002	FINISHED GOOD	STD	EACH	000				23.00	2.25	51.75
1561	SOFT 10-02 LLTRA LGHT SMK BLND 0002	FINISHED GOOD	STD	EACH	000				57.00	2.25	128.25
1562	SOFT LOTION PLUS 0002	FINISHED GOOD	STD	EACH	000				7.00	3.38	23.66
1564	MAJIROUGE 7.62 0001	FINISHED GOOD	STD	EACH	000				38.00	2.37	90.06

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1565	MAJTROUGE 7.45 0001	FINISHED GOOD	STD	EACH	000				33.00	2.37	78.21
1566	MAJTROUGE 6.65 0001	FINISHED GOOD	STD	EACH	000				46.00	2.37	109.02
1567	MAJTROUGE 5.20 0001	FINISHED GOOD	STD	EACH	000				53.00	2.37	125.61
1568	MAJMECHE HIGHLIGHTING CREAM 0003	FINISHED GOOD	STD	EACH	000				57.00	1.65	94.05
1569	MM ACCELERATOR (BOX OF 6) 0019	FINISHED GOOD	AVG	EACH	000				18.00	1.07	19.26
1570	DIA30 MONO LT BLONDE 0001	FINISHED GOOD	STD	EACH	000				35.00	1.92	67.20
1571	DIA31 MONO LT PEARL BLONDE 0002	FINISHED GOOD	STD	EACH	000				171.00	1.92	328.32
1572	DIA32 MONO LT SAND BLONDE 0001	FINISHED GOOD	STD	EACH	000				186.00	1.92	357.12
1573	MM 40 VOL DEVELOPER 16OZ 0004	FINISHED GOOD	STD	EACH	000				34.00	1.54	52.36
1574	EXCLSYE LINE DEV 20VOL 16OZ 0004	FINISHED GOOD	STD	EACH	000				50.00	1.49	74.50
1575	EXCLSYE LINE DEV 30VOL 16OZ 0004	FINISHED GOOD	STD	EACH	000				54.00	1.49	80.46
1576	SCHWARZKOFF ALKALINE PERM #2 0005	FINISHED GOOD	STD	EACH	000				22.00	1.98	43.56
1580	4-3 MEDIUM MATT BROWN / 835 0001	FINISHED GOOD	STD	EACH	000				101.00	2.25	227.25
1581	5-3 LIGHT MATT BROWN / 836 0001	FINISHED GOOD	STD	EACH	000				89.00	2.25	200.25
1582	6-3 DARK MATT BLONDE / 837 0001	FINISHED GOOD	STD	EACH	000				21.00	2.25	47.25
1583	7-3 MEDIUM MATT BLONDE / 838 0001	FINISHED GOOD	STD	EACH	000				160.00	2.25	360.00
1584	9-5.5 PASTED GOLDEN BLONDE/854 0001	FINISHED GOOD	STD	EACH	000				42.00	2.25	94.50
1585	10-5 ULTRA LT GLDN BLONDE/855 0001	FINISHED GOOD	STD	EACH	000				173.00	2.25	389.25
1586	8-67 LIGHT AUBURN BLONDE/861 0001	FINISHED GOOD	STD	EACH	000				25.00	2.25	56.25
1587	0-77 ORANGE CONCENTRATE/ 893 0001	FINISHED GOOD	STD	EACH	000				103.00	2.25	231.75
1588	IGOF 5-68 LT AUBURN BROWN/ 568 0002	FINISHED GOOD	STD	EACH	000				21.00	1.87	39.27
1589	IGOF 7-67 MED AUBURN BLND/621 0002	FINISHED GOOD	STD	EACH	000				17.00	1.87	31.79
1590	IGOF 2-89 BURGUNDY / 639 0002	FINISHED GOOD	STD	EACH	000				36.00	1.87	67.32
1591	IGOF 3-91 DK VIOLET ASH BR/628 0002	FINISHED GOOD	STD	EACH	000				27.00	1.87	50.49

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1592	IGOF 4-96 MED RED VL BROWN/629	0002 FINISHED GOOD	STD	EACH	000				32.00	1.87	59.84
1593	IGOF 6-87 DK CHESNUT BLND/632	0002 FINISHED GOOD	STD	EACH	000				6.00	1.87	11.22
1594	IGOF 2-91 VIOLET ASH / 640	0002 FINISHED GOOD	STD	EACH	000				48.00	1.87	89.76
1595	IGOF 7-87 MED CHEST BLONDE/633	0002 FINISHED GOOD	STD	EACH	000				19.00	1.87	35.53
1596	IGOF 8-87 LT CHEST BLONDE/634	0002 FINISHED GOOD	STD	EACH	000				16.00	1.87	29.92
1597	IGOF 8-88 LT MAHOGANY BLND/635	0002 FINISHED GOOD	STD	EACH	000				21.00	1.87	39.27
1598	IGOF 8-67 LT AUBURN BLONDE/622	0002 FINISHED GOOD	STD	EACH	000				27.00	1.87	50.49
1599	VARIO BLOND-CREME-10 UNITS/397	0003 FINISHED GOOD	STD	EACH	000				47.00	8.48	398.56
1600	PSY-COLOR-GY- BROWN	0002 FINISHED GOOD	STD	EACH	000				120.00	2.86	343.20
1601	PSY-COLOR-GY- YELLOW	0002 FINISHED GOOD	STD	EACH	000				86.00	2.86	245.96
1602	PSY-COLOR-GY- ORANGE	0002 FINISHED GOOD	STD	EACH	000				83.00	2.86	237.38
1603	PSY-COLOR-GY- RED	0002 FINISHED GOOD	STD	EACH	000				90.00	2.86	257.40
1604	PSY-COLOR-GY- CLEAR	0002 FINISHED GOOD	STD	EACH	000				45.00	2.86	128.70
1609	IGOF 9-79 XTRA LT CO RED BLD	0002 FINISHED GOOD	STD	EACH	000				39.00	1.87	72.93
1610	PRESENTATION #20 BLONDE FROID	0002 FINISHED GOOD	STD	EACH	000				111.00	2.00	222.00
1611	PRESENTATION #30 PASTEL ASH B	0002 FINISHED GOOD	STD	EACH	000				1.00	2.00	2.00
1612	PRESENTATION #34 FIERY TOPAZ	0002 FINISHED GOOD	STD	EACH	000				101.00	2.00	202.00
1613	PRESENTATION #54 RUBY RED	0002 FINISHED GOOD	STD	EACH	000				13.00	2.00	26.00
1614	PRESENTATION #65 DEEP AMETHY	0002 FINISHED GOOD	STD	EACH	000				43.00	2.00	86.00
1616	SHADES EQ 08WG GOLDEN APRICOT	0002 FINISHED GOOD	STD	EACH	000				120.00	1.95	234.00
1617	SHADES EQ 06WG MANGO	0002 FINISHED GOOD	STD	EACH	000				8.00	1.77	14.16
1618	SHADES EQ 04WG SUN TEA	0002 FINISHED GOOD	STD	EACH	000				96.00	1.95	187.20
1619	SHADES EQ 04NB MAPLE	0002 FINISHED GOOD	STD	EACH	000				134.00	1.95	261.30
1620	SHADES EQ 05N WALNUT	0002 FINISHED GOOD	STD	EACH	000				103.00	1.95	200.85

ITEM NUMBER	DESCRIPTION/ PROD LN	PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1622	IGORA COLOR REMOVER /398 0006	FINISHED GOOD	STD	EACH	000				69.00	3.13	215.97
1624	PRE #080G - PASTEL GOLDEN BL 0002	FINISHED GOOD	STD	EACH	000				24.00	2.00	48.00
1631	IGORA FASHION V - VIOLET /455 0002	FINISHED GOOD	STD	EACH	000				65.00	2.25	146.25
2009	LINEAR ENRICH GALLON 0010	FINISHED GOOD	STD	EACH	000				12.00	13.52	162.24
2029	LINEAR PRO-10 GALLON 0011	FINISHED GOOD	STD	EACH	000				20.00	14.56	291.20
2085	LINEAR PROBOND GALLON 0011	FINISHED GOOD	STD	EACH	000				4.00	25.48	101.92
3004	ECOLY CUCUMBER GALLON 0010	FINISHED GOOD	STD	EACH	000				59.00	13.52	797.68
3009	ECOLY PRIMROSE GALL PROF. 0010	FINISHED GOOD	STD	EACH	000				14.00	12.48	174.72
3014	ECOLY PAPAYA GALLON 0010	FINISHED GOOD	STD	EACH	000				62.00	14.04	870.48
3019	ECOLY SAGE GALLON 0011	FINISHED GOOD	STD	EACH	000				69.00	13.52	932.88
3024	ECOLY ROSEMARY GALLON/BACKBAR 0011	FINISHED GOOD	STD	EACH	000				11.00	22.88	251.68
3029	ECOLY TRI-WHEAT GALLON 0011	FINISHED GOOD	STD	EACH	000				2.00	25.48	50.96

REPORT TOTAL:

78,022.85

INVENTORY VALUATION REPORT

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
1346	LARGE APPT BOOK 0004 FINISHED GOOD	STD	EACH	000				33.00	8.25	272.25
1349	WHITE TOWELS (DOZEN) 0004 FINISHED GOOD	STD	EACH	000				77.00	12.95	997.15
1350	ECOLY BURGANDY CUTTING CAPES 0004 FINISHED GOOD	STD	EACH	000				120.00	8.00	960.00
1351	ECOLY BURGANDY GOWNS 0004 FINISHED GOOD	STD	EACH	000				9.00	11.25	101.25
1354	NORMAN VINYL SMOCK BAGS 0004 FINISHED GOOD	STD	EACH	000				370.00	.68	251.60
1355	RING BASE CUTTING CHAIR 0004 FINISHED GOOD	STD	EACH	000				22.00	12.00	264.00
1357	MAGAZINE BINDERS 0004 FINISHED GOOD	STD	EACH	000				1.00	11.25	11.25
1358	CHAIR COVERS- ROUND OR SQUARE 0004 FINISHED GOOD	STD	EACH	000				61.00	15.00	915.00
8000	YUBAN COLOMBIAN COFFEE 39oz 0001 FINISHED GOOD	AVG	EACH	000				38.00	7.55	286.90
8001	JMB PREMIUM DECAF COFFE 39 OZ 0001 FINISHED GOOD	AVG	EACH	000				6.00	7.99	47.94
8002	N-JOY CREAMER CANISTER 0001 FINISHED GOOD	AVG	EACH	000				80.00	.75	60.00
8003	SWEETN LOW PKTS. BAG 0001 FINISHED GOOD	AVG	EACH	000				3.00	7.00	21.00
8004	C & H SUGAR PACKETS /BOX 0001 FINISHED GOOD	AVG	EACH	000				7.00	8.39	58.73
8005	LIPTON TEA BAGS/BOX 0001 FINISHED GOOD	AVG	EACH	000				12.00	3.65	43.80
8006	COMPAC 8.0Z STYROFOAM CUP 0001 FINISHED GOOD	AVG	EACH	000				15.00	11.85	177.75
8007	WINCUP PLASTIC STIR STICKS 0001 FINISHED GOOD	AVG	EACH	000				13.00	1.05	13.65
8021	JAMES RIVERC-FOLDED TOWELS 0001 FINISHED GOOD	AVG	EACH	000				23.00	23.65	543.95
8022	CHELSEA BATHROOM TISSUE 0001 FINISHED GOOD	AVG	EACH	000				3.00	9.59	28.77
8023	SEAT COVERS PAK 0001 FINISHED GOOD	AVG	EACH	000				34.00	2.02	68.68
8024	KIRKLAND TRASH LINER 13GALLS. 0001 FINISHED GOOD	AVG	EACH	000				13.00	7.49	97.37
8025	KIRKLAND TRASH LINER 33GALLS. 0001 FINISHED GOOD	AVG	EACH	000				15.00	7.76	116.40
8026	GLADE AIR FRESHNER CAN 0001 FINISHED GOOD	AVG	EACH	000				31.00	1.22	37.82
8027	VASELINE INT.CARE LOTION 0001 FINISHED GOOD	AVG	EACH	000				6.00	6.49	38.94
8041	LIQUID SOAP, ANTIBAC 7.50 0001 FINISHED GOOD	AVG	EACH	000				23.00	2.00	46.00

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
8042	COMET CLEANER POWDER CAN 0001 FINISHED GOOD	AVG	EACH	000				8.00	.89	7.12
8043	LIQUID PLUMR DRAIN 0001 FINISHED GOOD	AVG	EACH	000				8.00	4.68	37.44
8044	SIMPLE GREEN DEGREASER 0001 FINISHED GOOD	AVG	EACH	000				6.00	8.95	53.70
8045	CLOUT LAUNDRY DETERGENT 0001 FINISHED GOOD	AVG	EACH	000				27.00	10.45	282.15
8046	CLOROX BLEACH 0001 FINISHED GOOD	AVG	EACH	000				52.00	.93	48.36
8047	409 FORMULA CLEANER 0001 FINISHED GOOD	AVG	EACH	000				8.00	8.79	70.32
8048	WINDEX GLASS CLEANER 0001 FINISHED GOOD	AVG	EACH	000				12.00	5.89	70.68
8049	JOBMASTER PINE SOL 0001 FINISHED GOOD	AVG	EACH	000				7.00	5.79	40.53
8050	SPRAY BOTTLES 24.OZ 0001 FINISHED GOOD	AVG	EACH	000				8.00	1.61	12.88
8051	SCOURING PADS 6X9 SPONGES 0001 FINISHED GOOD	AVG	EACH	000				48.00	.24	11.52
8061	YELLOW WRITTING PAD 8.5X11 0001 FINISHED GOOD	AVG	EACH	000				28.00	.31	8.68
8062	YELLOW POST-IT PAD 3X3 0001 FINISHED GOOD	AVG	EACH	000				91.00	.38	34.58
8063	XEROX COPY PAPER 11X8.5 0001 FINISHED GOOD	AVG	EACH	000				24.00	16.99	407.76
8065	TICONDEROGA PENCIL #2 0001 FINISHED GOOD	AVG	EACH	000				30.00	1.08	32.40
8066	WEDGE ERASER 0001 FINISHED GOOD	AVG	EACH	000				14.00	.38	5.32
8067	PENCIL CAP ERASER 0001 FINISHED GOOD	AVG	EACH	000				149.00	.03	4.47
8068	PAPERMATE BLACK PEN 0001 FINISHED GOOD	AVG	EACH	000				40.00	.95	38.00
8069	PAPERMATE BLUE PEN 0001 FINISHED GOOD	AVG	EACH	000				28.00	.95	26.60
8070	PERMANENT BALCK MARKER 0001 FINISHED GOOD	AVG	EACH	000				36.00	.41	14.76
8071	PERMANENT RED MARKER 0001 FINISHED GOOD	AVG	EACH	000				25.00	.50	12.50
8073	STAPLE REMOVER 0001 FINISHED GOOD	AVG	EACH	000				2.00	1.10	2.20
8074	SWINGLINE STANDARD STAPLES 0001 FINISHED GOOD	AVG	EACH	000				23.00	.65	14.95
8075	3M SCOTCH TAPE 0001 FINISHED GOOD	AVG	EACH	000				43.00	1.33	57.19
8077	AVERY GLUE STIC 0001 FINISHED GOOD	AVG	EACH	000				16.00	.63	10.08

INVENTORY VALUATION REPORT

SORTED BY ITEM NUMBER

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
8078	ACCO PAPER CLIP SMALL 0001 FINISHED GOOD	AVG	EACH	000				208.00	2.98	619.84
8079	ACCO PAPER CLIP JUMBO 0001 FINISHED GOOD	AVG	EACH	000				45.00	1.54	69.30
8080	WHITE OUT LIQUID PAPER 0001 FINISHED GOOD	AVG	EACH	000				31.00	.75	23.25
8081	PLYMOUTH RUBBER BANDS 0001 FINISHED GOOD	AVG	EACH	000				3.00	3.14	9.42
8082	FAX PAPER ROLL 1/2"X9" 0001 FINISHED GOOD	AVG	EACH	000				22.00	1.29	28.38
8083	TOPSTAR YELLOW HI-LITER PEN 0001 FINISHED GOOD	AVG	EACH	000				51.00	.03	1.53
8104	TEXRAY RAYON MOP HEAD 0001 FINISHED GOOD	AVG	EACH	000				7.00	4.04	28.28
8105	STIRRUP STYLE RELEASE HANDLE 0001 FINISHED GOOD	AVG	EACH	000				3.00	8.14	24.42
8106	ANGLE SWEEP BROOM 0001 FINISHED GOOD	AVG	EACH	000				12.00	7.84	94.08
8107	TWO-PLY WHITE FACIAL TISSUE 0001 FINISHED GOOD	AVG	EACH	000				68.00	.72	48.96
8108	LUNCH/DINNER NAPKIN 0001 FINISHED GOOD	AVG	EACH	000				21.00	1.18	24.78
8109	UNI SAN HEAVY-DUTY SPONGE 0001 FINISHED GOOD	AVG	EACH	000				12.00	.87	10.44
8110	J & J BANDAGE(100) 0001 FINISHED GOOD	AVG	EACH	000				11.00	6.94	76.34
REPORT TOTAL:										7,823.41

CARLTON HAIR INT. (BEAUTY)
 INVENTORY VALUATION REPORT
 SORTED BY ITEM NUMBER

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10000	ESSENTIAL CLEANSING SOL 16OZ 0002 FINISHED GOOD	STD	EACH	000				1	17.00	17.00
10001	ESSENTIAL CLEANSING SOL 8OZ 0002 FINISHED GOOD	STD	EACH	000				13	11.00	143.00
10002	DERMAL CLAY CLEANSER 16OZ 0002 FINISHED GOOD	STD	EACH	000				6	17.00	102.00
10003	DERMAL CLAY CLEANSER 8OZ 0002 FINISHED GOOD	STD	EACH	000				2	11.00	22.00
10004	SPECIAL CLEANSING GEL 16OZ 0002 FINISHED GOOD	STD	EACH	000				1	17.00	17.00
10005	SPECIAL CLEANSING GEL 8OZ 0002 FINISHED GOOD	STD	EACH	000				6	11.00	66.00
10006	ANTI-BAC SKIN WASH 8 oz. 0002 FINISHED GOOD	STD	EACH	000				8	11.00	88.00
10007	DELUXE FACIAL BRUSH 0002 FINISHED GOOD	STD	EACH	000				5	6.50	32.50
10008	MULTI ACTIVE TONER 8OZ 0002 FINISHED GOOD	AVG	EACH	000				18	9.92	178.56
10010	GENTLE CREAM EXFOLIANT 2.5OZ 0002 FINISHED GOOD	STD	EACH	000				9	13.75	123.75
10011	SKIN PREP SCRUB 2.5OZ 0002 FINISHED GOOD	STD	EACH	000				4	11.00	44.00
10012	ACTIVE MOIST 3.5OZ 0002 FINISHED GOOD	STD	EACH	000				7	19.25	134.75
10013	ACTIVE MOIST 1.75OZ 0002 FINISHED GOOD	STD	EACH	000				14	13.50	189.00
10014	OIL CONTROL LOTION 1.75OZ 0002 FINISHED GOOD	STD	EACH	000				10	13.50	135.00
10015	SKIN SMOOTHING CREAM 3.5OZ 0002 FINISHED GOOD	STD	EACH	000				8	21.25	170.00
10017	INTENSIVE MOISTURE BAL 1.75oz. 0002 FINISHED GOOD	STD	EACH	000				17	15.50	263.50

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10018	SKIN HYDRATING MASQUE 2.5OZ 0002 FINISHED GOOD	STD	EACH	000				13	14.25	185.25
10019	SKIN REFINING MASQUE 2.5 OZ 0002 FINISHED GOOD	AVG	EACH	000				10	12.57	125.70
10020	INTENSIVE MOIST MASQUE 2OZ 0002 FINISHED GOOD	STD	EACH	000				9	16.00	144.00
10021	GENTLE SOOTHING BOOSTER 1OZ 0002 FINISHED GOOD	STD	EACH	000				10	20.50	205.00
10022	ACTIVE FIRING BOOSTER 1OZ 0002 FINISHED GOOD	STD	EACH	000				7	20.50	143.50
10023	SPECIAL CLEARING BOOSTER 1OZ 0002 FINISHED GOOD	STD	EACH	000				4	18.50	74.00
10024	SKIN RENEWAL BOOSTER 1OZ 0002 FINISHED GOOD	STD	EACH	000				4	20.50	82.00
10025	INTENSIVE MOISTURE CONC 1OZ 0002 FINISHED GOOD	STD	EACH	000				13	22.50	292.50
10026	SPECIFIC SKIN CONCENTRATE 1OZ 0002 FINISHED GOOD	STD	EACH	000				6	22.50	135.00
10027	SOOTHING EYE M/U REMOVER 2 oz. 0002 FINISHED GOOD	STD	EACH	000				13	7.50	97.50
10028	TOTAL EYE CARE .75OZ 0002 FINISHED GOOD	STD	EACH	000				12	15.75	189.00
10031	SHINE THERAPY SHAMPOO 8oz. 0002 FINISHED GOOD	STD	EACH	000				9	5.50	49.50
10032	SILK FINISH CONDITIONER 8oz. 0002 FINISHED GOOD	STD	EACH	000				9	6.25	56.25
10033	PROFESSIONAL SHAVE 1.25oz. 0002 FINISHED GOOD	STD	EACH	000				11	6.75	74.25
10088	CONDITIONING BODY WASH 7.5OZ 0002 FINISHED GOOD	STD	EACH	000				17	10.50	178.50
10089	HYDRO-ACTIVE MIN SALTS 10oz. 0002 FINISHED GOOD	STD	EACH	000				10	11.00	110.00

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10090	STREAMLINING BODY TONER 7.5oz 0002 FINISHED GOOD	STD	EACH	000				8	11.50	92.00
10092	STRESS RELIEF TREAT OIL 4oz. 0002 FINISHED GOOD	STD	EACH	000				23	8.00	184.00
10108	PURILYS OILY LOTIN 6.8oz(1314 0002 FINISHED GOOD	STD	EACH	000				2	9.75	19.50
10113	CLARIFYL TONING LTN 6.8oz(1912 0002 FINISHED GOOD	STD	EACH	000				3	9.50	28.50
10131	KERAPRO 8OZ 0001 FINISHED GOOD	STD	EACH	000				8	2.98	23.84
10148	LITE 8 oz. 0001 FINISHED GOOD	STD	EACH	000				9	3.48	31.32
10268	SHAMPOOL 8OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				2	2.13	4.26
10269	SHAMPOOL 16OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				2	3.75	7.50
10272	AWAPUHI SHAMPOO 8oz./PM 0001 FINISHED GOOD	STD	EACH	000				2	2.25	4.50
10275	TEA TREE SHAMPOO 16OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				7	7.25	50.75
10277	THE DETANGLER 16OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				13	5.75	74.75
10282	HAIR REPAIR 6OZ 0001 FINISHED GOOD	STD	EACH	000				2	5.48	10.96
10287	SCULPTING FOAM 6OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				3	3.82	11.46
10288	SCULPTING FOAM 16OZ 0001 FINISHED GOOD	STD	EACH	000				35	7.95	278.25
10290	EXTRA BODY SCULP FOAM 16OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				15	8.48	127.20
10291	SUPER CLEAN GEL 6OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				9	3.18	28.62

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10292	XTRA BODY SUPER CLEAN GEL 6oz. 0001 FINISHED GOOD	STD	EACH	000				2	3.49	6.98
10293	SUPER SCULPT GLAZE 8OZ 0001 FINISHED GOOD	STD	EACH	000				2	2.98	5.96
10297	VOLUMIZING SPRAY 8OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				2	4.98	9.96
10298	VOLUMIZING SPRAY 16OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				2	7.48	14.96
10305	SOFT SPRAY 16OZ 0001 FINISHED GOOD	STD	EACH	000				1	4.83	4.83
10307	FAST DRY SPRAY 16 oz. 0001 FINISHED GOOD	STD	EACH	000				1	6.60	6.60
10309	FREEZE AND SHINE 8OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				7	3.85	26.95
10309	FREEZE AND SHINE 16oz. (PM) 0001 FINISHED GOOD	STD	EACH	000				14	6.60	92.40
10310	SUPER CLEAN SPRAY 10OZ (PM) 0001 FINISHED GOOD	STD	EACH	000				9	4.37	39.33
10344	CURBICIA CREAM SH 3.4 OZ OILY 0001 FINISHED GOOD	STD	EACH	000				3	8.75	26.25
10346	CURBICIA 5.1OZ OILY 0001 FINISHED GOOD	STD	EACH	000				3	9.75	29.25
10356	RF 6 SHAMPOO 8.4OZ 0001 FINISHED GOOD	STD	EACH	000				3	8.50	25.50
10358	KARITE CONDITIONING CR 3.4oz. 0001 FINISHED GOOD	STD	EACH	000				3	9.75	29.25
10359	KARITE CONDITIONING CREAM 8.4 0001 FINISHED GOOD	STD	EACH	000				3	14.75	44.25
10360	CARTHAME PROT. CREAM 2.6OZ 0001 FINISHED GOOD	STD	EACH	000				3	10.00	30.00
10366	OKARA PROT. MOUSSE 5.7OZ 0001 FINISHED GOOD	STD	EACH	000				3	8.00	24.00

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10375	FIORAVANTI NO FRIZZ GEL 3.4OZ 0001 FINISHED GOOD	STD	EACH	000				3	8.00	24.00
10396	PEPPERMINT TREATMENT 32oz/TG 0001 FINISHED GOOD	STD	EACH	000				2	10.42	20.84
10401	PROTEIN PROTECT SPRAY 16oz./TG 0001 FINISHED GOOD	STD	EACH	000				3	6.32	18.96
10409	GLAZE 1 oz. /TG 0001 FINISHED GOOD	STD	EACH	000				3	5.47	16.41
10414	SPRAY MOUSSE 8OZ (TIGI)/13oz. 0001 FINISHED GOOD	STD	EACH	000				1	6.31	6.31
10481	ENERGY SHAMPOO-NORMAL 8.4OZ (Z 0001 FINISHED GOOD	STD	EACH	000				3	3.00	9.00
10482	ENERGY SHAMPOO-NORMAL 16.9OZ (Z 0001 FINISHED GOOD	STD	EACH	000				1	4.50	4.50
10485	ENERGY SH/DRY 16.9oz./SENS 0001 FINISHED GOOD	STD	EACH	000				1	4.50	4.50
10486	ENERGY SH/DRY LITER/SENS 0001 FINISHED GOOD	STD	EACH	000				2	8.00	16.00
10487	INNER SYNERGY SHAMPOO 8OZ (ZOT 0001 FINISHED GOOD	STD	EACH	000				2	3.50	7.00
10489	COMPLETE CLARIFIER 8oz./SENS 0001 FINISHED GOOD	STD	EACH	000				2	3.50	7.00
10491	INNER COND-FINE 8.4OZ (ZOTOS) 0001 FINISHED GOOD	STD	EACH	000				3	4.00	12.00
10492	INNER COND-FINE 16.9OZ (ZOTOS) 0001 FINISHED GOOD	STD	EACH	000				2	6.50	13.00
10495	INNER COND-MED 16.9OZ (TOGOS) 0001 FINISHED GOOD	STD	EACH	000				2	6.50	13.00
10498	INNER COND-COARSE 16.9OZ (ZOTO 0001 FINISHED GOOD	STD	EACH	000				2	6.50	13.00
10501	ENERGEL 7.6OZ (ZOTOS) 0001 FINISHED GOOD	STD	EACH	000				2	4.00	8.00

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10503	EFFERVESSE 7.70Z (ZOTOS) 0001 FINISHED GOOD STD EACH 000							3	5.00	15.00
10504	STYLING FORTH 60Z (ZOTOS) 0001 FINISHED GOOD STD EACH 000							1	6.00	6.00
10505	SWING 7.60Z (ZOTOS) 0001 FINISHED GOOD STD EACH 000							2	4.50	9.00
10507	ENERGY SPRITZ 80Z (ZOTOS) 0001 FINISHED GOOD STD EACH 000							3	4.25	12.75
10512	MAX MEM MIST 10.5oz./SENS 0001 FINISHED GOOD STD EACH 000							4	6.25	25.00
10514	FINE DESING 80Z (ZOTOS) 0001 FINISHED GOOD STD EACH 000							2	4.00	8.00
10515	VITAL RICH 3.40Z 0001 FINISHED GOOD STD EACH 000							2	4.00	8.00
10516	VITAL ESSE 1.80Z (ZOTOS) 0001 FINISHED GOOD STD EACH 000							2	6.00	12.00
10517	SIMPLY SHINE 3.40Z (ZOTOS) 0001 FINISHED GOOD STD EACH 000							2	7.50	15.00
10522	ONE TO ONE MOIST. SHMP 100Z 0001 FINISHED GOOD STD EACH 000							8	2.62	20.96
10524	ONE TO ONE VOL SHAMPOO 100Z 0001 FINISHED GOOD STD EACH 000							1	2.62	2.62
10531	ONE 2 ONE STRAIGHT BALM 50Z 0001 FINISHED GOOD STD EACH 000							9	3.75	33.75
10534	ONE 2 ONE SMOOTH CREAM 3.40Z 0001 FINISHED GOOD STD EACH 000							21	3.75	78.75
10538	ONE 2 ONE STAY TRT SPRAY 50Z 0001 FINISHED GOOD STD EACH 000							10	2.85	28.50
10541	ONE 2 ONE MOIST. BODY MILK 100 0003 FINISHED GOOD STD EACH 000							6	6.00	36.00
10549	CAT SHAMPOO 10 OZ 0001 FINISHED GOOD STD EACH 000							4	1.80	7.20

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10553	CAT CONDITIONER 6OZ 0001 FINISHED GOOD	STD	EACH	000				1	1.95	1.95
10559	CAT TREATMENT 10OZ 0001 FINISHED GOOD	STD	EACH	000				15	6.57	98.55
10563	CAT STYLING GEL 6OZ 0001 FINISHED GOOD	STD	EACH	000				12	2.25	27.00
10710	NORMALIZING LOTION / 14120 0002 FINISHED GOOD	STD	EACH	000				1	10.00	10.00
10713	MORNING CLEANSER - WA (12530) 0002 FINISHED GOOD	STD	EACH	000				1	11.50	11.50
10716	HYDROPTIMALE GEL / 16001 0002 FINISHED GOOD	STD	EACH	000				5	22.50	112.50
10718	SOURCE DE RADIANCE-OXY SERUM 0002 FINISHED GOOD	STD	EACH	000				6	27.50	165.00
10744	CELLOSHAMPOO/DRY 10.2OZ 0001 FINISHED GOOD	STD	EACH	000				2	2.50	5.00
10745	CELLOSHAMPOO/DRY 16.9 OZ 0001 FINISHED GOOD	STD	EACH	000				15	3.30	49.50
10754	MOISTURE SHAMPOO 10.2OZ 0001 FINISHED GOOD	STD	EACH	000				6	2.90	17.40
10764	MOISTURE BASE 5.1OZ 0001 FINISHED GOOD	STD	EACH	000				6	3.10	18.60
10774	SHEEN 16.9OZ 0001 FINISHED GOOD	STD	EACH	000				9	5.80	52.20
10788	MOLDING MUD 4.0OZ 0001 FINISHED GOOD	STD	EACH	000				5	5.69	28.45
10792	SHPRITZ FORTE 10.2OZ 0001 FINISHED GOOD	STD	EACH	000				21	3.40	71.40
10796	WET 10.2OZ 0001 FINISHED GOOD	STD	EACH	000				10	3.10	31.00
10800	SHAPER HAIR SPRAY 10OZ 0001 FINISHED GOOD	STD	EACH	000				21	4.14	86.94

CARLTON HAIR INT. (BEAUTY)
 INVENTORY VALUATION REPORT
 SORTED BY ITEM NUMBER

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
10803	SHAPER PLUS HAIR SPRAY 100Z 0001 FINISHED GOOD	STD	EACH	000				24	4.20	100.80
10817	GET IT STRAITT 1.7OZ 0001 FINISHED GOOD	STD	EACH	000				5	2.24	11.20
10835	PERF. ACTIVE CLEANSER 8.5OZ 0001 FINISHED GOOD	STD	EACH	000				7	3.30	23.10
10848	PERF. ACTIVE VOLUMIZER 8.5OZ 0001 FINISHED GOOD	STD	EACH	000				8	5.20	41.60
11220	CLEANSE - pHree 32OZ 0001 FINISHED GOOD	STD	EACH	000				5	8.98	44.90
11230	MOISTURIZING 32OZ 0001 FINISHED GOOD	STD	EACH	000				5	8.98	44.90
11233	ALTERNATIVE 32OZ 0001 FINISHED GOOD	STD	EACH	000				1	9.98	9.98
11247	SILKER 32OZ 0001 FINISHED GOOD	STD	EACH	000				18	10.98	197.64
11858	OILFREE HYDRA 5.5OZ 0002 FINISHED GOOD	STD	EACH	000				3	13.00	39.00
11894	LE GEL - SOFT HOLD 5.1 OZ 0001 FINISHED GOOD	STD	EACH	000				6	3.00	18.00
12171	FLORAVANTI FINISHING RINSE 8.4 0001 FINISHED GOOD	STD	EACH	000				3	8.00	24.00
12204	POTION 9 5.1 OZ 0001 FINISHED GOOD	STD	EACH	000				8	5.20	41.60
12327	PACO ROBANE 3.4OZ 0005 FINISHED GOOD	STD	EACH	000				10	32.00	320.00
12333	RED JEANS 2.5OZ 0005 FINISHED GOOD	STD	EACH	000				4	21.00	84.00
12335	DOLCE & CABBANA 2.5 oz. 0005 FINISHED GOOD	STD	EACH	000				10	31.00	310.00
12338	GUCCI ENVY EDT. SP 1.7 oz. 0005 FINISHED GOOD	STD	EACH	000				2	36.00	72.00

CARLTON HAIR INT. (BEAUTY)
 INVENTORY VALUATION REPORT
 SORTED BY ITEM NUMBER

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
12348	PIGMENT RELIEF 1.7 OZ 0002 FINISHED GOOD	STD	EACH	000				9	22.50	202.50
12369	CLIMATRESS SHAMPOO 100Z 0001 FINISHED GOOD	STD	EACH	000				9	2.25	20.25
12370	CLIMATRESS CONDITIONER 100Z 0001 FINISHED GOOD	STD	EACH	000				17	2.40	40.80
12373	COLOR EXTEND COND 8.5oz. 0001 FINISHED GOOD	STD	EACH	000				7	2.40	16.80
12506	REB SHAMPOO PLUS 16OZ (LANZA) 0001 FINISHED GOOD	STD	EACH	000				10	6.25	62.50
12544	SKIN SMOOTHING CREAM 1.75 oz 0002 FINISHED GOOD	STD	EACH	000				3	14.50	43.50
12549	LTR MOIST SF&APR SH 0001 FINISHED GOOD	STD	EACH	000				2	7.95	15.90
12583	DESIGN FORME 7oz. (SORBIE) 0001 FINISHED GOOD	STD	EACH	000				2	5.75	11.50
12590	SHAPING MOUSSE 7OZ (SORBIE) 0001 FINISHED GOOD	STD	EACH	000				5	5.73	28.65
12591	SCULPT JEL 5.3 oz. (SORBIE) 0001 FINISHED GOOD	STD	EACH	000				4	5.15	20.60
12805	CAFE AU LAIT SHAMPOO 5OZ 0001 FINISHED GOOD	STD	EACH	000				12	1.95	23.40
12812	VANILLA CREAM SHAMPOO 5OZ 0001 FINISHED GOOD	STD	EACH	000				7	1.95	13.65
12852	THE WASH 4.2oz./PM 0001 FINISHED GOOD	STD	EACH	000				6	1.98	11.88
12855	THE RINSE 16 oz./PM 0001 FINISHED GOOD	STD	EACH	000				4	6.48	25.92
12858	INTENSIVE EYE REPAIR .5OZ 0002 FINISHED GOOD	STD	EACH	000				2	17.50	35.00
12860	SHADES CLR SHAMPOO BONFIRE 5OZ 0001 FINISHED GOOD	STD	EACH	000				2	1.95	3.90

CARLTON HAIR INT. (BEAUTY)
 INVENTORY VALUATION REPORT
 SORTED BY ITEM NUMBER

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
12862	SHADES CLR SHAMPOO ESPRESSO 50 0001 FINISHED GOOD	STD	EACH	000				3	1.95	5.85
12863	SHADES CLR SHAMPOO ST TROPEZ 5 0001 FINISHED GOOD	STD	EACH	000				14	1.95	27.30
12864	SHADES CLR SHAMPOO IRISH CREAM 0001 FINISHED GOOD	STD	EACH	000				3	1.95	5.85
12865	SHADES CLR SHAMPOO PAPAYA 50Z 0001 FINISHED GOOD	STD	EACH	000				5	1.95	9.75
12867	SHADES CLR SHAMPOO RKT FIRE 50 0001 FINISHED GOOD	STD	EACH	000				3	1.95	5.85
12899	LIPOSOMES HYDROGEL 1.7OZ 0002 FINISHED GOOD	STD	EACH	000				3	26.00	78.00
13102	LAMINANTS DROPS 1.7 oz. 0001 FINISHED GOOD	STD	EACH	000				10	6.78	67.80
13107	ACTIVE CREME 1.7OZ 0002 FINISHED GOOD	STD	EACH	000				3	16.50	49.50
13108	REPAIRING SERUM 1OZ 0002 FINISHED GOOD	STD	EACH	000				1	22.00	22.00
13109	CLARIFYING MASK 1.7OZ/ 15462 0002 FINISHED GOOD	STD	EACH	000				2	12.50	25.00
13110	INTENS SPHERESx2 .5OZ 0002 FINISHED GOOD	STD	EACH	000				3	35.00	105.00
13128	CLEAN NORMAL 5OZ 0001 FINISHED GOOD	STD	EACH	000				2	2.50	5.00
13129	CLEAN FORME 5OZ 0001 FINISHED GOOD	STD	EACH	000				2	2.50	5.00
13130	RICH COND. 5OZ 0001 FINISHED GOOD	STD	EACH	000				2	2.50	5.00
13131	RICH LEAVE IN 5OZ 0001 FINISHED GOOD	STD	EACH	000				2	2.50	5.00
13134	CLEANSE PHREE 2OZ 0001 FINISHED GOOD	STD	EACH	000				12	1.00	12.00

CARLTON HAIR INT. (BEAUTY)
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ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
13135	NEFA 20Z 0001 FINISHED GOOD	STD	EACH	000				11	1.00	11.00
13136	MOISTURIZING 20Z 0001 FINISHED GOOD	STD	EACH	000				12	1.00	12.00
13137	SILKTR 20Z 0001 FINISHED GOOD	STD	EACH	000				6	1.50	9.00
13138	STRATEGY 20Z 0001 FINISHED GOOD	STD	EACH	000				12	1.50	18.00
13139	STYLING AND SETTING GELL 20Z 0001 FINISHED GOOD	STD	EACH	000				12	1.00	12.00
13308	COLLASTIN EYE FLUID 1oz. 0004 FINISHED GOOD	STD	EACH	000				4	24.00	96.00
13342	THE DETANGLER 32 oz. 0001 FINISHED GOOD	STD	EACH	000				17	9.98	169.66
13346	FREEZE & SHINE 32OZ 0001 FINISHED GOOD	STD	EACH	000				13	9.87	128.31
13431	FOUNDATION #1 0002 FINISHED GOOD	STD	EACH	000				6	14.75	88.50
13432	FOUNDATION #1G 0002 FINISHED GOOD	STD	EACH	000				5	14.75	73.75
13433	FOUNDATION #2 0002 FINISHED GOOD	STD	EACH	000				9	14.75	132.75
13434	FOUNDATION #2G 0002 FINISHED GOOD	STD	EACH	000				7	14.75	103.25
13435	FOUNDATION #3 0002 FINISHED GOOD	STD	EACH	000				9	14.75	132.75
13436	FOUNDATION #3G 0002 FINISHED GOOD	STD	EACH	000				5	14.75	73.75
13444	FAT CAT SHMP 1LITER 0001 FINISHED GOOD	STD	EACH	000				13	4.59	59.67
13454	FAT CAT SHAMPOO 300ML 0001 FINISHED GOOD	STD	EACH	000				2	2.10	4.20

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
13455	FAT CAT DETANGLER 175ML 0001 FINISHED GOOD	STD	EACH	000				4	2.19	8.76
13456	FAT CAT VOLUMIST 175ML 0001 FINISHED GOOD	STD	EACH	000				6	2.70	16.20
13457	FAT CAT THICKENING LOTION 6OZ 0001 FINISHED GOOD	STD	EACH	000				9	2.70	24.30
13519	DUSTING POWDER 2.5OZ 0004 FINISHED GOOD	STD	EACH	000				6	4.00	24.00
13537	MDSN CONDITIONER 3.4oz./B2B 0001 FINISHED GOOD	STD	EACH	000				3	2.10	6.30
13541	MDSN CONDITIONER 12oz./B2B 0001 FINISHED GOOD	STD	EACH	000				3	4.48	13.44
13542	MDSN SHAMPOO 12oz./B2B 0001 FINISHED GOOD	STD	EACH	000				5	3.98	19.90
13543	LITER MDSN. CONDITIONER/B2B 0001 FINISHED GOOD	STD	EACH	000				2	9.75	19.50
13544	LITER MDSN. SHAMPOO/B2B 0001 FINISHED GOOD	STD	EACH	000				2	8.75	17.50
13546	SEAL & SHINE (PM) 16oz. 0001 FINISHED GOOD	STD	EACH	000				2	4.73	9.46
13655	DOLCE & GABBANA (W) 1.7OZ 0004 FINISHED GOOD	STD	EACH	000				2	33.00	66.00
13659	COOL WATER (W) 1.7OZ 0004 FINISHED GOOD	STD	EACH	000				1	28.00	28.00
13666	THE HEAT-STYLING SPRAY 8.5oz. 0001 FINISHED GOOD	STD	EACH	000				1	4.96	4.96
13692	VOLUMESSE(SENS)7oz. 0001 FINISHED GOOD	STD	EACH	000				2	5.00	10.00
13720	CEMENT 10.1oz. 0001 FINISHED GOOD	STD	EACH	000				10	4.50	45.00
13757	FULL SPECT BLOCK SPF15 4oz. 0002 FINISHED GOOD	STD	EACH	000				18	11.50	207.00

CARLTON HAIR INT. (BEAUTY)
 INVENTORY VALUATION REPORT
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ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
13759	ULTRA-S F-BLOCK-SPF25 1.75oz. 0002 FINISHED GOOD STD EACH 000							5	11.00	55.00
13762	SOLAR SHIELD SPF15 0.28oz. 0002 FINISHED GOOD STD EACH 000							5	4.75	23.75
13763	SOLAR DEF BOOSTER SPF30 1oz. 0002 FINISHED GOOD STD EACH 000							10	15.00	150.00
13902	CURLING IRON 3/4"SPRING(1101) 0004 FINISHED GOOD STD EACH 000							3	15.09	45.27
14007	ALL SOFT SHAMPOO 10.1oz(1649) 0001 FINISHED GOOD STD EACH 000							7	2.25	15.75
14008	ALL SOFT SHAMPOO-LITER(1652) 0001 FINISHED GOOD STD EACH 000							8	5.40	43.20
14010	ALL SOFT COND.-8.5oz.(3646) 0001 FINISHED GOOD STD EACH 000							4	2.40	9.60
14011	ALL SOFT COND.-LITER(3647) 0001 FINISHED GOOD STD EACH 000							9	7.80	70.20
14016	ALL SOFT CONCENT.5oz.(3691)PRO 0001 FINISHED GOOD STD EACH 000							1	4.20	4.20
14085	FRAMEWORK H/S 11oz.(0280100) 0001 FINISHED GOOD STD EACH 000							2	2.97	5.94
14086	FAT CAT PLUMP SPRAY 11oz. 0001 FINISHED GOOD STD EACH 000							6	3.00	18.00
14105	ANTI-BAC SKIN WASH 16oz.(4303) 0002 FINISHED GOOD STD EACH 000							5	17.00	85.00
14272	CURLING IRON 1/2"SPRING(1103) 0004 FINISHED GOOD STD EACH 000							13	15.09	196.17
14312	XTRA BODY FOAM 6oz./PM 0001 FINISHED GOOD STD EACH 000							3	4.10	12.30
14330	REB. DEEP CLEANSING W/C 10oz. 0001 FINISHED GOOD STD EACH 000							2	3.75	7.50
14376	HERRERA EDT SP 3.4 oz. 0005 FINISHED GOOD STD EACH 000							3	36.40	109.20

CARLTON HAIR INT. (BEAUTY)
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ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
14601	FLAT OUT RELAXING BALM 6 oz. 0001 FINISHED GOOD	STD	EACH	000				3	8.98	26.94
14644	STREAMLINIG BODY TONER 16oz. 0002 FINISHED GOOD	STD	EACH	000				7	18.00	126.00
14677	SHINE IN POLISH SPRAY 2 oz. 0001 FINISHED GOOD	STD	EACH	000				2	4.75	9.50
14678	SHINE IN POLISH SPRAY 8 oz. 0001 FINISHED GOOD	STD	EACH	000				3	8.50	25.50
14679	SHINE IN POLISH STICK 2.5 oz. 0001 FINISHED GOOD	STD	EACH	000				3	8.00	24.00
14680	SHINE IN TAKE HOLD 10 oz. 0001 FINISHED GOOD	STD	EACH	000				3	4.98	14.94
14681	SHINE IN PREP IT 4 oz. 0001 FINISHED GOOD	STD	EACH	000				4	9.99	39.96
14682	SHINE IN FRIZZ AWAY 2 oz. 0001 FINISHED GOOD	STD	EACH	000				3	4.88	14.64
14683	SHINE IN FIXX TIPS 2 oz. 0001 FINISHED GOOD	STD	EACH	000				4	4.98	19.92
14684	SHINE IN SHAMPOO 10 oz. 0001 FINISHED GOOD	STD	EACH	000				2	3.48	6.96
14687	SHINE IN CONDITIONER 8 oz. 0001 FINISHED GOOD	STD	EACH	000				2	4.98	9.96
14688	SHINE IN CONDITIONER 32 oz. 0001 FINISHED GOOD	STD	EACH	000				1	10.97	10.97
14723	SHINE IN POLISHING CREAM 5 oz. 0001 FINISHED GOOD	STD	EACH	000				2	8.00	16.00
14732	KN ENERGIZING SHAMPOO 10 oz. 0001 FINISHED GOOD	STD	EACH	000				4	3.74	14.96
14733	KN DRY SHAMPOO 10 oz. 0001 FINISHED GOOD	STD	EACH	000				2	3.75	7.50
14736	KN EXCELL COND 10 oz. 0001 FINISHED GOOD	STD	EACH	000				3	5.25	15.75

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
14737	KN HAIR RE-MOISTURIZER 10 oz. 0001 FINISHED GOOD STD EACH 000							3	5.25	15.75
14738	KN DAILY PROV COND 10 oz. 0001 FINISHED GOOD STD EACH 000							2	4.40	8.80
14739	KN MAX CONDITIONER 10 oz. 0001 FINISHED GOOD STD EACH 000							2	5.25	10.50
14740	KN TEXTURE ICE 4 oz. 0001 FINISHED GOOD STD EACH 000							1	3.50	3.50
14741	KN ARTFORM POMADE 2 oz. 0001 FINISHED GOOD STD EACH 000							2	3.52	7.04
14742	KN CAPTURE GLAZE 10 oz. 0001 FINISHED GOOD STD EACH 000							2	3.96	7.92
14743	KN ENDURANCE FIRM GEL 10 oz. 0001 FINISHED GOOD STD EACH 000							2	5.00	10.00
14744	KN OUTCOME EXTRA 10 oz. 0001 FINISHED GOOD STD EACH 000							2	4.50	9.00
14746	KN ART FORMATION MOUSSE 8 oz. 0001 FINISHED GOOD STD EACH 000							2	5.00	10.00
14747	KN REFLECT SHINE 2 oz. 0001 FINISHED GOOD STD EACH 000							1	6.00	6.00
14748	KN THERMAL SET SPRAY 8 oz. 0001 FINISHED GOOD STD EACH 000							2	5.50	11.00
14749	KN CAPTURE PLUS LV 10oz. 0001 FINISHED GOOD STD EACH 000							2	4.50	9.00
14750	KN ENDURANCE STY SPRAY 10 oz. 0001 FINISHED GOOD STD EACH 000							2	4.50	9.00
14751	KN DESIGN SPRAY LV 10 oz. 0001 FINISHED GOOD STD EACH 000							2	6.00	12.00
14920	ENVY SP. (M) 1.7oz. 0004 FINISHED GOOD STD EACH 000							2	26.95	53.90
14923	MULTIVITAMIN POWER REPAIR 0002 FINISHED GOOD STD EACH 000							9	21.25	191.25

ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
14924	MULTIVIT POWER REC MASQUE 0002 FINISHED GOOD	STD	EACH	000				27	17.50	472.50
14992	WIRED CREAM 6 oz. 0001 FINISHED GOOD	STD	EACH	000				6	5.50	33.00
15105	KN VORTEX SHAMPOO 10 oz. 0001 FINISHED GOOD	STD	EACH	000				8	3.75	30.00
15106	KN EMPOWER SPRAY GEL 10 oz. 0001 FINISHED GOOD	STD	EACH	000				6	4.40	26.40
15113	COMPLETE SHAMPOO 12 oz. 0001 FINISHED GOOD	STD	EACH	000				4	4.50	18.00
15127	NOURISHING 12oz. 0001 FINISHED GOOD	STD	EACH	000				3	5.95	17.85
15140	GEL LOTION 10 oz. 0001 FINISHED GOOD	STD	EACH	000				2	6.45	12.90
15404	SHAPER ZERO G 14oz. 0001 FINISHED GOOD	STD	EACH	000				2	5.98	11.96
15405	SHAPER ZERO G 1.5oz. 0001 FINISHED GOOD	STD	EACH	000				11	2.20	24.20
15539	KN STYLING LOTION 8 oz. 0001 FINISHED GOOD	STD	EACH	000				6	7.00	42.00
15576	COLOR EXTEND COND 1 LITER 0001 FINISHED GOOD	STD	EACH	000				2	7.80	15.60
15579	HT 85W 3/4" SPRING IRON-1138 0004 FINISHED GOOD	STD	EACH	000				13	15.09	196.17
15610	ISSEY SHOWER GEL 6.7oz. 0003 FINISHED GOOD	STD	EACH	000				4	30.00	120.00
15640	SIZZLIN' BATH SALTS 2 oz. 0003 FINISHED GOOD	STD	EACH	000				21	2.25	47.25
15730	CAPITAL PEDESTAL / PD400 0004 FINISHED GOOD	STD	EACH	000				1	40.00	40.00
15793	PERF ACTIVE GELEE 1.7 oz. 0001 FINISHED GOOD	STD	EACH	000				6	3.20	19.20

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ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
15808	ROW MED STYLE BRUSH - D3 0001 FINISHED GOOD	STD	EACH	000				44	4.77	209.88
15809	ROW LARGE STYLE BRUSH-D4 0001 FINISHED GOOD	STD	EACH	000				47	5.40	253.80
15810	LARGE NAT BOAR BRITL-D82L 0001 FINISHED GOOD	STD	EACH	000				31	8.28	256.68
15811	LARGE TUNNEL VENT - D100 0001 FINISHED GOOD	STD	EACH	000				39	3.15	122.85
15827	GUTS 10-SPRAY FOAM 10.58oz. 0001 FINISHED GOOD	STD	EACH	000				18	3.60	64.80
15828	UNDONE - 3.4 oz. 0001 FINISHED GOOD	STD	EACH	000				4	4.50	18.00
15829	GLASS 4 oz. 0001 FINISHED GOOD	STD	EACH	000				3	6.30	18.90
15889	ROGAINE-COMplete TREAT KIT 0001 FINISHED GOOD	STD	EACH	000				10	29.13	291.30
15913	ALFRED SUNG SP. (L) 1.7 oz. 0003 FINISHED GOOD	STD	EACH	000				2	24.50	49.00
15915	JP GAULTIER SDT SP. 3.4 oz. 0003 FINISHED GOOD	STD	EACH	000				3	64.00	192.00
15917	ACQUA DI GIU SP. (M) 1.7 oz. 0003 FINISHED GOOD	STD	EACH	000				2	26.95	53.90
15918	SUNG FOR MEN SP. 3.4 oz. 0003 FINISHED GOOD	STD	EACH	000				4	27.90	111.60
15921	FIRST EDT SPRAY 2 oz. 0003 FINISHED GOOD	STD	EACH	000				4	30.00	120.00
15922	KOUROS EDT SP. 3.3 oz. 0003 FINISHED GOOD	STD	EACH	000				4	30.00	120.00
15923	HIGHLITE SHAMPOO 8.45 oz. 0001 FINISHED GOOD	STD	EACH	000				56	3.90	218.40
15924	INSTANT CONDITIONER ENH 8.7 oz 0001 FINISHED GOOD	STD	EACH	000				58	3.90	226.20

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ITEM NUMBER	DESCRIPTION/ PROD LN PROD TYP	VAL	U/M	WHSE	LOT/SERIAL NO	RECEIPT NUMBER	RECEIPT DATE	QUANTITY ON HAND	UNIT COST	INVENTORY VALUE
15925	BLONDE AMBITION MOUSSE 7.5 oz. 0001 FINISHED GOOD	STD	EACH	000				67	3.30	221.10
15926	GOLDEN GLOSS/GROOM PAC .35 oz. 0001 FINISHED GOOD	STD	EACH	000				96	.90	86.40
15927	GOLDEN GLOSS/GROOM CR 4.4 oz. 0001 FINISHED GOOD	STD	EACH	000				42	3.90	163.80
15928	SPUN GOLD SHP/HI BALM 1.2 oz. 0001 FINISHED GOOD	STD	EACH	000				36	3.30	118.80
16214	WATER WAX 1.7 oz. 0001 FINISHED GOOD	STD	EACH	000				12	3.90	46.80
16265	GENA HOOF NAIL 1 oz. 0002 FINISHED GOOD	STD	EACH	000				9	1.55	13.95
16304	IMMUNESCIENCE MASK / PROF 0002 FINISHED GOOD	STD	EACH	000				5	21.00	105.00
16459	BLONDE VOL SHAMPOO 12 oz. 0001 FINISHED GOOD	STD	EACH	000				6	5.00	30.00
16462	BLONDE MOIST SHAMPOO 12 oz. 0001 FINISHED GOOD	STD	EACH	000				6	5.00	30.00
16465	BLONDE BODIFY RINSE 12 oz. 0001 FINISHED GOOD	STD	EACH	000				6	5.00	30.00
16494	SOFT SPRAY GAL 0001 FINISHED GOOD	STD	EACH	000				4	22.00	88.00
REPORT TOTAL:										----- 16,596.64 -----

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
ENRICH 16oz	2007	11.00	2.86	5	LINEAR	55.00	14.30
MOISTURE 8oz	2021	6.00	1.56	3	LINEAR	18.00	4.68
PURE SHAMPOO 8 OZ	2078	7.00	1.82	6	LINEAR	42.00	10.92
RENEW 16oz	2032	23.00	5.98	3	LINEAR	69.00	17.94
DESIGN MOUSSE	2046	11.00	3.00	7	LINEAR	77.00	21.00
SHAPE HAIR SPRAY	2047	11.00	4.00	21	LINEAR	231.00	84.00
QUICK FIXX 8OZ	2049	7.00	1.82	9	LINEAR	63.00	16.38
FIRM HOLD 8OZ	2054	7.00	1.82	7	LINEAR	49.00	12.74
SATIN 1.0Z	2073	15.00	3.90	5	LINEAR	75.00	19.50
CLEANSE 16oz	2002	11.00	2.86	8	LINEAR	88.00	22.88
CUCUMBER 4 OZ	3104	4.00	1.04	6	ECOLY	24.00	6.24
CUCUMBER 10.0Z	3097	7.50	1.95	15	ECOLY	112.50	29.25
CUCUMBER 16oz	3002	11.00	2.86	22	ECOLY	242.00	62.92
CUCUMBER 32oz	3003	20.00	5.20	16	ECOLY	320.00	83.20
PRIMROSE 4 OZ	3106	4.00	1.04	4	ECOLY	16.00	4.16
PRIMROSE 10.0Z	3099	6.80	1.77	16	ECOLY	108.80	28.32
PRIMROSE 16oz	3007	9.90	2.57	13	ECOLY	128.70	33.41
PRIMROSE 32oz	3008	17.50	4.55	14	ECOLY	245.00	63.70
PAPAYA 10.0Z	3098	7.50	1.95	22	ECOLY	165.00	42.90
PAPAYA 16oz	3012	13.00	3.38	20	ECOLY	260.00	67.60
PAPAYA 32oz	3013	22.00	5.72	19	ECOLY	418.00	108.68
SAGE 4 OZ	3107	4.00	1.04	1	ECOLY	4.00	1.04
SAGE 10.0Z	3100	7.50	1.95	17	ECOLY	127.50	33.15
SAGE 16oz	3017	11.00	2.86	23	ECOLY	253.00	65.78
SAGE 32oz	3018	20.00	5.20	15	ECOLY	300.00	78.00
ROSEMARY MINT 10 OZ	3112	13.50	3.51	16	ECOLY	216.00	56.16
ROSEMARY 32oz	3023	36.00	9.36	12	ECOLY	432.00	112.32
TRI-WHEAT RECONSTRUCT	3108	7.50	1.95	2	ECOLY	15.00	3.90
TRI-WHEAT RECONSTRUCT	3101	15.00	3.90	16	ECOLY	240.00	62.40
TRI-WHEAT 16oz	3027	27.00	7.02	13	ECOLY	351.00	91.26
TRI WHEAT 32oz	3028	43.00	11.18	15	ECOLY	645.00	167.70
TRI-WHEAT LEAVE IN 4	3109	6.00	1.56	3	ECOLY	18.00	4.68
TRI-WHEAT LEAVE IN 10	3102	11.50	2.99	12	ECOLY	138.00	35.88
LEAVE-IN TRI WHEAT 16	3032	19.50	5.07	21	ECOLY	409.50	106.47
CHAMOMILE 1oz	3035	15.00	3.90	7	ECOLY	105.00	27.30
MINT THERAPY OIL 1 OZ	3038	15.00	3.90	6	ECOLY	90.00	23.40
TEA TREE THERAPY OIL	3041	15.00	3.90	8	ECOLY	120.00	31.20
LAUREL TREE AREATED H	3044	10.98	4.00	22	ECOLY	241.56	88.00
OAK TREE XTRA FIRM SP	3045	10.98	4.00	14	ECOLY	153.72	56.00
WILLOW BARK GEL 4 OZ	3110	5.00	1.30	3	ECOLY	15.00	3.90
WILLOW BARK PRAY GEL	3091	11.00	2.86	13	ECOLY	143.00	37.18
GEL MOUSSE	3051	13.00	3.38	13	ECOLY	169.00	43.94
LINDEN FABRICATING MO	3093	11.00	2.86	15	ECOLY	165.00	42.90
CYPRESS THICKENING LO	3089	12.00	3.12	24	ECOLY	288.00	74.88
OAK BARK GEL 4oz	3052	13.00	3.38	13	ECOLY	169.00	43.94
SLIPPERY ELM GLOSS 2o	3055	12.00	3.12	11	ECOLY	132.00	34.32
SLIPPERY ELM GLOSS 4.	3090	20.00	5.20	10	ECOLY	200.00	52.00
ALMOND PUTTY & POMADE	3094	17.00	4.42	6	ECOLY	102.00	26.52
LAUREL TREE PUMP SPRA	3103	10.00	2.60	12	ECOLY	120.00	31.20
SUNDEW CRYSTAL SPRAY	3063	11.00	2.86	11	ECOLY	121.00	31.46
ROSEMARY MINT 4OZ	3117	4.00	1.04	8	ECOLY	32.00	8.32
SILKY SEAWEED DETANGL	3122	6.99	2.30	1	ECOLY	6.99	2.30

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
JELLY FISH STYLING GE	3124	6.99	2.30	1	ECOLY	6.99	2.30
EL460 3" ROUND	4023	15.50	3.47	17	ELEGANT	263.50	58.99
EL459 2.5" ROUND	4024	11.50	2.63	20	ELEGANT	230.00	52.60
EL458 2.25" ROUND	4025	9.95	2.32	2	ELEGANT	19.90	4.64
CARLTON # 1	4030	9.45	2.55	25	SPORNET	236.25	63.75
CARLTON # 2	4031	15.75	4.25	1	SPORNET	15.75	4.25
CARLTON # 3	4032	15.75	4.25	12	SPORNET	189.00	51.00
CARLTON # 5	4034	10.05	2.72	5	SPORNET	50.25	13.60
EL 728	4041	16.95	3.85	3	ELEGANT	50.85	11.55
EL 713MP	4043	16.50	4.09	1	ELEGANT	16.50	4.09
EL714 3"ROUND X-LARG	4048	16.50	4.16	2	ELEGANT	33.00	8.32
EL710 TUNNEL VENT	4051	10.95	2.76	3		32.85	8.28
EL612 HOT CURLING	4052	8.95	2.03	5		44.75	10.15
EL600 TUNNEL/V.ROUND	4069	7.95	1.75	3		23.85	5.25
EL472 ANTI-STA.OVAL-M	4086	8.95	2.06	1	ELEGANT	8.95	2.06
EL729 STYULER CUSHION	4091	9.95	2.45	5	ELEGANT	49.75	12.25
EL730 PRO DENMAN TYPE	4092	9.95	2.45	5	ELEGANT	49.75	12.25
EL731 OVAL CUSHION	4093	9.95	2.45	9	ELEGANT	89.55	22.05
EL732 SIDE TUNNEL VEN	4094	8.95	2.08	5	ELEGANT	44.75	10.40
EL 733 2 in 1 DUO PRO	4095	11.50	3.15	8	ELEGANT	92.00	25.20
DAILY SHAMPOO 16OZ	5018	10.50	5.25	2	MALYS	21.00	10.50
DAILY SHAMPOO 32OZ	5019	16.50	8.25	1	MALYS	16.50	8.25
MOISTURE SHAMPOO 8OZ	5022	7.50	3.75	3	MALYS	22.50	11.25
MOISTURE SHAMPOO 32OZ	5024	19.90	9.95	2	MALYS	39.80	19.90
CONDITIONER 16OZ	5028	13.50	6.75	4	MALYS	54.00	27.00
CONDITIONER 32OZ	5029	18.50	9.25	2	MALYS	37.00	18.50
TEXTURE CREAM 4OZ	5041	10.50	5.25	2	MALYS	21.00	10.50
TEXTURE CREAM 8OZ	5042	15.50	7.75	3	MALYS	46.50	23.25
GROOMING SPRAY 8OZ	5044	9.50	4.75	3	MALYS	28.50	14.25
MOISTURIZING SHAMP 8o	10382	7.64	4.12	3	ARTIST	22.92	12.36
GENTLE CLEANSING SH 8	10385	7.64	4.12	2	ARTIST	15.28	8.24
TREATMENT SHAMPOO 8OZ	10389	7.64	3.82	2	ARTIST	15.28	7.64
DEEP CLEANSING SHAMPO	10391	7.64	3.82	1	ARTIST	7.64	3.82
DEEP RECONSTRUCTOR 8O	10393	12.04	6.32	2	ARTIST	24.08	12.64
ENVIRO-SHAPE 10oz.(TI	10404	12.66	6.33	3	ARTIST	37.98	18.99
PURE GLOSS 2OZ (TIGI)	10405	15.34	7.98	5	ARTIST	76.70	39.90
XTRA STRONG MOUSSE 6o	10412	9.86	4.93	2	ARTIST	19.72	9.86
HOLD & GLOSS 8oz/TIGI	10416	12.06	6.32	3	ARTIST	36.18	18.96
GEL GLOSS 8oz.(TIGI)1	10418	9.86	5.22	2	ARTIST	19.72	10.44
ENVIRO-FIXX SP GEL 8o	10421	10.96	5.48	5	ARTIST	54.80	27.40
SPA SHAMPOO 8.5OZ (TI	10423	10.46	5.23	2	ARTIST	20.92	10.46
LIQUID SPRAY GEL 8.5O	10427	12.04	6.57	3	ARTIST	36.12	19.71
SPRAY SHINE 4OZ (TIGI	10428	13.94	7.25	4	ARTIST	55.76	29.00
ALOE VERA SHAM/BASICS	10569	3.90	1.95	2	INNOV	7.80	3.90
HONEY HYDRTG SH/BASIC	10570	3.90	1.95	2	INNOV	7.80	3.90
WILD BERRY SHAM/BASIC	10571	4.62	2.31	6	INNOV	27.72	13.86
SUNFLOWER MST INF SH/	10572	3.90	1.95	3	INNOV	11.70	5.85
WHITE GRAPEFRT SH/BAS	10573	4.62	2.31	3	INNOV	13.86	6.93
ALOE VERA SH/BASICS 1	10574	6.54	3.27	5	INNOV	32.70	16.35
WILD BERRY SHAM/BASIC	10575	8.26	4.13	1	INNOV	8.26	4.13
SUNFLOWER MST INF SH/	10576	8.24	4.12	6	INNOV	49.44	24.72
WHITE GRAPEFRT SH/BAS	10577	8.76	4.38	5	INNOV	43.80	21.90

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
LTR HONEY HYDRTA SH/B	10580	15.96	7.98	1	INNOV	15.96	7.98
LTR WILD BERRY SHAM/B	10581	15.96	7.98	1	INNOV	15.96	7.98
LTR WHITE GRAPEFRUIT SH	10583	17.50	8.75	1	INNOV	17.50	8.75
SUNFLOWER DETGL COND/	10584	3.90	1.95	3	INNOV	11.70	5.85
MINT LEAF COND/BASICS	10585	3.90	1.95	2	INNOV	7.80	3.90
RASPBERRY COND/BASICS	10586	5.22	2.61	2	INNOV	10.44	5.22
SUNFLOWER MST IBF CN/	10588	4.62	2.31	2	INNOV	9.24	4.62
SUNFLOWER DETGL COND/	10589	7.64	4.12	5	INNOV	38.20	20.60
MINT LEAF COND/BASICS	10590	7.64	3.82	6	INNOV	45.84	22.92
RASPBERRY COND/BASICS	10591	9.84	4.92	5	INNOV	49.20	24.60
WILD BERRY COND/BASIC	10592	9.84	4.92	4	INNOV	39.36	19.68
SUNFLOWER MST INF CN/	10593	9.34	4.67	12	INNOV	112.08	56.04
LTR MINT LEAF COND/BA	10596	15.50	7.75	1	INNOV	15.50	7.75
LTR RASPBERRY COND/BA	10597	19.50	9.75	2	INNOV	39.00	19.50
LTR SUNFLOWER DETGL CN	10598	23.50	11.75	2	INNOV	47.00	23.50
LTR WILD BERRY COND/B	10599	19.50	9.75	1	INNOV	19.50	9.75
CHAMOMILE SPRAY/BASIC	10600	3.90	1.95	3	INNOV	11.70	5.85
COMFREY SPRAY/BASIC 2	10601	3.90	1.95	3	INNOV	11.70	5.85
WITCH HAZEL HS/BASICS	10602	4.62	2.31	1	INNOV	4.62	2.31
VANILLA BEAN GEL/BASI	10603	5.22	2.61	3	INNOV	15.66	7.83
SUNFLOWER SCULPT LTN/	10604	4.62	2.31	2	INNOV	9.24	4.62
SUNFLOWER TEXTRZ CRM/	10605	8.96	4.48	3	INNOV	26.88	13.44
CHAMOMILE SPRAY/BASIC	10606	7.64	3.82	6	INNOV	45.84	22.92
COMFREY SPRAY/BASICS	10607	7.64	3.82	6	INNOV	45.84	22.92
SUNFLOWER MOUSSE 8OZ	10608	9.84	4.92	3	INNOV	29.52	14.76
WITCH HAZEL HS/BASICS	10609	8.76	4.38	6	INNOV	52.56	26.28
SUNFLOWER FRM H/S BAG	10611	12.04	6.02	6	INNOV	72.24	36.12
VANILLA BEAN GEL/BASI	10612	9.34	4.67	6	INNOV	56.04	28.02
SUNFLOWER SCLPT LTN/B	10613	8.74	4.67	3	INNOV	26.22	14.01
POTION 7 5.1OZ	10769	17.50	6.99	6	SEBAST	105.00	41.94
HI-CONTRAST GEL 5.1OZ	10784	9.80	3.92	2	SEBAST	19.60	7.84
LIQUID SHAPER 8.5OZ	10797	10.00	4.00	5	SEBAST	50.00	20.00
GET IT STRAITT 1.7OZ	10817	5.60	2.24	5	SEBAST	28.00	11.20
GET IT STRAITT 8.5OZ	10818	19.00	7.60	2	SEBAST	38.00	15.20
LAMINATES GEL 1.7oz/	10819	7.75	3.10	3	SEBAST	23.25	9.30
LAMINATES CONCENTRATE	10820	17.75	7.10	2	SEBAST	35.50	14.20
LAMINATES CONDITIONER	10822	8.50	3.40	3	SEBAST	25.50	10.20
LAMINATES CONDITIONER	10823	12.00	4.80	2	SEBAST	24.00	9.60
LAMINATES HI-GLOSS SP	10826	9.50	3.80	4	SEBAST	38.00	15.20
LAMINATES HI-GLOSS SP	10827	16.50	6.60	5	SEBAST	82.50	33.00
LAMINATES SHAMPOO 5.1	10829	6.25	2.50	3	SEBAST	18.75	7.50
LAMINATES SHAMPOO 8.5	10830	8.50	3.40	1	SEBAST	8.50	3.40
LAMINATES SHAMPOO 33.	10831	22.50	9.00	1	SEBAST	22.50	9.00
LAMINATES SPRAY 1.7OZ	10832	6.00	2.40	8	SEBAST	48.00	19.20
LAMINATES SPRAY 8.5OZ	10833	10.50	4.20	2	SEBAST	21.00	8.40
PERF. ACTIVE CLEANSER	10835	8.25	3.30	3	SEBAST	24.75	9.90
PERF. ACTIVE CLEANSER	10836	21.80	10.90	4	SEBAST	87.20	43.60
PERF. ACTIVE CONDITIO	10838	20.00	8.00	4	SEBAST	80.00	32.00
PERF ACTIVE CONDITION	10839	47.06	18.82	2	SEBAST	94.12	37.64
PERF. ACTIVE GELEE 8.	10841	22.00	8.80	6	SEBAST	132.00	52.80
PERF. ACTIVE SHAMPOO	10842	6.99	2.79	4	SEBAST	27.96	11.16
PERF. ACTIVE SHAMPOO	10843	19.50	7.80	3	SEBAST	58.50	23.40

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
PERF. ACTIVE TEXTURIZ	10845	16.50	6.60	1	SEBAST	16.50	6.60
PERF. ACTIVE TEXTURIZ	10846	48.00	19.20	1	SEBAST	48.00	19.20
PERF. ACTIVE VOLUMIZE	10848	13.00	5.20	5	SEBAST	65.00	26.00
PERF. ACTIVE VOLUMIZE	10849	32.00	12.80	3	SEBAST	96.00	38.40
MOIST. SHAMPOO 12OZ	11072	7.50	3.75	1	WELLA	7.50	3.75
RESTRUCTURIZER 6.8OZ	11079	15.00	7.50	2	WELLA	30.00	15.00
CRYSTAL STYLIER 3.4OZ	11081	7.49	1.58	4	WELLA	29.96	6.32
BRILLIANT SPRAY GEL 6	11084	10.00	5.00	4	WELLA	40.00	20.00
CURLING BALM-CURLS UP	11201	13.50	6.75	4	PSS	54.00	27.00
CLEANSE-pHree 8OZ	11218	6.95	3.48	2	PSS	13.90	6.96
NEFA 8OZ	11221	6.95	3.48	5	PSS	34.75	17.40
MOISTURIZING 8OZ	11228	6.95	3.48	11	PSS	76.45	38.28
SILKER 8OZ	11245	8.50	4.25	5	PSS	42.50	21.25
PROLIFIXX 9.5OZ	11262	10.50	5.25	5	PSS	52.50	26.25
PROLIMAXX 9.5OZ	11263	10.50	5.25	11	PSS	115.50	57.75
SHAMPOO/BODY WASH 16	11560	19.80	9.90	4	CA BABY	79.20	39.60
SHAMPOO/BODY WASH 9 O	11561	10.76	5.38	4	CA BABY	43.04	21.52
HAIR CONDITIONER 9 OZ	11562	8.50	4.25	2	CA BABY	17.00	8.50
HAIR DE-TANGLING SPRA	11563	11.10	5.55	2	CA BABY	22.20	11.10
MOISTURIZING CREME 2	11565	9.54	4.77	1	CA BABY	9.54	4.77
SOOTHING HERBAL SPRAY	11566	9.96	4.98	3	CA BABY	29.88	14.94
BUBBLE BATH: CALMING	11568	13.80	6.90	1	CA BABY	13.80	6.90
BATH DROPS .5 OZ COLD	11570	9.96	4.98	4	CA BABY	39.84	19.92
OVERTIRED&CRANKY DROP	11571	11.96	5.98	5	CA BABY	59.80	29.90
RESISTANCE BUILDER-DR	11572	10.96	5.48	6	CA BABY	65.76	32.88
PURE PLANT SHAMPOO 8.	11804	6.50	3.25	10	AVEDA	65.00	32.50
SHAMPURE 250ML	11806	8.80	4.40	2	AVEDA	17.60	8.80
HAIR DETOXIFIER 250ML	11807	8.30	4.15	2	AVEDA	16.60	8.30
COLOR CONDITIONER 225	11808	16.00	8.00	24	AVEDA	384.00	192.00
ELIXER 250ML	11810	8.50	4.25	2	AVEDA	17.00	8.50
CHERRY ALMOND BARK 12	11811	13.00	6.50	2	AVEDA	26.00	13.00
DEEP PENETRATING REV.	11812	15.00	7.50	1	AVEDA	15.00	7.50
CURESENCE 250ML	11813	21.90	10.95	2	AVEDA	43.80	21.90
STYLING CURESENCE 25	11817	13.00	6.50	2	AVEDA	26.00	13.00
CONFIXOR 250ML	11818	14.00	7.00	1	AVEDA	14.00	7.00
SPRAY GEL 250ml(14401	11820	11.00	5.50	2	AVEDA	22.00	11.00
FIRMATA 250ML	11822	11.00	5.50	2	AVEDA	22.00	11.00
AIR O SOL 14.75OZ	11823	18.00	9.00	3	AVEDA	54.00	27.00
CALMING COMPOSITION 2	11832	18.70	9.35	1	AVEDA	18.70	9.35
SHAMPOO (ALL) 5.7OZ	11864	9.90	4.95	2	AVEDA	19.80	9.90
CONDITIONER (ALL) 5.7	11865	9.90	4.95	2	AVEDA	19.80	9.90
STYLING GEL (ALL) 5.7	11866	12.50	6.25	2	AVEDA	25.00	12.50
MOISTURIZER (ALL) 5.5	11869	29.00	14.50	2	AVEDA	58.00	29.00
HONEY HYDRATING SH/BA	12195	8.24	4.12	6	INNOV	49.44	24.72
POTION 9 5.1 OZ	12204	13.00	5.20	1	SEBAST	13.00	5.20
CLIMATRESS SHAMPOO 10	12369	7.50	2.25	3	REDKEN	22.50	6.75
CLIMATRESS CONDITONE	12370	7.95	2.40	6	REDKEN	47.70	14.40
CLIMATRESS TREATMENT	12371	9.95	2.97	4	REDKEN	39.80	11.88
COLOR EXTEND SHAMPOO	12372	7.50	2.25	5	REDKEN	37.50	11.25
HAIR GEL 6OZ	12350	10.00	5.00	2	MONTAGE	20.00	10.00
MOISTURE CONDITIONER	12351	10.00	5.00	1	MONTAGE	10.00	5.00
REPAIR MOIST. SHAMPOO	12484	7.60	2.10	11	SCHWARZ	83.60	23.10

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
INTENSIVE MOIST. TREA	12487	11.00	3.00	8	SCHWARZ	88.00	24.00
INTENSIVE MOIST. TREA	12488	46.00	23.00	5	SCHWARZ	230.00	115.00
VOLUME SHAMPOO 250 ml	12489	7.60	2.10	5	SCHWARZ	38.00	10.50
VOLUME SHAMPOO 1.8LTR	12490	38.00	19.00	2	SCHWARZ	76.00	38.00
VOLUME SPRAY COND. 20	12491	8.00	4.00	11	SCHWARZ	88.00	44.00
BASIC BEAUTY SHAMPOO	12492	7.60	2.00	5	SCHWARZ	38.00	10.00
BASIC BEAUTY SHAMPOO	12493	38.00	19.00	2	SCHWARZ	76.00	38.00
BASIC BEAUTY SPRAY CO	12494	8.00	4.00	12	SCHWARZ	96.00	48.00
CAFE AU LAIT SHAMPOO	12805	6.50	1.95	6	REDKEN	39.00	11.70
SHADES CLR SHAMPOO BO	12860	6.50	1.95	4	REDKEN	26.00	7.80
SHADES CLR SHAMPOO ES	12862	6.50	1.95	5	REDKEN	32.50	9.75
SHADES CLR SHAMPOO ST	12863	6.50	1.95	6	REDKEN	39.00	11.70
SHADES CLR SHAMPOO PA	12865	6.50	1.95	7	REDKEN	45.50	13.65
SHADES CLR SHAMPOO VA	12868	6.50	1.95	6	REDKEN	39.00	11.70
MB BLCK CHERRY SH 10o	13154	7.96	3.98	2	INNOV	15.92	7.96
MB PEACH SH.10oz.	13155	7.96	3.98	2	INNOV	15.92	7.96
DETOX. SH. NRML TO DR	13158	16.00	8.00	7	TB	112.00	56.00
COND W/HEMP N/D 10.1	13160	17.70	8.85	3	TB	53.10	26.55
HEMP COND C/T 10 oz./	13161	18.00	9.00	4	TB	72.00	36.00
NUTRI.LEAVE-IN COND.5	13162	12.90	6.45	3	TB	38.70	19.35
STYL.-NUTRI CREME GEL	13163	12.90	6.45	3	TB	38.70	19.35
SHINE TEXT 3.4OZ	13164	14.00	7.00	2	TB	28.00	14.00
MAX HOLD FINISHING PR	13165	14.00	7.00	3	TB	42.00	21.00
SHADES CLR SHAMPOO IR	12864	6.50	1.95	2	REDKEN	13.00	3.90
SETTING LOTION 8.5OZ	12849	7.90	3.95	9	SCHWARZ	71.10	35.55
HAIR SPRAY FORTE 8.5O	12850	9.00	4.50	10	SCHWARZ	90.00	45.00
SHAPING GLE 8.5OZ	12851	7.90	3.95	12	SCHWARZ	94.80	47.40
BLACK MALVA SHMP 500M	13374	10.90	5.45	2	AVEDA	21.80	10.90
ROSEMARY MINT EQUAL 5	13376	12.00	6.00	2	AVEDA	24.00	12.00
SELF CNTRL HR STLY ST	13378	16.50	8.25	2	AVEDA	33.00	16.50
PURE BRIL HUMECTANT 2	13379	12.50	6.25	1	AVEDA	12.50	6.25
PUREFUME BRIL SPRY ON	13380	10.90	5.45	2	AVEDA	21.80	10.90
PUREFUME BRIL FORM GE	13381	10.90	5.45	4	AVEDA	43.60	21.80
PUREFUME BRIL EMOL 3O	13382	20.80	10.40	1	AVEDA	20.80	10.40
PURE BRIL ANTI HUMICT	13383	12.50	6.25	2	AVEDA	25.00	12.50
PURSCRPTNS VOL TONIC	13384	11.00	5.50	3	AVEDA	33.00	16.50
PURSCRPTNS VOL FINSHR	13385	11.00	5.50	8	AVEDA	88.00	44.00
MOLDING PASTE 3.5oz.	13416	12.50	6.25	5	PSS	62.50	31.25
CHERRY ALMOND COND. 2	13445	17.50	8.75	2	AVEDA	35.00	17.50
CURESENCE 500ML	13446	40.00	20.00	4	AVEDA	160.00	80.00
SUPER HOLD STYLING GE	13465	4.00	2.00	5	SCHWARZ	20.00	10.00
NATURAL HOLD MOUSSE 6	13466	4.00	2.00	12	SCHWARZ	48.00	24.00
SUPER HOLD MOUSSE 6.5	13467	4.00	2.00	4	SCHWARZ	16.00	8.00
NATURAL HOLD HAIRSPRA	13468	4.50	2.25	12	SCHWARZ	54.00	27.00
SUPER HOLD HAIRSPRAY	13469	4.50	2.50	6	SCHWARZ	27.00	15.00
SUPER HOLD (A) HAIRSP	13470	5.00	2.50	2	SCHWARZ	10.00	5.00
CONFIXOR-LOW VOC. 500	13488	25.50	12.75	1	AVEDA	25.50	12.75
BUBBLE BTH.LIGHT HAPP	13490	11.94	5.97	1	CA BABY	11.94	5.97
THICKENING SHMP 12OZ	13493	7.96	3.98	1	ARTIST	7.96	3.98
MDSN BODY CREAM 3.4oz	13535	4.20	2.10	6	INNOV	25.20	12.60
MDSN BODY WASH 3.4oz.	13536	4.20	2.10	6	INNOV	25.20	12.60
MDSN CONDITIONER 3.4o	13537	4.20	2.10	5	INNOV	21.00	10.50

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
MDSN SHAMPOO 3.4oz/B	13538	4.20	2.10	5	INNOV	21.00	10.50
MDSN. BODY CREAM 12oz	13539	9.96	4.98	4	INNOV	39.84	19.92
MDSN BODY WASH 12oz./	13540	7.96	3.98	3	INNOV	23.88	11.94
MDSN CONDITIONER 12oz	13541	8.96	4.48	6	INNOV	53.76	26.88
MDSN SHAMPOO 12oz./B2	13542	7.96	3.98	5	INNOV	39.80	19.90
LITER MDSN. CONDITION	13543	19.50	9.75	1	INNOV	19.50	9.75
RASBERRY ALMD.SHAMP/B	13563	8.76	4.38	3	INNOV	26.28	13.14
DEEP PENETRATING COND	13622	19.50	9.75	1	AVEDA	19.50	9.75
ELIXIR CONDITIONER 16	13626	14.50	7.25	2	AVEDA	29.00	14.50
REB. LEAVE IN COND. 4	13638	6.50	3.25	1	PERSON	6.50	3.25
DO NOT USE THIS CODE	13643	9.90	4.95	3	UNIQUE	29.70	14.85
C&C LEAVE IN PROTECTO	13645	6.50	3.25	2	PERSON	13.00	6.50
C&C SPRAY GEL 10oz.	13646	10.30	5.15	1	PERSON	10.30	5.15
BODY STYLING CR.(VOL)	13647	9.90	4.95	3	PERSON	29.70	14.85
ANTI-OXIDANT REPL.(VO	13648	16.40	8.20	3	PERSON	49.20	24.60
BODIFYING SHAMPOO(VOL	13649	8.90	4.45	6	PERSON	53.40	26.70
WEIGHTLESS RINSE(VOL)	13651	9.90	4.95	6	PERSON	59.40	29.70
FINISH PROTECT.DRY(VO	13652	10.70	5.35	4	PERSON	42.80	21.40
REB. STRAIT-LINE(I	13653	18.92	9.46	1		18.92	9.46
KRISOS SHAMPOO 8.5oz.	13677	7.20	3.60	3	DSC	21.60	10.80
CAROTENE PLUS 8.5oz.	13680	12.60	6.30	3	DSC	37.80	18.90
MYSTIKO - YELLOW 8.5o	13681	13.00	6.50	3	DSC	39.00	19.50
MYSTIKO - PURPLE 8.5o	13682	11.70	5.85	3	DSC	35.10	17.55
PHOMOLLIENT 7oz.(AVED	13683	13.00	6.50	2	AVEDA	26.00	13.00
THE SHAMPOO 10.14oz.	13712	7.96	3.98	2	PSS	15.92	7.96
SHAPER 3.5oz.	13713	13.96	6.98	4	PSS	55.84	27.92
PUTTY 3.5oz.	13714	13.96	6.98	3	PSS	41.88	20.94
VARNISH 3.17oz.	13715	13.96	6.98	3	PSS	41.88	20.94
LICORICE 3.5oz.	13716	13.96	6.98	4	PSS	55.84	27.92
THE CONDITIONER 10.14	13717	7.96	3.98	2	PSS	15.92	7.96
ONE(1) SHOT 0.88oz.	13719	4.50	2.25	9	PSS	40.50	24.75
CEMENT 10.1oz.	13720	8.95	4.50	5	PSS	44.75	22.50
EREKT 4oz.	13721	14.95	7.50	3	PSS	44.85	22.50
RASPBERRY BERET 2.64o	13732	14.96	7.48	2	PSS	29.92	14.96
BED HEAD STICK 2.7 oz	13790	17.96	8.98	1	ARTIST	17.96	8.98
TEC NI FLEXIBLE 11oz.	13811	11.96	5.98	6	LOREAL	71.76	35.88
TEC NI LIFT 10oz.	13812	11.96	5.98	7	LOREAL	83.72	41.86
TEC NI TEXX 6.7oz.	13813	8.96	4.48	4	LOREAL	35.84	17.92
TEC NI SMOOTH 4oz.	13814	7.96	3.98	5	LOREAL	39.80	19.90
TEC NI GLOSS 1.7oz.	13815	13.96	6.98	3	LOREAL	41.88	20.94
DYNAMITE 5.28oz.	13867	15.96	7.98	5	PSS	79.80	39.90
RED CORVETTE 2.64oz.	13870	14.96	7.48	1	PSS	14.96	7.48
STRAWBERRY FIELDS 2.6	13871	14.96	7.48	1	PSS	14.96	7.48
HOT CHILLI 2.64oz.	13872	14.96	7.48	1	PSS	14.96	7.48
ORANGE CRUSH 2.64oz.	13873	14.96	7.48	2	PSS	29.92	14.96
YELLOW SUBMARINE 2.64	13874	14.96	7.48	1	PSS	14.96	7.48
LIME SPYDER 2.64oz.	13875	14.96	7.48	1	PSS	14.96	7.48
MR. GREEN JEANS 2.64o	13876	14.96	7.48	1	PSS	14.96	7.48
BLUE HAWAII 2.64oz.	13877	14.96	7.48	2	PSS	29.92	14.96
BLUE VELVET 2.64oz.	13878	14.96	7.48	2	PSS	29.92	14.96
PURPLE HAZE 2.64oz.	13879	14.96	7.48	2	PSS	29.92	14.96
BLUEBERRY HILL 2.64oz	13880	14.96	7.48	2	PSS	29.92	14.96

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
CHERRY BOMB 2.64 oz.	13881	14.96	7.48	2	PSS	29.92	14.96
WHITER SHADE OF PALE	13882	14.96	7.48	1	PSS	14.96	7.48
PAINT BOX SAMPLE TIN	13883	50.00	29.95	3	PSS	150.00	89.85
OOMF BOOSTER 6.76oz.	13886	11.90	5.95	13	PSS	154.70	77.35
CURLING IRON 5/8" MARC	13897	30.95	16.73	2	HELEN	61.90	33.46
STICK STRAIGHT-COND 8	14032	8.96	4.48	1	GRAHAM	8.96	4.48
STICK STRAIGHT-ANTI-F	14034	16.96	8.48	5	GRAHAM	84.80	42.40
STICK STRAIGHT-RELAXE	14035	13.14	6.57	3	GRAHAM	39.42	19.71
ENERGY LOCK H/S 10oz.	14129	12.04	6.02	6	GRAHAM	72.24	36.12
ICE CAP SHAMPOO 8oz/	14171	8.24	4.12	7	GRAHAM	57.68	28.84
THERMAL CARE SH 8.5oz	14172	8.24	4.12	8	GRAHAM	65.92	32.96
INFUSION SHAMPOO 8.5o	14173	8.24	4.12	3	GRAHAM	24.72	12.36
ICE CAP COND 8.5oz/G	14175	9.84	4.92	6	GRAHAM	59.04	29.52
30-SEC SHEER COND 8.5	14176	9.86	4.93	5	GRAHAM	49.30	24.65
VHS SPRAY 8.5oz/GW	14178	10.94	5.47	3	GRAHAM	32.82	16.41
EXOTHERMIC GEL(TUBE)8	14179	10.94	5.47	6	GRAHAM	65.64	32.82
MAGNITUDE MOUSSE 8.5o	14180	10.94	5.47	5	GRAHAM	54.70	27.35
THERMACLAY COND 6oz.1	14186	13.14	6.57	2	GRAHAM	26.28	13.14
VISIBLE CONTROL 8.5oz	14190	10.96	5.48	6	GRAHAM	65.76	32.88
RUBY PURIFYING SH 8.5	3130	6.99	2.34	2	ECOLY	13.98	4.68
SPANGY SHOWER GEL 8.5	3131	6.99	2.34	1	ECOLY	6.99	2.34
AFTER SUN COOLING GEL	3133	4.75	1.57	5	ECOLY	23.75	7.85
BODY LOTION 4OZ	3134	4.75	1.57	10	ECOLY	47.50	15.70
ICE CAP COND. 1 LITER	14337	24.96	12.48	1	GRAHAM	24.96	12.48
ROOT INFUSION 4 oz/G	14582	11.62	5.81	3	GRAHAM	34.86	17.43
FLAT OUT RELAXING BAL	14601	17.95	8.98	7	PSS	125.65	62.86
PUREF BRILL CONDITION	14668	18.00	9.00	2	AVEDA	36.00	18.00
PURE BRILL THERMAL ST	14670	14.00	7.00	1	AVEDA	14.00	7.00
GENERIC WILD STUFF 2	14710	4.98	2.49	2	ARDELL	9.96	4.98
VISIBILITY SHAMPOO 8.	14907	8.74	4.37	2	GRAHAM	17.48	8.74
THE UNTANGLER SP 8.5	14908	10.94	5.47	2	GRAHAM	21.88	10.94
SUPER HOLD & SHINE 8.	14909	10.80	5.40	3	GRAHAM	32.40	16.20
STICK STRT COND LITER	14911	24.96	12.48	1	GRAHAM	24.96	12.48
SILK SHAMPOO INTV 6 o	14912	7.66	3.83	2	GRAHAM	15.32	7.66
SILK LV-IN COND INTV	14913	10.94	5.47	5	GRAHAM	54.70	27.35
POWER GEL (TUBE)INTV	14914	13.16	6.58	2	GRAHAM	26.32	13.16
RASBERRY ALMOND SH 4	14916	4.20	2.10	2	INNOV	8.40	4.20
SUNFLOWER MOUSSE 3 oz	14917	5.94	2.97	3	INNOV	17.82	8.91
SUNFLOWER FIRM H SP 3	14918	7.14	3.57	3	INNOV	21.42	10.71
WILDBERRY GEL 3 oz./B	14919	4.74	2.37	5	INNOV	23.70	11.85
BLACK IS BLACK 2.64oz	15024	14.96	7.48	2	PSS	29.92	14.96
B B RASPBERRY BERET 1	15025	36.50	25.00	1	PSS	36.50	25.00
B B PRETTY FLAMINGO 1	15026	36.50	25.00	1	PSS	36.50	25.00
B B RED CORVETTE 13 o	15027	36.50	25.00	1	PSS	36.50	25.00
B B STRAWBERRY FIELDS	15028	36.50	25.00	3	PSS	109.50	75.00
B B HOT CHILLI 13 oz.	15029	36.50	25.00	3	PSS	109.50	75.00
B B ORANGE CRUSH 13 o	15030	36.50	25.00	1	PSS	36.50	25.00
B B YELLOW SUBMARINE	15031	36.50	25.00	3	PSS	109.50	75.00
B B LIME SPYDER 13 oz	15032	36.50	25.00	2	PSS	73.00	50.00
B B MR. GREEN JEANS 1	15033	36.50	25.00	2	PSS	73.00	50.00
B B BLUE HAWAII 13 oz	15034	36.50	25.00	2	PSS	73.00	50.00
B B BLUE VELVET 13 oz	15035	36.50	25.00	2	PSS	73.00	50.00

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
B B PURPLE HAZE 13 oz	15036	36.50	25.00	2	PSS	73.00	50.00
B B BLUEBERRY HILL 13	15037	36.50	25.00	1	PSS	36.50	25.00
B B WHITE SHADE OF PA	15038	36.50	25.00	2	PSS	73.00	50.00
B B BLACK IS BLACK 13	15039	36.50	25.00	3	PSS	109.50	75.00
MOISTURE MANIAC SH 12	15176	7.95	3.98	10	ARTIST	79.50	39.80
MOISTURE MANIAC COND	15177	11.95	6.00	15	ARTIST	179.25	90.00
CONTROL FREAK 9 oz/B	15178	15.95	8.00	6	ARTIST	95.70	48.00
POWER TRIP 7 oz/BH	15179	11.95	6.00	10	ARTIST	119.50	60.00
HARD HEAD SPRAY 10 oz	15180	11.95	6.00	10	ARTIST	119.50	60.00
MOISTURE MANIAC SH 32	15194	18.95	9.48	5	ARTIST	94.75	47.40
MOISTURE MANIAC CO 32	15195	23.95	11.93	6	ARTIST	143.70	71.58
COMBO 4 oz/BH	15197	5.00	3.00	6	ARTIST	30.00	18.00
PURIFYING SHAMPOO 16oz	15223	9.90	1.32	7	HHB	69.30	9.24
VOLUMIZING SHAMPOO 16	15224	11.00	2.85	16	HHB	176.00	45.60
MOISTURE SHAMPOO 16oz	15225	9.90	1.58	11	HHB	108.90	17.38
VIOLET SHAMPOO 16oz/	15226	11.00	1.98	5	HHB	55.00	9.90
DETANGLE COND 16oz/H	15227	11.00	1.15	13	HHB	143.00	14.95
REPLENISH COND 16oz/	15228	14.00	2.30	13	HHB	182.00	29.90
VOLUMIZING GEL 4oz/H	15229	9.90	1.45	18	HHB	178.20	26.10
VOLUMIZING SH SPRAY 1	15230	11.00	3.56	15	HHB	165.00	53.40
VOLUMIZING MOUSSE 7oz	15231	13.00	3.72	18	HHB	234.00	66.96
THINGS - DISTORT 2 oz	3135	15.00	3.89	8	ECOLY	120.00	31.12
THINGS - STAYPUT 2 oz	3136	15.00	3.89	5	ECOLY	75.00	19.45
THINGS - STRETCH	3137	15.00	3.89	8	ECOLY	120.00	31.12
BIG SEXY HAIR 10.6 oz	3149	13.00	3.38	1	ECOLY	13.00	3.38
HAIR DRESSING GEL 3.3	15805	7.50	3.50	8	DENMAN	60.00	28.00
HAIR DRESSING POMADE	15806	9.98	4.00	4	DENMAN	39.92	16.00
ROW MED STYLE BRUSH -	15808	11.86	4.77	3	DENMAN	35.58	14.31
ROW LARGE STYLE BRUSH	15809	13.41	5.40	6	DENMAN	80.46	32.40
LARGE NAT BOAR BRITLE	15810	20.58	8.28	5	DENMAN	102.90	41.40
LARGE TUNNEL VENT - D	15811	7.83	3.15	4	DENMAN	31.32	12.60
HAIR DRESSING POMADE	15812	5.73	2.29	5	DENMAN	28.65	11.45
CENTRIX SHEAR # 575	15865	239.95	149.97	11	DIRECT	2,639.45	1,649.67
ASSTD PAINT KIT / FUD	15997	22.00	11.00	11	PSS	242.00	121.00
VORTEX - 920	16041	16.95	5.97	12	DIRECT	203.40	71.64
VORTEX - 930	16042	16.95	5.97	20	DIRECT	339.00	119.40
VORTEX - 970	16044	16.95	5.97	11	DIRECT	186.45	65.67
VORTEX - 980	16045	16.95	5.97	14	DIRECT	237.30	83.58
T-LINER TRIMMER MODEL	16101	47.00	32.98	12	ANDIS	564.00	395.76
BIG SEXY SHAMPOO 8.5	3150	6.95	1.81	20	ECOLY	139.00	36.20
BIG SEXY CONDITIONER	3151	6.95	1.81	12	ECOLY	83.40	21.72
PUMP UP 7.1 oz.	16232	19.80	9.90	5	PSS	99.00	49.50
COLOR ROLL MED. 5 LBS	16261	72.00	36.00	20	SHEAR	1,440.00	720.00
SINGLE STANDARD FOIL	16263	25.00	12.50	8	SHEAR	200.00	100.00
DOUBLE DELUX FOIL DIS	16264	58.00	29.00	4	SHEAR	232.00	116.00
BRILL DAMAGE CTRL SP	16294	13.00	6.50	3	AVEDA	39.00	19.50
BEADS - ROSES	16322	15.00	6.00	1	CLAUS	15.00	6.00
SKREWD 4 oz.	16380	17.00	8.50	2	PSS	34.00	17.00
ESSENTIAL CLEANSING S	10000	34.00	17.00	3	DERM	102.00	51.00
ESSENTIAL CLEANSING S	10001	22.00	11.00	3	DERM	66.00	33.00
DERMAL CLAY CLEANSER	10002	34.00	17.00	3	DERM	102.00	51.00
DERMAL CLAY CLEANSER	10003	22.00	11.00	3	DERM	66.00	33.00

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
SPECIAL CLEANSING GEL	10004	34.00	17.00	3	DERM	102.00	51.00
ANI-BAC SKIN WASH 8OZ	10006	22.00	11.00	2	DERM	44.00	22.00
DELUXE FACIAL BRUSH	10007	13.00	6.50	1	DERM	13.00	6.50
MULTI ACTIVE TONER 8O	10008	21.50	10.75	1	DERM	21.50	10.75
SKIN PREP SCRUB 2.5OZ	10011	22.00	11.00	2	DERM	44.00	22.00
ACTIVE MOIST 3.5OZ	10012	38.50	19.25	3	DERM	115.50	57.75
ACTIVE MOIST 1.75OZ	10013	27.00	13.50	2	DERM	54.00	27.00
OIL CONTROL LOTION 1.	10014	27.00	13.50	2	DERM	54.00	27.00
SKIN SMOOTHING CREAM	10015	42.50	21.25	1	DERM	42.50	21.25
INTENSIVE MOISTURE BA	10016	46.00	23.00	1	DERM	46.00	23.00
SKIN HYDRATING MASQUE	10018	28.50	14.25	3	DERM	85.50	42.75
SKIN REFINING MASQUE	10019	27.50	13.75	2	DERM	55.00	27.50
INTENSIVE MOIST MASQU	10020	32.00	16.00	1	DERM	32.00	16.00
GENTLE SOOTHING BOOST	10021	41.00	20.50	1	DERM	41.00	20.50
SKIN RENEWAL BOOSTER	10024	41.00	20.50	3	DERM	123.00	61.50
INTENSIVE MOISTURE CO	10025	45.00	22.50	3	DERM	135.00	67.50
SPECIFIC SKIN CONCENT	10026	45.00	22.50	5	DERM	225.00	112.50
SOOTHING EYE M/U REMO	10027	15.00	7.50	2	DERM	30.00	15.00
PROFESSIONAL SHAVE 1.	10033	13.50	6.75	1	DERM	13.50	6.75
HYDRO-ACTIVE MIN SALT	10089	22.00	11.00	2	DERM	44.00	22.00
STREAMLINING BODY TON	10090	23.00	11.50	5	DERM	115.00	57.50
STRESS RELIEF TREAT O	10092	16.00	8.00	2	DERM	32.00	16.00
AHA/BHA CLEANSER / 7	10197	23.00	9.20	2	MURAD	46.00	18.40
REFRESH SKIN CLEANS 6	10199	19.50	7.80	2	MURAD	39.00	15.60
HYDRATING TONER / 536	10200	14.50	5.80	2	MURAD	29.00	11.60
CLARYFING ASTRIGENT /	10201	14.50	5.80	2	MURAD	29.00	11.60
SKIN SMOOTHING CREAM	10202	48.00	19.20	3	MURAD	144.00	57.60
COMBINATION SKIN FORM	10203	48.00	19.20	3	MURAD	144.00	57.60
ADV OILY PRONE SKIN F	10204	48.00	19.20	3	MURAD	144.00	57.60
ACNE PRONE SKIN FORM	10205	48.00	19.20	2	MURAD	96.00	38.40
NIGHT REFORM 1.4oz.	10206	52.50	21.00	2	MURAD	105.00	42.00
ADV SEN. SKIN SMOOTHI	10207	48.00	19.20	4	MURAD	192.00	76.80
ADV. SENSITIVE SKIN F	10208	46.00	19.20	4	MURAD	184.00	76.80
CELLULAR SERUM 1.4oz.	10209	42.00	16.80	4	MURAD	168.00	67.20
PERFECTING NIGHT CRE	10211	31.00	12.40	1	MURAD	31.00	12.40
SKIN PERFECTING LOTIO	10212	27.00	10.80	4	MURAD	108.00	43.20
MURASUN H2OPROOF S-BL	10218	19.00	7.60	3	MURAD	57.00	22.80
MURASOME EYE COMPLEX	10224	50.00	20.00	3	MURAD	150.00	60.00
CELLULAR EYE GEL .5oz	10225	29.00	11.60	4	MURAD	116.00	46.40
AGE SPOT PIGMENT GE	10226	48.00	19.20	3	MURAD	144.00	57.60
CLARIFYING GEL	10227	46.00	19.20	3	MURAD	138.00	57.60
GENTLE EYE MAKEUP REM	10228	16.50	6.60	3	MURAD	49.50	19.80
ACNE MGMT FORMULA / 3	10229	13.00	5.20	3	MURAD	39.00	15.60
ACNE MANAGEMENT MASQU	10230	32.00	12.80	5	MURAD	160.00	64.00
PURIFYING CLAY MASQUE	10231	22.50	9.00	2	MURAD	45.00	18.00
HYDRATING GEL MASQUE	10232	22.50	9.00	2	MURAD	45.00	18.00
INTENSIVE FORMULA 3.3	10234	48.00	19.20	1	MURAD	48.00	19.20
SKIN SOOTHING FORMULA	10235	9.50	3.80	2	MURAD	19.00	7.60
GENTLE BODY CLEANS GE	10237	17.50	7.00	3	MURAD	52.50	21.00
TOTAL BODY HYDRATOR	10238	18.50	7.40	3	MURAD	55.50	22.20
ENVIRONMENTAL SHIELD	10240	30.00	12.00	4	MURAD	120.00	48.00
YOUTH BUILDER	10241	54.00	21.60	4	MURAD	216.00	86.40

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
FLAXSEED FILLED EYE P	11411	15.00	7.50	1	JANE	15.00	7.50
AROMATIC HERBAL EYE P	11412	15.00	7.50	2	JANE	30.00	15.00
3X4 PILLAR 45 HR BURN	11442	16.00	8.00	1	LIGHTED	16.00	8.00
4X6 PILLAR 60 HR BURN	11443	26.00	13.00	8	LIGHTED	208.00	104.00
SANDALWOOD SIMPLE WRA	11501	3.40	1.79	9	RIVER	30.60	16.11
ROSEWOOD SIMPLE WRAP	11505	3.40	1.79	4	RIVER	13.60	7.16
MOUNTAIN LAUREAL WRAP	11506	3.40	1.79	10	RIVER	34.00	17.90
WILD FLOWERS SIMPLE W	11507	3.40	1.79	3	RIVER	10.20	5.37
GARDEN MINT SIMPLE WR	11508	3.40	1.79	10	RIVER	34.00	17.90
MILK & HONEY SIMPLE W	11509	3.40	1.79	4	RIVER	13.60	7.16
EUCALYPTUS BATH SALT	11522	8.70	4.35	2	RIVER	17.40	8.70
ROSEWOOD BATH SALT JA	11523	8.70	4.35	1	RIVER	8.70	4.35
CITRUS BATH SALT JARS	11524	8.70	4.35	1	RIVER	8.70	4.35
SKIN FIRING 1.8OZ	11849	7.90	3.95	4	AVEDA	31.60	15.80
PURIFYING CREME CLEAN	11852	18.70	9.35	2	AVEDA	37.40	18.70
EXFOLIANT 5.5OZ	11854	16.70	8.35	1	AVEDA	16.70	8.35
TONING MIST 5.5OZ	11855	16.70	8.35	5	AVEDA	83.50	41.75
OILFREE HYDRA 5.5OZ	11858	26.00	13.00	1	AVEDA	26.00	13.00
FLAT POWDER LARGE	11968	25.00	15.00	2	GAUGUIN	50.00	30.00
CONTOUR BLUSH	11970	22.00	13.20	2	GAUGUIN	44.00	26.40
PUFF	11971	16.50	9.90	1	GAUGUIN	16.50	9.90
POINTED LIP LARGE	11973	12.50	7.50	1	GAUGUIN	12.50	7.50
EYELINER STRAIGHT	11974	7.50	4.50	1	GAUGUIN	7.50	4.50
EYE PLUME	11975	9.50	5.70	1	GAUGUIN	9.50	5.70
EYE ROUND	11976	12.00	7.20	2	GAUGUIN	24.00	14.40
FAN BADBER (FIRM)	11982	17.50	10.50	3	GAUGUIN	52.50	31.50
BROW LASH BROOMER	11983	8.00	4.80	2	GAUGUIN	16.00	9.60
SPONGE APPLICATOR	11984	6.50	3.90	3	GAUGUIN	19.50	11.70
EYESTEAM	12349	8.33	4.17	6	JANE	49.98	25.02
SKIN SMOOTHING CREAM	12544	29.00	14.50	1	DERM	29.00	14.50
BODY HYDRATING CREAM	12847	36.00	18.00	1	DERM	36.00	18.00
BLEACHING CREAM	12943	5.10	2.55	10	GIGI	51.00	25.50
HERBACINE KAMILL CREA	13018	6.00	3.30	6	DESNICK	36.00	19.80
INTENSIVE EYE REPAIR	12858	35.00	17.50	3	DERM	105.00	52.50
FOUNDATION #1	13431	29.50	14.75	1	DERM	29.50	14.75
FOUNDATION #2	13433	29.50	14.75	2	DERM	59.00	29.50
FOUNDATION #2G	13434	29.50	14.75	1	DERM	29.50	14.75
FOUNDATION #3	13435	29.50	14.75	3	DERM	88.50	44.25
FOUNDATION #3G	13436	29.50	14.75	1	DERM	29.50	14.75
FOUNDATION #4	13437	29.50	14.75	2	DERM	59.00	29.50
FOUNDATION #5	13438	29.50	14.75	2	DERM	59.00	29.50
DAILY LIGHT GUARD SPF	13624	17.00	8.50	2	AVEDA	34.00	17.00
SUN SOURCE 5oz.	13625	17.00	8.50	2	AVEDA	34.00	17.00
HAIR GUM 5.28oz.	13865	13.96	6.98	4	PSS	55.84	27.92
SILKOMB PRO # 10	13890	3.00	1.80	16	DIRECT	48.00	28.80
BODYOIL MIST 5oz./MON	14030	12.50	6.25	8	MONTAGE	100.00	50.00
BATH SOAP 3.5oz./MONT	14031	5.00	2.50	2	MONTAGE	10.00	5.00
ANTI-BAC SKIN WASH 16	14105	34.00	17.00	4	DERM	136.00	68.00
OIL CONTROL LOTION 3.	14294	38.50	19.25	1	DERM	38.50	19.25
STREAMLINIG BODY TONE	14644	36.00	18.00	2	DERM	72.00	36.00
HAIR REMOVAL CR-BIKIN	14692	5.68	2.84	7	GIGI	39.76	19.88
REFRESHING TONER 7 oz	14809	16.00	8.00	4	YOUNG	64.00	32.00

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
STIMULATING TONER 7 o	14810	16.00	8.00	4	YOUNG	64.00	32.00
OIL HYDRATING FLUID 2	14811	22.00	12.00	4	YOUNG	88.00	48.00
TIME RELEASE FLUID	14812	22.00	11.00	3	YOUNG	66.00	33.00
VITAMIN C LOTION 1 oz	14813	38.00	19.00	3	YOUNG	114.00	57.00
REJUVENATING SERUM 1	14814	34.00	17.00	4	YOUNG	136.00	68.00
SUNSCREEN (SPF-30) 4	14815	20.00	10.00	1	YOUNG	20.00	10.00
TAN FX LOTION 8.2 oz.	14884	27.00	13.50	6	BODY	162.00	81.00
TAN FX OIL 8 oz.	14885	27.00	13.50	10	BODY	270.00	135.00
DARK - 7 oz./SIG	14886	28.00	14.00	10	BODY	280.00	140.00
GLISTERING SPRAY 8 oz	14887	25.00	12.50	10	BODY	250.00	125.00
MOIST CLEANSING BAR 4	14888	8.50	4.25	5	BODY	42.50	21.25
WHIPPED CREAM 7 oz./S	14889	36.00	18.00	7	BODY	252.00	126.00
MULTIVITAMIN POWER RE	14923	42.50	21.25	3	DERM	127.50	63.75
SELF TANNING & FAT RE	15428	30.00	15.00	20	SPECT	600.00	300.00
NAKED GLOW 2 oz.	15556	15.00	6.00	28	DIRECT	420.00	168.00
SHAVE CREAM 7.9 oz.	15933	11.00	5.50	1	AVEDA	11.00	5.50
AFTER SHAVE BALM 3.4	15934	13.00	6.50	2	AVEDA	26.00	13.00
BALANCING TONER 6 oz.	16149	28.00	11.20	4	MURAD	112.00	44.80
DAILY R COMPLEX 1.4oz	16150	80.00	32.00	7	MURAD	560.00	224.00
ES D MOIST-SPF 15	16151	40.00	16.00	4		160.00	64.00
ESS NIGHT MOIST 1.4oz	16152	48.00	19.20	4	MURAD	192.00	76.80
PROT HAND CREAM 4.2oz	16153	30.00	12.00	3	MURAD	90.00	36.00
ANT DIET SUPPL(120 t)	16154	30.00	12.00	3	MURAD	90.00	36.00
GENA HOOF NAIL 1 oz.	16265	3.66	1.55	9	MERCURY	32.94	13.95
M/V HAND & NAIL TREAT	16352	18.50	9.25	7	DERM	129.50	64.75
3 BLADES RAZOR	16504	52.00	26.00	17	ESHAVE	884.00	442.00
SUNFLOWER BATH GEL 13	10617	7.50	3.75	2	INNOV	15.00	7.50
BATH GEL RASPBERRY/B2	10619	7.50	3.75	1	INNOV	7.50	3.75
BATH GEL JASMINE 13.5	10620	7.50	3.75	2	INNOV	15.00	7.50
BODY LTN SUNFLOWER 6.	10621	8.50	4.25	2	INNOV	17.00	8.50
BODY LTN RASPBERRY 6.	10623	8.50	4.25	3	INNOV	25.50	12.75
BODY LTN JASMINE 6.8o	10624	8.50	4.25	3	INNOV	25.50	12.75
LIP BALM ALOE	10627	3.50	1.75	4	INNOV	14.00	7.00
LIP BALM PEPPERMINT	10628	3.50	1.75	5	INNOV	17.50	8.75
LIP BALM VANILLA	10630	3.50	1.75	5	INNOV	17.50	8.75
BATH SEEDS HONEY 2OZ	10632	2.96	1.48	3	INNOV	8.88	4.44
BATH SEEDS JASMINE 2O	10633	2.96	1.48	4	INNOV	11.84	5.92
BATH SEEDS RASPBERRY	10634	2.96	1.48	2	INNOV	5.92	2.96
BATH SEEDS SUNFLOWER	10635	2.96	1.48	2	INNOV	5.92	2.96
FACIAL WASH 300ML	10636	36.00	18.00	8	MULTI	288.00	144.00
EXFOLIATING TONER 300	10643	36.00	18.00	9	MULTI	324.00	162.00
REPLENISHMENT 30ML	10645	37.00	18.50	4	MULTI	148.00	74.00
EYE RESCUE	10647	35.00	17.50	2	MULTI	70.00	35.00
FIRM GEL 300ML	10650	22.00	11.00	2	MULTI	44.00	22.00
PARASOL-SUN 200ML	10654	21.00	10.50	5	MULTI	105.00	52.50
REMEDY WASH 200ML	10664	21.00	10.50	10	MULTI	210.00	105.00
REMEDY CONDITIONER	10665	21.00	10.50	4	MULTI	84.00	42.00
REMEDY RESTRUCTURISER	10666	22.00	11.00	4	MULTI	88.00	44.00
REMEDY REPAIR 200ML	10667	24.00	12.00	4	MULTI	96.00	48.00
REMEDY HAIR SHINE 30M	10668	20.00	10.00	4	MULTI	80.00	40.00
FACE CLEANSER 300ML	10669	36.00	18.00	13	MULTI	468.00	234.00
BODY LOTION 300ML	10670	24.50	12.25	3	MULTI	73.50	36.75

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
SHAMPOO 300ML	10673	17.50	8.75	4	MULTI	70.00	35.00
CONDITIONER 300ML	10674	17.50	8.75	6	MULTI	105.00	52.50
SOFT GEL 300ML	10677	22.00	11.00	3	MULTI	66.00	33.00
SENSUAL BATH FOAM 300	10685	35.00	17.50	6	MULTI	210.00	105.00
SENSUAL SATINISER 300	10686	35.00	17.50	6	MULTI	210.00	105.00
SENSUAL MASSAGE OIL 1	10687	36.00	18.00	4	MULTI	144.00	72.00
GINSENG S/F 300ML	10689	20.00	10.00	3	MULTI	60.00	30.00
ROSEMARY 3 OZ	11942	2.00	1.00	2	KNEIPP	4.00	2.00
PHYTOGEL 9OZ AQUA	12601	12.50	6.25	2	AROMO	25.00	12.50
PHYTOGEL 9OZ GRN	12602	12.50	6.25	2	AROMO	25.00	12.50
PHYTOGEL 9OZ ORANGE	12603	12.50	6.25	3	AROMO	37.50	18.75
ORIGINAL OIL	13051	12.00	6.00	1	KAMA	12.00	6.00
CHOCOLATE MINT OIL	13052	12.00	6.00	1	KAMA	12.00	6.00
CHERRY ALMOND OIL	13053	12.00	6.00	2	KAMA	24.00	12.00
CAPPACINO OIL	13057	12.00	6.00	4	KAMA	48.00	24.00
HONEY ALMOND MASSAGE	13060	14.00	7.00	4	KAMA	56.00	28.00
VANILLA CREAM MASSAGE	13061	14.00	7.00	5	KAMA	70.00	35.00
COOL MINT MASSAGE	13062	14.00	7.00	5	KAMA	70.00	35.00
RASBERRY CREAM MASSAG	13063	14.00	7.00	5	KAMA	70.00	35.00
HEALING BLEND OIL	13065	13.00	6.50	9	KAMA	117.00	58.50
SOARING SPIRIT BATH	13072	24.00	12.00	1	KAMA	24.00	12.00
WEEKENDER KIT	13081	22.00	11.00	21	KAMA	462.00	231.00
THE COLLECTION	13082	30.00	15.00	15	KAMA	450.00	225.00
4OZ GERANIUM SALTS	13357	4.00	2.00	3	TIPTON	12.00	6.00
8OZ ORANGE LIME GEL	13362	13.00	6.50	2	TIPTON	26.00	13.00
8OZ ORANGE YLANG GEL	13364	13.00	6.50	1	TIPTON	13.00	6.50
8OZ CUCUMBER BALM	13365	17.00	8.50	3	TIPTON	51.00	25.50
8OZ EUCALYPTUS BALM	13366	17.00	8.50	3	TIPTON	51.00	25.50
8OZ LAVENDER BALM	13367	17.00	8.50	4	TIPTON	68.00	34.00
SHEA BUTTER LIP BALM	13393	5.90	2.95	23	FRENCH	135.70	67.85
BODY LOTION 8OZ	13395	17.00	8.37	2	FRENCH	34.00	16.74
TOTAL INDUL BALM 120m	14098	14.95	5.99	3	SEBAST	44.85	17.97
TOTAL INDUL BODY SH40	14099	18.95	7.59	2	SEBAST	37.90	15.18
TOTAL INDUL IN-TO 250	14100	16.95	6.79	4	SEBAST	67.80	27.16
TOTAL INDUL BATH-7PK	14102	14.95	5.99	1	SEBAST	14.95	5.99
COLD & FLU BUBBLE BAT	14563	11.94	5.97	2	CA BABY	23.88	11.94
BODY LTN WILDBERRY 6.	14569	8.50	4.25	1	INNOV	8.50	4.25
BUBBLEBATH 250 ml.	15336	16.00	7.50	9	LAFCO	144.00	67.50
MEHNDI BODY ART	15529	3.80	1.90	12	DSC	45.60	22.80
BATH SEEDS WILD BERR	15629	2.96	1.48	4	INNOV	11.84	5.92
SIZZLIN' BATH SALTS 2	15640	5.50	2.25	31	GILDEN	170.50	69.75
HAND CREAM W/ANTIOX 3	15723	16.00	7.50	31	HEAVY	496.00	232.50
IMPRESSIONS GEL CANDL	15767	10.00	4.50	2	CBI	20.00	9.00
ASSTD. BATHFOAM 370 m	15799	27.00	13.00	2	LAFCO	54.00	26.00
ASSTD. VEGETABLE SOAP	15800	8.00	3.50	3	LAFCO	24.00	10.50
ASSTD. BLK.LTR. BATHG	15801	12.00	5.50	8	LAFCO	96.00	44.00
ASSTD. BLK.LTR. LOTIO	15802	13.00	6.25	4	LAFCO	52.00	25.00
ASSTD. ROOM SPRAY 30m	15803	16.00	7.50	5	LAFCO	80.00	37.50
SOOTHING / 2201	15849	7.50	3.75	3	AROMA	22.50	11.25
SOOTHING / 2203	15850	11.50	5.75	1	AROMA	11.50	5.75
RELAXING / 22120	15852	9.80	4.90	2	AROMA	19.60	9.80
VITALITY / 22622	15854	14.50	7.25	1	AROMA	14.50	7.25

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
4 1/2x6 1/2" MALE/ CA	15856	48.00	18.50	1	INTIRA	48.00	18.50
7 1/2x11 1/2" M-F / C	15859	160.00	75.00	3	INTIRA	480.00	225.00
4 1/2x8" SAFARI / CA2	15860	60.00	28.50	3	INTIRA	180.00	85.50
7x5 1/2" ELEPHANT / C	15861	85.00	36.50	1	INTIRA	85.00	36.50
PEDESTAL / PD100	15862	40.00	19.00	1	INTIRA	40.00	19.00
PEDESTAL / PD300	15863	80.00	35.00	1	INTIRA	80.00	35.00
JADE	15872	9.00	4.50	1	T.S.	9.00	4.50
JASPER	15873	11.00	5.50	1	T.S.	11.00	5.50
MALACHITE	15876	11.00	5.50	1	T.S.	11.00	5.50
TURQUOISE	15879	9.00	4.50	1	T.S.	9.00	4.50
OLIVINE	15884	11.00	5.50	1	T.S.	11.00	5.50
AMBIANCE - 2231	15893	7.50	3.75	1	AROMA	7.50	3.75
JP GAULTIER SDT SP. 3	15915	80.00	64.00	1	PERFUM	80.00	64.00
SAFARI EDP SP. 1.7 oz	15916	39.50	29.60	1	PERFUM	39.50	29.60
ACQUA DI GIU SP. (M)	15917	38.50	26.95	2	PERFUM	77.00	53.90
KOUROS EDT SP. 3.3 oz	15922	53.00	30.00	2	PERFUM	106.00	60.00
SHAMPOO BODY BAR	15932	12.00	6.00	4	AVEDA	48.00	24.00
PURE-FUME TONIC COLOG	15936	34.00	17.00	4	AVEDA	136.00	68.00
1881 EDT SP 1.7 oz.	16234	36.00	22.00	2	PERFUM	72.00	44.00
ROSE GERANIUM SIMPLE	16235	3.58	1.79	10	RIVER	35.80	17.90
RECT BOTTLE-MED 730 m	16243	39.00	19.50	1	KING	39.00	19.50
BALANCING BOT 1200ml.	16245	90.00	45.00	2	KING	180.00	90.00
ARMELLE BOT SM 70 ml.	16250	14.00	7.00	1	KING	14.00	7.00
WHITE TOOTHPASTE 4.2	16417	12.95	7.77	13	SMILE	168.35	101.01
MOUTHWASH (60 PACKETS	16418	19.95	11.97	1	SMILE	19.95	11.97
WHITENING FLOSS / SS5	16419	4.95	2.97	5	SMILE	24.75	14.85
45 DEGREE TOOTHBRUSH/	16420	7.95	4.77	6	SMILE	47.70	28.62
BATHOLOGY GLYCERIN SO	16474	12.00	6.00	15	BATHOLO	180.00	90.00
CANNED CANDLE	16487	8.50	3.75	14	DESIGN	119.00	52.50
CURLING IRON 3/4" MARC	14274	30.95	16.73	25	HELEN	773.75	418.25
CURLING 1-1/2" SPRING	14273	34.95	18.89	4	HELEN	139.80	75.56
ULTRA CLEAN UC 150	14271	3.60	1.80	12	DIRECT	43.20	21.60
ULTRA CLEAN UC 140	14270	3.60	1.80	23	DIRECT	82.80	41.40
ULTRA CLEAN UC 130	14269	3.60	1.80	12	DIRECT	43.20	21.60
ULTRA CLEAN UC 120	14268	3.60	1.80	13	DIRECT	46.80	23.40
ULTRA CLEAN UC 110	14267	3.60	1.80	18	DIRECT	64.80	32.40
ECO CANDLE	14163	6.50	3.60	9	DIRECT	58.50	32.40
SHEAR SANITIZING SYS	14162	69.00	41.97	2	DIRECT	138.00	83.94
AMBIANCE CANDLE 3x3.5	14128	11.50	5.75	1	AROMA	11.50	5.75
SENSUAL CANDLE 3x3.5	14126	11.50	5.75	5	AROMA	57.50	28.75
11001 CLIP	12016	5.00	1.75	1	DCNL	5.00	1.75
11202 CLIP	12019	5.00	1.50	1	DCNL	5.00	1.50
11301 CLIP	12020	5.00	2.00	1	DCNL	5.00	2.00
11502 CLIP	12025	2.75	1.00	2	DCNL	5.50	2.00
12301 CLIP	12045	4.00	1.50	1	DCNL	4.00	1.50
12307 CLIP	12051	4.00	1.75	1	DCNL	4.00	1.75
12402 CLIP	12055	5.00	2.25	1	DCNL	5.00	2.25
23013 CLIP	12069	4.50	1.70	1	DCNL	4.50	1.70
34727 CLIP	12114	2.75	1.25	2	DCNL	5.50	2.50
45632 ELASTICS	12144	2.50	0.75	2	DCNL	5.00	1.50
53743 ANIMAL PRINTS	12146	5.00	1.75	1	DCNL	5.00	1.75
53744 ANIMAL PRINTS	12147	5.00	1.75	1	DCNL	5.00	1.75

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
WAHL-NOSE HAIR TRIMME	12317	17.40	8.70	3	WAHL	52.20	26.10
WAHL 9985-SOO	12319	24.00	12.00	2	WAHL	48.00	24.00
EVITA 263894	12410	10.00	5.00	3	EVITA	30.00	15.00
EVITA 641808	12413	10.00	5.00	1	EVITA	10.00	5.00
EVITA 547817	12416	6.50	3.25	1	EVITA	6.50	3.25
Z-705	13262	6.95	2.50	12	DIRECT	83.40	30.00
Z-700	13263	7.95	2.86	9	DIRECT	71.55	25.74
Z-710	13264	8.95	3.22	7	DIRECT	62.65	22.54
Z-720	13265	9.95	3.58	10	DIRECT	99.50	35.80
ALUM. SPRAY BOTTLE	13266	6.50	3.57	4	DIRECT	26.00	14.28
3 1/2X12 HOLIDAY STRI	13267	40.00	15.00	1	MSS	40.00	15.00
COOL BEIGE PWD 1OZ	13271	34.95	13.95	1	YOUNG	34.95	13.95
BARELY BEIGE PWD. 1oz	13274	34.95	13.95	1	YOUNG	34.95	13.95
SOFT BEIGE PWD. 1OZ	13275	34.95	13.95	3	YOUNG	104.85	41.85
WARM BEIGE PWD. 1OZ	13277	34.95	13.95	3	YOUNG	104.85	41.85
ROSE BEIGE PWD. 1OZ	13278	34.95	13.95	4	YOUNG	139.80	55.80
TOFFEE PWD. 1OZ	13279	34.95	13.95	5	YOUNG	174.75	69.75
FAWN PWD. 1OZ	13280	34.95	13.95	3	YOUNG	104.85	41.85
SUNGLOW PWD. 1OZ	13281	34.95	13.95	3	YOUNG	104.85	41.85
COFFEE PWD. 1oz.	13282	34.95	13.95	3	YOUNG	104.85	41.85
MAHOGANY PWD. 1OZ	13283	34.95	13.95	2	YOUNG	69.90	27.90
SMALL KABUKI BRUSH	13284	14.00	7.00	7	YOUNG	98.00	49.00
LARGE KABUKI BRUSH	13285	16.50	8.25	6	YOUNG	99.00	49.50
ADOBE BLUSH	13286	17.99	7.75	2	YOUNG	35.98	15.50
CORAL REEF BLUSH	13287	17.99	7.75	2	YOUNG	35.98	15.50
PLUMBERRY BLUSH	13288	17.99	7.75	1	YOUNG	17.99	7.75
NICOLE NAIL LACQUER .	13289	10.00	5.00	45	MATRIX	450.00	225.00
WARM 100ML	13311	57.00	28.50	1	MULTI	57.00	28.50
SUPER SOLANO/ALCI PLU	13312	89.00	49.50	13	RBI	1,157.00	643.50
5 RED APPLES	13329	1.20	0.60	2	AXEL	2.40	1.20
5 SUNFLOWERS	13331	1.20	0.60	2	AXEL	2.40	1.20
5 RED CHERRY HEARTS	13332	1.20	0.60	5	AXEL	6.00	3.00
OPI NAIL VARNISH (MAI	13422	6.00	3.00	119	URBAN	714.00	357.00
HOT TOOLS DRYER 1800	13423	50.00	20.00	1	RBI	50.00	20.00
PRO CLIPS	13482	7.00	3.60	49	DIRECT	343.00	176.40
DUSTING POWDER 2.5OZ	13519	8.00	4.00	3	BURTS	24.00	12.00
BUTTERMILK SOAP 3.5OZ	13521	5.00	2.50	3	BURTS	15.00	7.50
VORTEX V2 5-3/4" SHEA	13604	330.00	197.97	3	DIRECT	990.00	593.91
CENTRIX SHEAR #1660	13606	220.00	132.00	3	DIRECT	660.00	396.00
AVEDA AROMA CANDLE	13636	19.50	9.75	6	AVEDA	117.00	58.50
AVEDA CANDLE REFILL	13637	11.00	5.50	3	AVEDA	33.00	16.50
DOLCE & GABBANA (W) 1	13655	55.00	33.00	3	PERFUM	165.00	99.00
COOL WATER (W) 1.7OZ	13659	39.50	28.00	4	PERFUM	158.00	112.00
LEATHER SHEAR CACHE #	13667	60.00	35.97	1	DIRECT	60.00	35.97
ISSEY MIYAKE (W) 3.3O	13689	80.00	60.00	1	PERFUM	80.00	60.00
BEEWAX CANDLE (AROMA	13693	17.50	8.75	4	AROMA	70.00	35.00
BEEWAX CANDLE REFILL	13694	9.20	4.60	7	AROMA	64.40	32.20
ECO V - 12 ROW ROUND	13695	16.95	6.10	11	DIRECT	186.45	67.10
ECO VI - MED. OVAL CU	13696	18.95	7.96	23	DIRECT	435.85	183.08
ECO VII -LARGE OVAL C	13697	20.95	7.54	10	DIRECT	209.50	75.40
ECO VIII-PADDLE CUSHI	13698	21.95	7.90	16	DIRECT	351.20	126.40
SOLANO M IRON SUPER-2	13800	45.00	27.00	6	RBI	270.00	162.00

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
SOLANO S PET N FLAT I	13802	70.00	42.00	2	RBI	140.00	84.00
SILKOMB PRO # 25	13892	3.00	1.80	10	DIRECT	30.00	18.00
SILKOMB PRO # 30	13893	3.50	2.10	9	DIRECT	31.50	18.90
CURLING IRON 1/2" MARC	13898	30.95	16.73	5	HELEN	154.75	83.65
CURLING IRON 1" MARCE	13899	33.95	18.35	10	HELEN	339.50	183.50
CURLING IRON 1-1/2" M	13900	37.95	20.51	29	HELEN	1,100.55	594.79
CURLING IRON 1" SPRIN	13903	30.95	16.73	4	HELEN	123.80	66.92
HOT TOOLS 1-1/4"SPG-I	13904	33.95	18.35	1	HELEN	33.95	18.35
WAHL DESIGNER 8355	14019	44.48	26.99	14	WAHL	622.72	377.86
WAHL TRIMMER 8900	14020	50.23	30.14	9	WAHL	452.07	271.26
CENTRIX BRUSH-OFF(224	14080	18.00	9.00	18	DIRECT	324.00	162.00
SENSUAL CANDLE 2.75x5	14360	14.50	7.25	1	AROMA	14.50	7.25
AMB CANDLE 2.75x5 - 2	14438	14.50	7.25	2	AROMA	29.00	14.50
TECHNIQUE #350 LARGE	14714	13.95	5.02	3	DIRECT	41.85	15.06
TECHNIQUE #300 EX-SMA	14716	10.95	3.94	2	DIRECT	21.90	7.88
TECHNIQUE #310 SMALL	14717	11.95	4.30	3	DIRECT	35.85	12.90
MASTER HI-FREQUENCY #	5064	200.00	2.49	10	FROMM	2,000.00	24.90
LOOFA SOAP	6000	5.99	1.55	16		95.84	24.80
MATADOR GLOVE	14951	4.00	1.80	106	METRO	424.00	190.80
SEMPERFIT GLOVE	14952	5.00	2.20	2	METRO	10.00	4.40
MATADOR COMB 2607/9G	14953	7.00	3.08	12	METRO	84.00	36.96
MATADOR COMB 2206/9	14954	7.00	3.08	10	METRO	70.00	30.80
MATADOR COMB 2254/7	14955	6.00	2.64	5	METRO	30.00	13.20
MATADOR COMB 2689/8	14956	6.00	2.64	5	METRO	30.00	13.20
ALUM. PURSE / HB-120	15108	49.00	26.00	2	T.Z.	98.00	52.00
ALUM. BEAUTY CASE / A	15109	79.00	42.00	2	T.Z.	158.00	84.00
PROFESSIONAL CLIPPER	15175	41.55	24.93	3	WAHL	124.65	74.79
AROMA CANDLE / B2B	15276	15.00	7.50	9	INNOV	135.00	67.50
BODY MIST 30 mL/B2B	15277	10.00	5.00	11	INNOV	110.00	55.00
AGS-275 SILVER BASKET	15325	21.00	10.00	2	RJS	42.00	20.00
RELAXING - 2214	15356	18.50	9.25	1	AROMA	18.50	9.25
SENSUAL - 2224	15357	18.50	9.25	1	AROMA	18.50	9.25
POLO SPORT SP. 3.4oz.	15433	40.00	31.50	1	PERFUM	40.00	31.50
HUGO WOMEN SP. 2.5oz.	15435	49.00	34.00	2	PERFUM	98.00	68.00
ACQUA DE GIO SP. 1.7o	15438	38.50	28.75	1	PERFUM	38.50	28.75
MD ANTIQUE SILVER 701	15500	22.00	11.00	1	VISION	22.00	11.00
SM SILVER w/SILVER TR	15501	21.00	10.50	1	VISION	21.00	10.50
MD SILVER w/SILVER TR	15502	23.00	11.50	1	VISION	23.00	11.50
LG SILVER w/SILVER TR	15503	25.00	12.50	1	VISION	25.00	12.50
102-SM MATTE GOLD 100	15504	20.00	10.00	1	VISION	20.00	10.00
112-MD MATTE GOLD 100	15505	22.00	11.00	1	VISION	22.00	11.00
122-LG MATTE GOLD 100	15506	24.00	12.00	2	VISION	48.00	24.00
114-MD MOHAWK GOLD 10	15507	22.00	11.00	1	VISION	22.00	11.00
SM STAR PRIMAVERA GOL	15508	20.00	10.00	1	VISION	20.00	10.00
SM EGYPTIAN GOLD&SILV	15510	22.00	11.00	1	VISION	22.00	11.00
MD EGYPTIAN GOLD&SILV	15511	24.00	12.00	2	VISION	48.00	24.00
113-MD MOHAWK SILVER	15516	22.00	11.00	1	VISION	22.00	11.00
MD STAR PRIMAVERA SIL	15518	22.00	11.00	2	VISION	44.00	22.00
LG STAR PRIMAVERA SIL	15519	24.00	12.00	1	VISION	24.00	12.00
104-SM SMOOTH MARBLE	15523	20.00	10.00	1	VISION	20.00	10.00
113-MD SMOOTH MARBLE	15524	22.00	11.00	1	VISION	22.00	11.00
121-LG SMOOTH TORTOIS	15527	24.00	12.00	1	VISION	24.00	12.00

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
MASTER CLIPPER - 0155	15543	103.75	58.95	8	ANDIS	830.00	471.60
HAIR ACCESORY KIT	15557	15.00	2.97	1	DIRECT	15.00	2.97
TEAR AWAY FOIL SYS (T	15558	29.40	14.70	8	BURMAX	235.20	117.60
COUNTESS COMB - SC-10	15567	9.00	3.60	87	SPORNET	783.00	313.20
DKNY EDP SPRA 1.7 oz.	15569	65.00	45.00	1	PERFUM	65.00	45.00
HT 85W 5/8" SPRING IR	15578	27.95	15.09	7	HELEN	195.65	105.63
HT 85W 1 1/4"MARCEL I	15580	35.95	19.43	19	HELEN	683.05	369.17
SUPER TAPER II / 8470	15593	55.00	26.74	28	WAHL	1,540.00	748.72
11 1/2 TALL CALLA LI	15637	90.00	42.50	1	INTIRA	90.00	42.50
ORLY NAIL PAINT	12156	3.00	1.50	251	ORLY	753.00	376.50
CUTIQUE	12162	3.30	1.65	3	ORLY	9.90	4.95
CUTICLE CARE COMPLEX	12163	5.40	2.70	1	ORLY	5.40	2.70
ONE STEP	12168	3.60	1.80	3	ORLY	10.80	5.40
NAIL DEFENSE	12172	5.40	2.70	1	ORLY	5.40	2.70
FRENCH MANICURE-KIT 4	12175	10.42	6.25	6	ORLY	62.52	37.50
WRAP & TIP REMOVER	12181	5.83	3.50	3	ORLY	17.49	10.50
LIFE AFTER ACRYLICS K	12183	22.08	13.25	2	ORLY	44.16	26.50
BEVERLY HILLS MANICUR	12184	10.42	6.25	4	ORLY	41.68	25.00
BEVERLY HILLS PLUM	12185	4.17	2.50	2	ORLY	8.34	5.00
PACO ROBANE 3.4OZ	12327	46.00	32.00	3	PERFUM	138.00	96.00
RED JEANS 2.5OZ	12333	37.00	21.00	2	PERFUM	74.00	42.00
BLUE JEANS 2.5OZ	12334	37.00	24.00	1	PERFUM	37.00	24.00
GUCCI ENVY EDT. SP 1.	12338	60.00	36.00	3	PERFUM	180.00	108.00
LIPSTICK COCOA	12624	9.95	2.50	3	JESSICA	29.85	7.50
LIPSTICK MAROONED	12625	9.95	2.50	4	JESSICA	39.80	10.00
LIPSTICK BORDEAUX	12626	9.95	2.50	4	JESSICA	39.80	10.00
LIPSTICK ORANGE SPICE	12627	9.95	2.50	3	JESSICA	29.85	7.50
LIPSTICK RAGING RED	12628	9.95	2.50	5	JESSICA	49.75	12.50
LIPSTICK LADY IN RED	12629	9.95	2.50	4	JESSICA	39.80	10.00
LIPSTICK SALSA	12630	9.95	2.50	5	JESSICA	49.75	12.50
LIPSTICK PEACHES CREA	12631	9.95	2.50	3	JESSICA	29.85	7.50
LIPSTICK SIENNA	12632	9.95	2.50	5	JESSICA	49.75	12.50
LIPSTICK GOLD DUST	12633	9.95	2.50	2	JESSICA	19.90	5.00
LIPSTICK BARE ESSENCE	12634	9.95	2.50	5	JESSICA	49.75	12.50
LIPSTICK CLASSIC MAUV	12635	9.95	2.50	4	JESSICA	39.80	10.00
LIPSTICK WINEBERRY	12636	9.95	2.50	3	JESSICA	29.85	7.50
LIPSTICK DUSTY PINK	12637	9.95	2.50	5	JESSICA	49.75	12.50
LIPSTICK FOURTEEN CAR	12638	9.95	2.50	1	JESSICA	9.95	2.50
LIPSTICK PRETTY IN PI	12639	9.95	2.50	5	JESSICA	49.75	12.50
LIPSTICK PASSION	12640	9.95	2.50	4	JESSICA	39.80	10.00
LIPSTICK PLUM FOREST	12641	9.95	2.50	5	JESSICA	49.75	12.50
CERISE LIP COLOR	12664	13.00	6.50	9	AVEDA	117.00	58.50
GERANUIM LIP COLOR	12668	13.00	6.50	1	AVEDA	13.00	6.50
REDWOODLIP COLOR	12672	13.00	6.50	5	AVEDA	65.00	32.50
ROSEWOOD LIP COLOR	12673	13.00	6.50	4	AVEDA	52.00	26.00
SCARLET SAGE LIP COLO	12674	13.00	6.50	3	AVEDA	39.00	19.50
SEASHELL LIP COLOR	12675	13.00	6.50	3	AVEDA	39.00	19.50
SHAZANDRA LIP COLOR	12676	13.00	6.50	8	AVEDA	104.00	52.00
SILK LIP SHEER LIP CO	12677	13.00	6.50	3	AVEDA	39.00	19.50
SPESSARTINE LIP COLOR	12678	13.00	6.50	3	AVEDA	39.00	19.50
TASMANIA LIP COLOR	12680	13.00	6.50	1	AVEDA	13.00	6.50
TUPELO LIP COLOR	12681	13.00	6.50	3	AVEDA	39.00	19.50

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
HALO LIP COLOR	12682	13.00	6.50	9	AVEDA	117.00	58.50
SUN LIP COLOR	12683	13.00	6.50	1	AVEDA	13.00	6.50
WILD PLUM LIP COLOR	12684	13.00	6.50	3	AVEDA	39.00	19.50
CINDER LIP GLOSS	12685	12.50	6.25	4	AVEDA	50.00	25.00
ROSEMIST LIP GLOSS	12686	12.50	6.25	2	AVEDA	25.00	12.50
DEW LIP GLOSS	12687	12.50	6.25	3	AVEDA	37.50	18.75
ICE LIP GLOSS	12688	12.50	6.25	8	AVEDA	100.00	50.00
CURRANT MATTE LIP	12689	14.00	7.00	2	AVEDA	28.00	14.00
POMEGRANITE MATTE LIP	12693	14.00	7.00	1	AVEDA	14.00	7.00
SPICE MATTE LIP	12696	14.00	7.00	5	AVEDA	70.00	35.00
AMBROSIA URUKU LIP	12697	14.00	7.00	3	AVEDA	42.00	21.00
ANNATTO URUKU LIP	12698	14.00	7.00	3	AVEDA	42.00	21.00
BIXA URUKU LIP	12699	14.00	7.00	2	AVEDA	28.00	14.00
CAMELIA URUKU LIP	12700	14.00	7.00	3	AVEDA	42.00	21.00
NECTAR URUKU LIP	12701	14.00	7.00	3	AVEDA	42.00	21.00
ORELLAN URUKU LIP	12702	14.00	7.00	6	AVEDA	84.00	42.00
CINAMON LOOSE POWDER	12705	18.50	9.25	3	AVEDA	55.50	27.75
TEAK LOOSE POWDER	12706	18.50	9.25	3	AVEDA	55.50	27.75
VANILLA FLUID	12708	20.50	10.25	2	AVEDA	41.00	20.50
FLAXEN FLUID	12710	20.50	10.25	3	AVEDA	61.50	30.75
WHEAT FLUID	12711	20.50	10.25	2	AVEDA	41.00	20.50
CLOVE FLUID	12713	20.50	10.25	1	AVEDA	20.50	10.25
AMBER FLUID	12714	20.50	10.25	1	AVEDA	20.50	10.25
PRALINE FLUID	12715	20.50	10.25	4	AVEDA	82.00	41.00
SIENNA FLUID	12716	20.50	10.25	2	AVEDA	41.00	20.50
MOCHA FLUID	12717	20.50	10.25	2	AVEDA	41.00	20.50
CEDAR POWD BLUSH	12718	11.00	5.50	3	AVEDA	33.00	16.50
LOTUS SILK BLUSH	12719	11.00	5.50	3	AVEDA	33.00	16.50
VAPOR SILK POWD BLUSH	12720	11.00	5.50	6	AVEDA	66.00	33.00
MALLOW POD BLUSH	12721	11.00	5.50	2	AVEDA	22.00	11.00
NUTMEG POWD BLUSH	12722	11.00	5.50	11	AVEDA	121.00	60.50
PAPRIKA POWD BLUSH	12723	11.00	5.50	5	AVEDA	55.00	27.50
ROSE QUARTZ POWD BLUS	12725	11.00	5.50	7	AVEDA	77.00	38.50
ACORN EYE S	12726	10.50	5.25	4	AVEDA	42.00	21.00
ALMOND EYE S	12727	10.50	5.25	4	AVEDA	42.00	21.00
BLOSSOM EYE S	12729	10.50	5.25	3	AVEDA	31.50	15.75
BRIAR EYE S	12730	10.50	5.25	4	AVEDA	42.00	21.00
CHESTNUT EYE S	12731	10.50	5.25	3	AVEDA	31.50	15.75
CITRON EYE S	12732	10.50	5.25	9	AVEDA	94.50	47.25
CLOUD EYE SHADOW	12733	10.50	5.25	3	AVEDA	31.50	15.75
PINKGLOW EYE S	12734	10.50	5.25	4	AVEDA	42.00	21.00
SPARK EYE S	12735	10.50	5.25	11	AVEDA	115.50	57.75
DAWN EYE S	12737	10.50	5.25	3	AVEDA	31.50	15.75
EARTHEN EYE SHADOW	12738	10.50	5.25	6	AVEDA	63.00	31.50
HAZE EYE S	12739	10.50	5.25	5	AVEDA	52.50	26.25
INDIGO EYE S	12740	10.50	5.25	5	AVEDA	52.50	26.25
BASALT EYE SHADOW	12741	10.50	5.25	7	AVEDA	73.50	36.75
GRAPHITE EYE S	12742	10.50	5.25	3	AVEDA	31.50	15.75
ORE EYE S	12744	10.50	5.25	2	AVEDA	21.00	10.50
OLIVINE EYE S	12745	10.50	5.25	2	AVEDA	21.00	10.50
ONYX EYE S	12746	10.50	5.25	3	AVEDA	31.50	15.75
OPAL EYE S	12747	10.50	5.25	6	AVEDA	63.00	31.50

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
IRIDIUM EYE S	12749	10.50	5.25	3	AVEDA	31.50	15.75
SANDALWOOD EYE S	12750	10.50	5.25	13	AVEDA	136.50	68.25
COBALT EYE S	12751	10.50	5.25	1	AVEDA	10.50	5.25
SMOKEY TOPAZ EYE SHAD	12752	10.50	5.25	2	AVEDA	21.00	10.50
SNOW EYE S	12753	10.50	5.25	5	AVEDA	52.50	26.25
BORON EYE SHADOW	12754	10.50	5.25	3	AVEDA	31.50	15.75
SYLVAN EYE S	12755	10.50	5.25	3	AVEDA	31.50	15.75
THISTLE EYE S	12756	10.50	5.25	3	AVEDA	31.50	15.75
TIGER EYE S	12757	10.50	5.25	3	AVEDA	31.50	15.75
CRYSTALINE EYE S	12758	10.50	5.25	2	AVEDA	21.00	10.50
WISTERIA EYE S	12759	10.50	5.25	2	AVEDA	21.00	10.50
CREAM PRESSED PWDR	12760	17.50	8.75	6	AVEDA	105.00	52.50
LINIEN PRESSED PWDR	12761	17.50	8.75	3	AVEDA	52.50	26.25
CINAMON PRESSED PWDR	12762	17.50	8.75	2	AVEDA	35.00	17.50
TEAK PRESSED PWDR	12763	17.50	8.75	3	AVEDA	52.50	26.25
BRONZE PRESSED PWDR	12764	17.50	8.75	2	AVEDA	35.00	17.50
COTTON DUAL PERF PWDR	12765	19.50	9.75	1	AVEDA	19.50	9.75
LINEN DUALPERF PWDR	12768	19.50	9.75	3	AVEDA	58.50	29.25
CINAMON DULA PERF PWD	12770	19.50	9.75	4	AVEDA	78.00	39.00
TEAK DUALPERF PWDR	12771	19.50	9.75	1	AVEDA	19.50	9.75
BRONZE DUALPERF PWDR	12772	19.50	9.75	1	AVEDA	19.50	9.75
AGATE EYE PENCIL	12773	11.00	5.50	3	AVEDA	33.00	16.50
CLOVE EYE PENCIL	12775	11.00	5.50	3	AVEDA	33.00	16.50
JET EYE PENCIL	12776	11.00	5.50	1	AVEDA	11.00	5.50
LAPIS EYE PENCIL	12777	11.00	5.50	5	AVEDA	55.00	27.50
SARGASSO EYE PENCIL	12779	11.00	5.50	4	AVEDA	44.00	22.00
SEPIA EYE PENCIL	12780	11.00	5.50	2	AVEDA	22.00	11.00
TERRA EYE PENCIL	12781	11.00	5.50	5	AVEDA	55.00	27.50
VIOLET EYE PENCIL	12782	11.00	5.50	4	AVEDA	44.00	22.00
FIG LIP PENCIL	12783	11.00	5.50	6	AVEDA	66.00	33.00
GINGER LIP PENCIL	12784	11.00	5.50	2	AVEDA	22.00	11.00
JUTE LIP PENCIL	12785	11.00	5.50	1	AVEDA	11.00	5.50
MAPLE LIP PENCIL	12786	11.00	5.50	4	AVEDA	44.00	22.00
RUBY LIP PENCIL	12789	11.00	5.50	1	AVEDA	11.00	5.50
SAVANNA LIP PENCIL	12790	11.00	5.50	4	AVEDA	44.00	22.00
TARRAGONA LIP PENCIL	12791	11.00	5.50	4	AVEDA	44.00	22.00
TERRA COTA LIP PENCIL	12792	11.00	5.50	6	AVEDA	66.00	33.00
RAVEN LASH MASCARA	12793	14.50	7.25	1	AVEDA	14.50	7.25
EXPRESSO LASH MASCARA	12794	14.50	7.25	2	AVEDA	29.00	14.50
BALSA CREAM CONCEALER	12795	13.50	6.75	4	AVEDA	54.00	27.00
BAMBOO CREAM CONCEALE	12796	13.50	6.75	7	AVEDA	94.50	47.25
COMPACT PLUS 2	12798	7.00	3.50	2	AVEDA	14.00	7.00
ENVIROMETAL COMPACT-P	12799	11.50	8.00	4	AVEDA	46.00	32.00
COMPACT PLUS 16	12800	27.20	13.60	2	AVEDA	54.40	27.20
XENON EYE S	12801	10.50	5.25	2	AVEDA	21.00	10.50
ASSORTED TRIAL SIZE .	13570	1.80	0.90	56	ORLY	100.80	50.40
VERONA - LIP LINER	13672	12.00	6.00	3	AVEDA	36.00	18.00
MORENA LIP LINER - 10	13673	12.00	6.00	3	AVEDA	36.00	18.00
ONECOLOR+URUKU-SOLARE	13674	12.50	6.25	8	AVEDA	100.00	50.00
ONECOLOR+URUKU-ROJA(A	13675	12.50	6.25	4	AVEDA	50.00	25.00
HAZELNUT POWDER 1oz.	13770	34.95	13.95	2	YOUNG	69.90	27.90
CINNAMON BLUSH	13771	17.99	7.75	2	YOUNG	35.98	15.50

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
DUSTY PINK BLUSH	13772	17.99	7.75	3	YOUNG	53.97	23.25
CABERNET BLUSH	13773	17.99	7.75	1	YOUNG	17.99	7.75
SUPER POWDER BRUSH	13774	25.00	12.50	5	YOUNG	125.00	62.50
MAKEUP BRUSH-BAG COMB	13787	14.00	7.00	2	AVEDA	28.00	14.00
PWDER BLUSH BRUSH (YB	13794	18.00	9.00	8	YOUNG	144.00	72.00
BURGUNDY MODA/LS	13909	14.00	7.00	4	ARTIST	56.00	28.00
MEOW/LS	13910	14.00	7.00	5	ARTIST	70.00	35.00
CABERNET/LS	13911	14.00	7.00	4	ARTIST	56.00	28.00
TAWNY/LS	13912	14.00	7.00	5	ARTIST	70.00	35.00
CHAMPAGNE/LS	13913	14.00	7.00	5	ARTIST	70.00	35.00
AMARETTO/LS	13915	14.00	7.00	4	ARTIST	56.00	28.00
CAPUCCINO/LS	13916	14.00	7.00	3	ARTIST	42.00	21.00
POUT/LS	13918	14.00	7.00	6	ARTIST	84.00	42.00
NAUGHTY/LS	13919	14.00	7.00	1	ARTIST	14.00	7.00
REBEL RED/LS	13920	14.00	7.00	5	ARTIST	70.00	35.00
NATURAL/LS	13921	14.00	7.00	6	ARTIST	84.00	42.00
ROSEWOOD/LS	13922	14.00	7.00	5	ARTIST	70.00	35.00
SEXY/JOYSTICK	13923	14.00	7.00	5	ARTIST	70.00	35.00
COOL/JOYSTICK	13924	14.00	7.00	9	ARTIST	126.00	63.00
FLIRT/JOYSTICK	13925	14.00	7.00	4	ARTIST	56.00	28.00
FUN/JOYSTICK	13926	14.00	7.00	4	ARTIST	56.00	28.00
WILD/JOYSTICK	13927	14.00	7.00	4	ARTIST	56.00	28.00
ENVY/JOYSTICK	13928	14.00	7.00	6	ARTIST	84.00	42.00
RED/LP	13929	14.00	7.00	4	ARTIST	56.00	28.00
SPICE/LP	13930	14.00	7.00	6	ARTIST	84.00	42.00
ESPRESSO/LP	13932	14.00	7.00	4	ARTIST	56.00	28.00
CHOCOLATE/LP	13933	14.00	7.00	4	ARTIST	56.00	28.00
DECAF/LP	13934	14.00	7.00	6	ARTIST	84.00	42.00
BROWN/EP	13935	14.00	7.00	6	ARTIST	84.00	42.00
BLACK/EP	13936	14.00	7.00	4	ARTIST	56.00	28.00
BROWN/MAKE-UP MARKER	13937	14.00	7.00	3	ARTIST	42.00	21.00
BLACK/CATWALK MASCARA	13939	14.00	7.00	4	ARTIST	56.00	28.00
BROWN/CATWALK MASCARA	13940	14.00	7.00	6	ARTIST	84.00	42.00
PINK CHAMPAGNE/LS	13941	14.00	7.00	5	ARTIST	70.00	35.00
CASUAL/LS	13942	14.00	7.00	5	ARTIST	70.00	35.00
PEACH/SES	13943	14.00	7.00	3	ARTIST	42.00	21.00
TAUPE/SES	13944	14.00	7.00	3	ARTIST	42.00	21.00
JAVA/SES	13945	14.00	7.00	3	ARTIST	42.00	21.00
NATURAL/SES	13946	14.00	7.00	3	ARTIST	42.00	21.00
SAND/SES	13947	14.00	7.00	3	ARTIST	42.00	21.00
AMETHY/SES	13948	14.00	7.00	3	ARTIST	42.00	21.00
ROMEO/SES	13949	14.00	7.00	4	ARTIST	56.00	28.00
JULIET/SES	13950	14.00	7.00	2	ARTIST	28.00	14.00
QUEEN/SES	13951	14.00	7.00	2	ARTIST	28.00	14.00
VENUS/SES	13952	14.00	7.00	2	ARTIST	28.00	14.00
DENIM/SES (DISCONTINU	13954	14.00	7.00	1	ARTIST	14.00	7.00
BLONDIE/SPLITZS SHADO	13955	18.00	9.00	3	ARTIST	54.00	27.00
SASSIE/SPLITZS SHADOW	13956	18.00	9.00	5	ARTIST	90.00	45.00
FEMME/SPLITZS SHADOWS	13957	18.00	9.00	5	ARTIST	90.00	45.00
SPUNK/SPLITZS SHADOWS	13958	18.00	9.00	2	ARTIST	36.00	18.00
GLITZIE/SPLITZS SHADO	13959	18.00	9.00	3	ARTIST	54.00	27.00
SLINKIE/SPLITZS SHADO	13960	18.00	9.00	3	ARTIST	54.00	27.00

Cafe Beauty Inventory Valuation 6/03/99

Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
SHAKE IT POWDER/SHIMM	13961	20.00	10.00	4	ARTIST	80.00	40.00
SHAKE IT POWDER/MEDIU	13962	20.00	10.00	1	ARTIST	20.00	10.00
SHAKE IT POWDER/LIGHT	13963	20.00	10.00	1	ARTIST	20.00	10.00
WIPE-OUT CONCEALER/LI	13964	14.00	7.00	1	ARTIST	14.00	7.00
WIPE-OUT CONCEALER/ME	13965	14.00	7.00	2	ARTIST	28.00	14.00
POWDER FOUNDATION/LIG	13966	25.00	12.50	4	ARTIST	100.00	50.00
POWDER FOUNDATION/MED	13968	25.00	12.50	3	ARTIST	75.00	37.50
POWDER FOUNDATION/BRO	13970	25.00	12.50	2	ARTIST	50.00	25.00
FACE FIXX - ALABASTER	13971	22.00	11.00	1	ARTIST	22.00	11.00
FACE FIXX - PORCELAIN	13972	22.00	11.00	4	ARTIST	88.00	44.00
FACE FIXX - NATURAL B	13973	22.00	11.00	1	ARTIST	22.00	11.00
FACE FIXX - BISQUE	13974	22.00	11.00	2	ARTIST	44.00	22.00
FACE FIXX - MEDIUM BE	13975	22.00	11.00	2	ARTIST	44.00	22.00
SWIPE # 1	13977	25.00	12.50	1	ARTIST	25.00	12.50
SWIPE # 3	13979	25.00	12.50	3	ARTIST	75.00	37.50
SWIPE # 4	13980	25.00	12.50	2	ARTIST	50.00	25.00
BLUSH - LATTE	13981	16.00	8.00	2	ARTIST	32.00	16.00
BLUSH - BELLINI	13982	16.00	8.00	2	ARTIST	32.00	16.00
BLUSH - MATTE BROWN	13983	16.00	8.00	3	ARTIST	48.00	24.00
BLUSH - PLUM	13984	16.00	8.00	2	ARTIST	32.00	16.00
BLUSH - ROSE PINK	13985	16.00	8.00	4	ARTIST	64.00	32.00
IVORY COMPACT	14042	38.99	16.25	2	YOUNG	77.98	32.50
SOFT BEIGE COMPACT	14045	38.99	16.25	2	YOUNG	77.98	32.50
HONEY COMPACT	14046	38.99	16.25	1	YOUNG	38.99	16.25
ROSE BEIGE COMPACT	14047	38.99	16.25	3	YOUNG	116.97	48.75
TOFFEE COMPACT	14048	38.99	16.25	2	YOUNG	77.98	32.50
SUNGLOW COMPACT	14049	38.99	16.25	2	YOUNG	77.98	32.50
COFFEE COMPACT	14050	38.99	16.25	3	YOUNG	116.97	48.75
HAZELNUT COMPACT	14051	38.99	16.25	3	YOUNG	116.97	48.75
BABE/JOYSTICK	14331	14.00	7.00	9	ARTIST	126.00	63.00
AROUSE/JOYSTICK	14332	14.00	7.00	6	ARTIST	84.00	42.00
SAVVY/JOYSTICK	14333	14.00	7.00	5	ARTIST	70.00	35.00
RACY/JOYSTICK	14334	14.00	7.00	6	ARTIST	84.00	42.00
POWER/JOYSTICK	14335	14.00	7.00	6	ARTIST	84.00	42.00
INDULGE/JOYSTICK	14336	14.00	7.00	6	ARTIST	84.00	42.00
DREAMER EDT SP 3.4 oz	14375	65.00	39.00	1	PERFUM	65.00	39.00
HERRERA EDT SP 3.4 oz	14376	52.00	36.40	2	PERFUM	104.00	72.80
HUGO EDT SP 3.4 oz.	14377	46.00	34.50	2	PERFUM	92.00	69.00
BASIC/SES	14590	14.00	7.00	2	ARTIST	28.00	14.00
ADDICTION/GLOSS SCHTI	14592	14.00	7.00	6	ARTIST	84.00	42.00
ROJA - ALLOVER COLOR/	14672	12.50	6.25	4	AVEDA	50.00	25.00
SABLE EYESHADOWS BRUS	14805	18.00	9.00	4	YOUNG	72.00	36.00
DELUXE EYESHADOWS	14806	12.00	6.00	4	YOUNG	48.00	24.00
POWDER BRUSH / 106064	14896	23.00	11.50	1	AVEDA	23.00	11.50
BLUSH BRUSH / 106067	14897	23.00	11.50	1	AVEDA	23.00	11.50
SMALL SHADOW BRUSH /1	14898	11.50	5.75	1	AVEDA	11.50	5.75
LIP BRUSH / 1066065	14902	19.50	9.75	1	AVEDA	19.50	9.75
BROW & LASH BRUSH / 1	14903	6.50	3.25	1	AVEDA	6.50	3.25
MAKE-UP BRUSH POUCH /	14905	12.00	6.00	1	AVEDA	12.00	6.00
PRO COVERAGE FOUNDATI	15062	25.00	10.00	33	SEBAST	825.00	330.00
DUO POWDER FOUNDATION	15064	26.00	10.40	25	SEBAST	650.00	260.00
STUDIO CREME FOUNDATI	15065	26.00	10.40	13	SEBAST	338.00	135.20

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
CONCEALERS	15066	12.50	5.00	22	SEBAST	275.00	110.00
COLOURS CORRECTORS	15067	12.50	5.00	3	SEBAST	37.50	15.00
TOUCH-UP PRESSED POWD	15068	18.00	7.20	20	SEBAST	360.00	144.00
FINAL TOUCH LOOSE POW	15069	16.00	6.40	2	SEBAST	32.00	12.80
ONE BLUSHES	15070	12.00	4.80	9	SEBAST	108.00	43.20
TRIO BLUSHES	15071	22.00	7.40	9	SEBAST	198.00	66.60
PRO EYE PENCIL	15072	10.00	4.00	12	SEBAST	120.00	48.00
MATTE EYE COLOURS	15073	10.50	4.00	26	SEBAST	273.00	104.00
REFLECTIVE EYE COLOUR	15074	10.50	4.00	19	SEBAST	199.50	76.00
IN FOCUS MASCARA	15075	12.00	4.40	1	SEBAST	12.00	4.40
GRAPHIC LIQUID EYELIN	15077	10.00	4.00	8	SEBAST	80.00	32.00
PRO LIP PENCILS	15080	10.00	4.00	8	SEBAST	80.00	32.00
MATTE IDENTITY LIPSTI	15081	12.50	4.60	40	SEBAST	500.00	184.00
CREME IDENTITY LIPSTI	15082	12.50	4.60	47	SEBAST	587.50	216.20
SHEER IDENTITY LIPSTI	15083	12.50	4.60	44	SEBAST	550.00	202.40
DIVINYLS LIP GLOSSES	15084	8.00	3.20	5	SEBAST	40.00	16.00
LIP PERFECT / TREATME	15085	10.50	4.20	5	SEBAST	52.50	21.00
SHINE FACE CREME COLL	15086	25.00	10.00	5	SEBAST	125.00	50.00
POWDER BRUSH / 7599	15094	18.50	7.40	5	SEBAST	92.50	37.00
SWEET PETUNIA LIP COL	15329	14.00	7.00	4	AVEDA	56.00	28.00
WILD OATS LIP COLOUR	15331	14.00	7.00	3	AVEDA	42.00	21.00
PRETTY POSY LI COLOUR	15332	14.00	7.00	3	AVEDA	42.00	21.00
EYE MAKE UP REMOVER 4	15420	6.00	3.00	6	CICI	36.00	18.00
HOLIDAY GIFT	15460	5.00	1.63	5	YOUNG	25.00	8.15
COOL TOOLS / TIGI	15631	40.00	20.00	4	ARTIST	160.00	80.00
JOYSTICK to the world	15632	18.00	9.00	8	ARTIST	144.00	72.00
FIXXIT STICK LIGHT	15718	16.00	8.00	2	ARTIST	32.00	16.00
FIXXIT STICK MED	15719	16.00	8.00	3	ARTIST	48.00	24.00
EXOTIC / JOYSTICK	15838	14.00	7.00	7	ARTIST	98.00	49.00
HIP / JOYSTICK	15839	14.00	7.00	6	ARTIST	84.00	42.00
FLASH / GLOSS SHTICK	15840	14.00	7.00	7	ARTIST	98.00	49.00
BLACK CHERRY / LP	15841	14.00	7.00	7	ARTIST	98.00	49.00
MOONSTONE EYESHADOW 2	16047	14.00	7.00	5	YOUNG	70.00	35.00
HEATHER SMOKE EYESHAD	16048	14.00	7.00	2	YOUNG	28.00	14.00
MORGANITE EYESHADOW 2	16050	14.00	7.00	3	YOUNG	42.00	21.00
ALABASTER EYESHADOW 2	16051	14.00	7.00	2	YOUNG	28.00	14.00
GOLDEN BERYL EYESHADO	16053	14.00	7.00	2	YOUNG	28.00	14.00
FIRE OPAL EYESHADOWN	16054	14.00	7.00	3	YOUNG	42.00	21.00
GRANITE EYESHADOW 2 g	16055	14.00	7.00	2	YOUNG	28.00	14.00
SEDONA EYESHADOW 2 gr	16056	14.00	7.00	3	YOUNG	42.00	21.00
DUO BLUSH	16059	22.00	7.40	11	SEBAST	242.00	81.40
CALMING/ENERGIZING LI	16084	15.00	7.50	4	AVEDA	60.00	30.00
PEACH/ORANGE LIP COLO	16085	15.00	7.50	5	AVEDA	75.00	37.50
GOLD/NEUTRAL LIP COLO	16086	15.00	7.50	4	AVEDA	60.00	30.00
BURGUNDY/COPPER LIP C	16087	15.00	7.50	4	AVEDA	60.00	30.00
BROWN/PLUM LIP COLOR	16088	15.00	7.50	1	AVEDA	15.00	7.50
LUNAR/SOLAR LIP COLOR	16089	15.00	7.50	5	AVEDA	75.00	37.50
WARM SUN BRONZER MINU	16090	12.00	6.00	5	AVEDA	60.00	30.00
COOL SUN BRONZER MINU	16091	12.00	6.00	5	AVEDA	60.00	30.00
LIGHT BELIEVABLE COVE	16123	5.90	2.95	12	SORME	70.80	35.40
MEDIUM BELIEVABLE COV	16124	5.90	2.95	12	SORME	70.80	35.40
DARK BELIEVABLE COVER	16125	5.90	2.95	12	SORME	70.80	35.40

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
PURSE / HB-02	16267	69.00	34.00	6	T.Z.	414.00	204.00
POSH LIP / JOYSTICK	16331	14.00	7.00	3	ARTIST	42.00	21.00
LIP BUZZ	16429	10.00	5.00	3	ARTIST	30.00	15.00
LIP LAST CALL	16430	10.00	5.00	3	ARTIST	30.00	15.00
LIP LADIES NIGHT	16431	10.00	5.00	3	ARTIST	30.00	15.00
LIP MARTINI	16432	10.00	5.00	2	ARTIST	20.00	10.00
LIP CHEERS	16433	10.00	5.00	3	ARTIST	30.00	15.00
LIP LUSH	16434	10.00	5.00	3	ARTIST	30.00	15.00
LIP TIPSYP	16435	10.00	5.00	3	ARTIST	30.00	15.00
LIP SHIRLEY TEMPLE	16436	10.00	5.00	2	ARTIST	20.00	10.00
LIP SPRITZER	16437	10.00	5.00	3	ARTIST	30.00	15.00
LIP GOSSIP	16438	10.00	5.00	2	ARTIST	20.00	10.00
DIVA / JOYSTICK	16440	14.00	7.00	3	ARTIST	42.00	21.00
LIPGLOSS HANKY PANKY	16441	10.00	5.00	3	ARTIST	30.00	15.00
LIPGLOSS SEX KITTEN	16442	10.00	5.00	2	ARTIST	20.00	10.00
LIPGLOSS SKINNY DIP	16443	10.00	5.00	3	ARTIST	30.00	15.00
LIPGLOSS LOVE AFFAIR	16444	10.00	5.00	2	ARTIST	20.00	10.00
LIPGLOSS WHOOPIE	16446	10.00	5.00	5	ARTIST	50.00	25.00
NICOLE SUMMER SPLASH	16407	20.00	12.50	1	MERCURY	20.00	12.50
5-00 LIGHT BROWN FORT	1115	4.50	2.25	5	4	22.50	11.25
6-00 DARK BLONDE FORT	1116	4.50	2.25	5	4	22.50	11.25
7-00 MEDIUM BLONDE FO	1117	4.55	2.25	5	4	22.75	11.25
8-00 LIGHT BLONDE FOR	1118	4.50	2.25	4	4	18.00	9.00
9-00 EXTRA LT BLOND F	1119	4.50	2.25	5	4	22.50	11.25
1-0 BLACK (N2)	1120	4.50	2.25	5	4	22.50	11.25
3-0 DARK BROWN (N3)	1121	4.50	2.25	4	4	18.00	9.00
4-0 MEDIUM BROWN (N4)	1122	4.50	2.25	3	4	13.50	6.75
5-0 LIGHT BROWN (N5)	1123	4.50	2.25	3	4	13.50	6.75
6-0 DARK BLONDE (N6)	1124	4.50	2.25	3	4	13.50	6.75
7-0 MEDIUM BLONDE (N7)	1125	4.50	2.25	3	4	13.50	6.75
8-0 LIGHT BLONDE (N8)	1126	4.50	2.25	3	4	13.50	6.75
9-0 EXTRA LIGHT BOLND	1127	4.50	2.25	5	4	22.50	11.25
10-0 ULTRA LIGHT BLON	1128	4.50	2.25	5	4	22.50	11.25
1-1 BLUE BLACK (C1)	1129	4.50	2.25	5	4	22.50	11.25
3-1 DARK ASH BROWN	1130	4.50	2.25	4	4	18.00	9.00
4-1 MEDIUM ASH BROWN	1131	4.50	2.25	5	4	22.50	11.25
5-1 LIGHT ASH BROWN (	1132	4.50	2.25	5	4	22.50	11.25
6-1 DARK ASH BLONDE (	1133	4.50	2.25	5	4	22.50	11.25
7-1 MEDIUM ASH BLONDE	1134	4.50	2.25	5	4	22.50	11.25
8-1 LIGHT ASH BLONDE	1135	4.50	2.25	5	4	22.50	11.25
9-1 EXTRA LIGHT ASH B	1136	4.50	2.25	5	4	22.50	11.25
10-1 ULTRA LIGHT ASH	1137	4.50	2.25	5	4	22.50	11.25
4-4 MEDIUM BEIGE BROW	1138	4.50	2.25	5	4	22.50	11.25
5-4 LIGHT BEIGE BLOND	1139	4.50	2.25	4	4	18.00	9.00
6-4 DARK BEIGE BLONDE	1140	4.50	2.25	2	4	9.00	4.50
7-4 MEDIUM BEIGE BLON	1141	4.50	2.25	4	4	18.00	9.00
8-4 LIGHT BEIGE BLOND	1142	4.50	2.25	5	4	22.50	11.25
9-4 EXTRA LIGHT BEIGE	1143	4.50	2.25	2	4	9.00	4.50
10-4 ULTRA LT BEIGE B	1144	4.50	2.25	5	4	22.50	11.25
3-69 DARK AUBURN BROW	1145	4.50	2.25	3	4	13.50	6.75
4-68 MEDIUM AUBURN BR	1146	4.50	2.25	3	4	13.50	6.75
5-68 LIGHT AUBURN BRO	1147	4.50	2.25	3	4	13.50	6.75

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
6-68 DARK AUBURN BLON	1148	4.50	2.25	3	4	13.50	6.75
7-67 MEDIUM AUBURN BL	1149	4.50	2.25	5	4	22.50	11.25
4-5 MEDIUM GOLDEN BRO	1150	4.50	2.25	5	4	22.50	11.25
5-5 LIGHT GOLDEN BROW	1151	4.50	2.25	3	4	13.50	6.75
6-5 DARK GOLDEN BLOND	1152	4.50	2.25	5	4	22.50	11.25
7-5 MEDIUM GOLDEN BLO	1153	4.50	2.25	5	4	22.50	11.25
8-5 LIGHT GLODEN BLON	1154	4.50	2.25	5	4	22.50	11.25
9-5 EXTRALIGHT GOLDEN	1155	4.50	2.25	5	4	22.50	11.25
5-7 LIGHT COPPER BROW	1156	4.50	2.25	10	4	45.00	22.50
7-7 MEDIUM COPPER BLO	1158	4.50	2.25	5	4	22.50	11.25
8-7 LIGHT COPPER BLON	1159	4.50	2.25	5	4	22.50	11.25
9-7 EXTRA LT. COPPER	1160	4.50	2.25	5	4	22.50	11.25
9.5-7 PASTEL COPPER B	1161	4.50	2.25	5	4	22.50	11.25
3-78 DARK COPPER GOLD	1162	4.50	2.25	5	4	22.50	11.25
4-75 MEDIUM COPPER GO	1163	4.50	2.25	5	4	22.50	11.25
8-87 LIGHT CHESNUT BL	1166	4.50	2.25	5	4	22.50	11.25
6-87 DARK CHESNUT BLO	1167	4.50	2.25	5	4	22.50	11.25
7-87 MEDIUM CHESNUT B	1168	4.50	2.25	5	4	22.50	11.25
9-87EXTRA LIGHT CHESN	1169	4.50	2.25	5	4	22.50	11.25
5-88 LIGHT MAHOGANY B	1170	4.50	2.25	5	4	22.50	11.25
6-88 DARK MAHOGANY BL	1171	4.50	2.25	5	4	22.50	11.25
7-88 MEDIUM MAHOGANY	1172	4.50	2.25	5	4	22.50	11.25
6-10 FOR DARK BLONDE	1173	4.50	2.25	5	4	22.50	11.25
7-10 FOR MED. BLONDE	1174	4.50	2.25	5	4	22.50	11.25
8-10 FOR LT. BLONDE H	1175	4.50	2.25	5	4	22.50	11.25
9.5-91 PASTEL VIOLET	1176	4.50	2.25	3	4	13.50	6.75
12-0 ULTIMATE NATURAL	1177	4.50	2.25	4	4	18.00	9.00
11-1 ULTIMATE ASH BLO	1178	4.50	2.25	4	4	18.00	9.00
11-2 ULTIMATE SMOKEY	1179	4.50	2.25	3	4	13.50	6.75
11-4 ULTIMATE BEIGE B	1180	4.50	2.25	5	4	22.50	11.25
0-00 BLONDING CREME (	1181	4.50	2.25	5	4	22.50	11.25
0-10 BLUE CONCENTRATE	1182	4.50	2.25	6	4	27.00	13.50
0-11 BLUE ASH CONCENT	1183	4.50	2.25	5	4	22.50	11.25
0-22 ANTI YEL. CONCEN	1184	4.50	2.25	5	4	22.50	11.25
0-33 ANTI RED CONCENT	1185	4.50	2.25	5	4	22.50	11.25
0-55 GOLD CONCENTRAT	1186	4.50	2.25	5	4	22.50	11.25
0-88 RED CONCENTRATE	1187	4.50	2.25	5	4	22.50	11.25
0-99 VIOLET CONCENTRA	1188	4.50	2.25	5	4	22.50	11.25
SCHWARZ OXIGENTA 40 V	1252	7.95	3.62	3	4	23.85	10.86
SCHWARZKOPF IGORA SOF	1253	10.42	6.95	3	4	31.26	20.85
LINC IND GLOVES SMALL	1335	7.95	4.20	1	PRICE	7.95	4.20
LINC IND. GLOVES LARG	1337	7.95	4.20	7	PRICE	55.65	29.40
6-2 DARK SMOKEY BLOND	1515	4.35	2.18	4	4	17.40	8.72
7-2 MEDUIM SMOKEY BLO	1516	4.35	2.18	5	4	21.75	10.90
9-2 EXTRA LIGHT SMOKE	1518	4.35	2.18	1	4	4.35	2.18
10-2 ULTRA LT SMOKEY	1519	4.35	2.18	5	4	21.75	10.90
SOFT 1-0 BLACK	1526	4.50	2.25	5	4	22.50	11.25
SOFT 3-0 DARK BROWN	1527	4.50	2.25	5	4	22.50	11.25
SOFT 4-0 MEDUIM BROWN	1528	4.50	2.25	4	4	18.00	9.00
SOFT 5-0 LIGHT BROWN	1529	4.50	2.25	5	4	22.50	11.25
SOFT 6-0 DARK BLONDE	1530	4.50	2.25	5	4	22.50	11.25
SOFT 7-0 MEDIUM BLOND	1531	4.50	2.25	5	4	22.50	11.25

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Description	SKU	Price	Cost	On-Hand	Vendor	Retail Val	Cost Val
SOFT 8-0 LIGHT BLONDE	1532	4.50	2.25	5	4	22.50	11.25
SOFT 8-1 LIGHT ASH BL	1533	4.50	2.25	5	4	22.50	11.25
SOFT 9-1 EXTRA LT ASH	1534	4.50	2.25	5	4	22.50	11.25
SOFT 9.5-1 PASTEL ASH	1535	4.50	2.25	5	4	22.50	11.25
SOFT 5-05 GOLDEN MOCH	1536	4.50	2.25	5	4	22.50	11.25
SOFT 5-06 BRAZIL	1537	4.50	2.25	5	4	22.50	11.25
SOFT 4-06 MEDUIM RED	1538	4.50	2.25	5	4	22.50	11.25
SOFT 6-06 MOCHA BROWN	1539	4.50	2.25	5	4	22.50	11.25
SOFT 6-08 RED BOACH	1540	4.50	2.25	5	4	22.50	11.25
SOFT 4-09 AUBERGINE	1541	4.50	2.25	5	4	22.50	11.25
SOFT 7-5 HAZELNUT	1542	4.50	2.25	5	4	22.50	11.25
SOFT 7-58 MED GOLDEN	1543	4.50	2.25	5	4	22.50	11.25
SOFT 5-68 MEDUIM AUBU	1544	4.50	2.25	6	4	27.00	13.50
SOFT 6-58 COGNAC	1545	4.50	2.25	5	4	22.50	11.25
SOFT 6-87 RED COPPER	1546	4.50	2.25	5	4	22.50	11.25
SOFT 7-79MD COPPER VI	1547	4.50	2.25	5	4	22.50	11.25
SOFT 7-87 DARK RED CH	1548	4.50	2.25	5	4	22.50	11.25
SOFT 0-10 BLUE CONCEN	1549	4.50	2.25	5	4	22.50	11.25
SOFT 5-96 BEAUJOLAIS	1550	4.50	2.25	5	4	22.50	11.25
SOFT 6-89DARK RED VIO	1551	4.50	2.25	6	4	27.00	13.50
SOFT 6-99 DARK VIOLET	1552	4.50	2.25	5	4	22.50	11.25
SOFT 4-69 DARK MOHOGA	1553	4.50	2.25	5	4	22.50	11.25
SOFT 9-04 LIGHT BLOND	1554	4.50	2.25	5	4	22.50	11.25
SOFT 0-98 VIOLET RED	1555	4.50	2.25	5	4	22.50	11.25
SOFT 0-88 RED CONCENT	1556	4.50	2.25	2	4	9.00	4.50
SOFT 0-56 ORANGE CONC	1557	4.50	2.25	5	4	22.50	11.25
SOFT 10-0 ULTRA LIGHT	1559	4.50	2.25	5	4	22.50	11.25
SOFT 10-01 ULTRA LIGH	1560	4.50	2.25	5	4	22.50	11.25
SOFT 10-02 LLTRA LGHT	1561	4.50	2.25	5	4	22.50	11.25
4-3 MEDIUM MATT BROWN	1580	4.35	2.18	4	4	17.40	8.72
5-3 LIGHT MATT BROWN	1581	4.35	2.18	5	4	21.75	10.90
6-3 DARK MATT BLONDE	1582	4.35	2.18	5	4	21.75	10.90
7-3 MEDIUM MATT BLOND	1583	4.35	2.18	5	4	21.75	10.90
9-5.5 PASTED GOLDEN B	1584	4.35	2.18	5	4	21.75	10.90
10-5 ULTRA LIGHT GLDN	1585	4.35	2.18	5	4	21.75	10.90
8-67 LIGHT AUBURN BLO	1586	4.35	2.18	5	4	21.75	10.90
0-77 ORANGE CONCENTRA	1587	4.35	2.18	4	4	17.40	8.72
PSY-COLOR-GY- BROWN	1600	5.50	2.86	12	8	66.00	34.32
PSY-COLOR-GY- YELLOW	1601	5.50	2.86	14	8	77.00	40.04
PSY-COLOR-GY- ORANGE	1602	5.50	2.86	12	8	66.00	34.32
PSY-COLOR-GY- CLEAR	1604	5.50	2.86	6	8	33.00	17.16
PSY-COLOR-GY PREPACK	1606	55.00	33.00	3	8	165.00	99.00
CLOUT LAUNDRY DETERGE	8045	11.79	10.45	6	PRICECO	70.74	62.70
						99,802.85	45,423.09

SCHEDULE "2.16"

RELATED PARTY TRANSACTIONS

1. The Requirements Contract dated June 15, 1995, between CHI and Ecoly International, Inc., of which Michael O'Rourke, Russell Hersowitz and Jean Mayer are the shareholders. This Requirements Contract will continue in full force and effect following the Closing.

2. Loans between CHI and/or its Subsidiaries (as Borrower) and its Shareholders (as Lender) are as follows:

LENDER	AMOUNT	BALANCE AS OF 5/31/99
Dianne Davis	\$ 50,000	\$ 1,661
	\$ 40,000	14,681
	\$100,000	60,453
	\$ 40,000	25,106
	\$ 40,000	33,302
	\$ 50,000	48,839
Russell Hersowitz	\$ 40,000	40,000
Hymie Hersowitz *	\$100,000	9,275
	\$ 50,000	9,183
	\$ 100,000	26,613
	\$ 100,000	93,088
	\$ 50,000	
Jean Mayer	\$ 102,000	102,000
David Bracamontes	\$ 33,053	29,541
Leonard Castro	\$ 10,000	7,707
Jason Lara	\$ 40,000	17,754

* These loans will be paid-off concurrently with the Closing. The remainder of the loans will continue to be obligations of Surviving Corporation following the Closing.

3. Dividends in the originally declared amount of \$101,500 with an unpaid balance of \$59,565 owed to CHI Shareholders.

SCHEDULE "2.17"

BANK ACCOUNTS

Accounts

ACCOUNT NAME	INT REF	BANK	ACCT #	POWER OF ATTORNEY
CAFÉ BEAUTY SUPPLY INC.	CAFÉ	BOA	1020008514	RGB/SMH
CARLTON HAIR CALIFORNIA INC.	CA	WELLS	4290115534	SMH/HH/RH/JM/RGB
CARLTON HAIR INT. INC.	LA	BOA	1020204954	SMH/HH/RH/JM/RGB
CARLTON HAIR INT. INC.	LSM	UNION	381227941	SMH/HH
CARLTON HAIR INT. INC.	CC	WELLS	983052812	SMH/HH
CARLTON HAIR INT. INC.	EDUC.	BOA	1020105992	SMH/HH/RH/JM/RGB
CARLTON HAIR INT. INC. FINANCE ACCT.	FINANCE	BOA	1020609860	RGB/SMH/RH/JM
CARLTON HAIR INT. INC. PAYROLL ACCT.	PAYROLL	BOA	1020813243	SMH/HH/RH/JM/RGB
CARLTON HAIR INT. INC.	TRAINING	WELLS	983048117	SMH/HH
CARLTON HAIR INT. INC. ADMIN ACCT.	CLOSED	WELLS	98305006	SMH/HH/RH/JM/RGB
CARLTON HAIR INT. INC. CORP ACCT.	CORP	WELLS	983111287	SMH/HH/RH/JM/RGB
CARLTON HAIR INT. INC. SAVINGS ACCT.	SAVINGS	BOA	1020306547	SMH/HH/RH/JM/RGB
CARLTON HAIR INT. INC. TAX ACCT.	TAX	BOA	1020007982	SMH/HH/RH/JM/RGB
CARLTON HAIR MISSION VIEJO INC.	MIS	WELLS	983053836	SMH/HH/RH/JM/RGB
CARLTON HAIR STORES INC.	ST	WELLS	4290125228	SMH/HH/RH/JM/RGB
CHIMS INC. dba CARLTON HAIR INT. INC.	RSIDE	BOA	1020404910	SMH/HH/RH/JM/RGB
CHIMS INC.	OC	WELLS	983043068	SMH/HH/RH/JM/RGB
CHIMS INC. dba CARLTON-PCASH ACCT.	PCASH	WELLS	802376426	SMH/HH/RGB
HAIR HEALTH BEAUTY INC.	HHB	UNION	710025711	SMH/HH/RH/JM/RGB
HAIR HEALTH BEAUTY INC.	HHB	DOWNEY	8401101404	RGB/SMH/RH
HAIR HEALTH BEAUTY INC.	HHB	BOA	1020706984	SMH/HH/RH/JM/RGB
LINEAR HAIR BREA SALON INC.	LBS	BOA	1020609761	RGB/SMH
LINEAR HAIR INC.	OC	WELLS	90483695	SMH/HH/RH/JM/RGB
LINEAR HAIR INC. SOUTH COAST PLAZA	SCP	BOA	1020108504	SMH/HH/RH/JM/RGB
LINEAR HAIR SM	SM	SMONICA	9007199	SMH/HH

Bank Addresses

BOA - 500 NEWPORT CENTER DRIVE, STE 191, NEWPORT BEACH, CA 92660	MAIN
WELLS FARGO - 4850 BARANCA PARKWAY, IRVINE, CA 92806	MAIN
UNION BANK - 1666 SAN MIGUEL DRIVE, NEWPORT BEACH, CA 92660	HHB NEWPORT
DOWNEY SAVINGS - 28801 ALISO CREEK RD., STE B, ALISO VIEJO, CA 92856	HHB ALISO
UNION BANK - 900 MONTANA AVENUE, SANTA MONICA, CA 90403	CARL SMONICA
SANTA MONICA BANK - 152 SANTA MONICA PLACE, SANTA MONICA, CA 90401	CARL SMONICA PLC
WELLS FARGO - CENTURY CITY	CARL CENTURY CITY

Powers of Attorney

BROCCARDO, RUGGERO GAETANO	RGB
HERSOWITZ, HYMIE	HH
HERSOWITZ, RUSSELL	RH
HERSOWITZ, SELWYN MARTIN	SMH
MAYER, JOHANN	JM

Carlton Hair/Acq/Docs/SCHEDULE 2.17

SCHEDULE "2.19"

TAXES

1. CHI has been notified that the California State Board of Equalization will be (or is in the process of) conducting the normal "3 year" sales tax audit.

SCHEDULE "2.20"

EXCEPTIONS TO TITLE TO ASSETS

1. Property being used as security described or referenced on Schedule 2.13(a).

SCHEDULE "2.21"

OPERATIONAL RESTRICTIONS

1. Request that consents be obtained under the various Leases described or referenced on Schedule 2.5.

SCHEDULE 4.5

CAPITALIZATION

- a. Attached hereto are lists of the holders of record of the Company's Series A and B Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and options to purchase Series A Common Stock.
- b. 13,364 shares of Series A Preferred Stock are issuable upon conversion of Convertible Debenture due September 30, 2001.
- c. 1,700,000 shares of Series A Common Stock reserved for issuance under the Company's Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan (under which options to purchase 1,095,476 shares are outstanding).
- d. Warrants to purchase 425,364 shares of Series A Common Stock granted to Allen & Company Incorporated.
- e. Warrants to purchase 600,000 shares of Series A Common Stock granted to BancBoston Investments Inc.
- f. The holders of Series A Preferred Stock, the holders of Series B Preferred Stock and Duke Financial, Inc., have rights to purchase their pro-rata shares of new securities in the event the Company issues additional shares of its capital stock, subject to certain exceptions.
- g. Opal has entered into a \$25.0 million Credit Facility with The Chase Manhattan Bank, as Agent for itself and other lenders parties thereto.
- h. Warrants to purchase 404,169 shares of the Series B Common Stock granted to Shiseido & Co. Ltd. in connection with issuance of promissory note to Shiseido in the original principal amount of \$5,000,000.

**SCHEDULE 4.5
OPAL CONCEPTS, INC.**

LIST OF STOCKHOLDERS

<u>Name</u>	<u>Number of Shares</u>
<u>SERIES A COMMON STOCK</u>	
Duke Financial Co., Inc.	2,449,594
On the Greene Enterprises, L.P.	614,226
Shiseido Company, Ltd.	1,187,972
Blair Bryson	26,000
Kevin C. Roth	10,000
Vito Kowalchuk	6,878
Tyler Gambill	5,556
James M. Davis	5,556
Randall P. Spackman	5,556
Valerie Reed Goodin	992
Jamie M. Tarr	992
	<u>4,448,322</u>
<u>SERIES B COMMON STOCK</u>	
Shiseido Company, Ltd.	<u>135,000</u>
	135,000
<u>SERIES A PREFERRED STOCK</u>	
Allen & Company Incorporated	1,069,135
Allen Value Partners, L.P.	3,562,893
Allen Value Limited	432,999
Dorry Keller Bodmer	106,913
Vito Kowalchuk	53,456
Stanley S. Shuman	53,456
Paul A. Gould	40,092
Harold M. Wit	40,092
Judy Wit	13,364
	<u>5,372,400</u>
<u>SERIES B PREFERRED STOCK</u>	
Allen Value Partners, L.P.	1,062,088
Allen Value Limited	126,816
Counsellors Emerging Growth Fund, Inc.	792,603
Drake and Company	792,603

Williams, JTROS
Wells Fargo Bank, Trustee

19,815
9,907
2,803,832

SERIES C PREFERRED STOCK

Phillip J. Randazzo and Mary Randazzo,
Trustees of the Randazzo Community
Property Trust Dated 6/8/90

2,445
2,445

SCHEDULE 4.5

**Opal Concepts Stock Incentive Non-Qualified
Stock Option and Restricted Stock Purchase Plan-1993**

668197.1\19402.0066

**TRADEMARK
REEL: 002225 FRAME: 0353**

NAME OF OPTIONEE (TYPE OF AWARD)	DATE OF AGREEMENT	NO. OF SHARES	NATURE OF CONSIDERATION TO BE PAID (PRICE/SHARE)	OPTIONS/ RIGHTS TO PURCHASE EXERCISED (NO. OF SHARES)	EXPIRED (NO. OF SHARES)	COMMENTS RE VESTING
C. Richard Williams (Incentive)	09/20/95	45,000	Cash (\$2.52)		45,000	See Footnote 3; Employment terminated; option expired
Tyler Gambill (Incentive)	09/20/95	15,000	Cash (\$2.52)			See Footnote 3
Tyler Gambill (Incentive)	09/20/95	7,500	Cash (\$2.52)			See Footnote 4
Blair T. Bryson (Incentive)	09/20/95	15,000	Cash (\$2.52)	6,000	9,000	See Footnote 3; Employment terminated; exercised option to purchase 6,000 shares vested at termination
Blair T. Bryson (Incentive)	09/20/95	7,500	Cash (\$2.52)		7,500	See Footnote 4; Employment terminated; option expired
Stephen R. Christie (Incentive)	09/20/95	15,000	Cash (\$2.52)		15,000	See Footnote 3; Employment terminated; option expired
James M. Davis (Incentive)	09/20/95	15,000	Cash (\$2.52)			See Footnote 3
George H. Carnall (Incentive)	09/20/95	15,000	Cash (\$2.52)		15,000	See Footnote 3; Employment terminated, effective 01/17/97; option expired

NAME OF OPTIONEE (TYPE OF AWARD)	DATE OF AGREEMENT	NO. OF SHARES	NATURE OF CONSIDERATION TO BE PAID (PRICE/SHARE)	OPTIONS/ RIGHTS TO PURCHASE EXERCISED (NO. OF SHARES)	EXPIRED (NO. OF SHARES)	COMMENTS RE VESTING
Gus Vorrasi (Incentive)	09/20/95	15,000	Cash (\$2.52)		15,000	See Footnote 3; Employment terminated, effective 05/31/96; option expired
Tom Flicek (Incentive)	09/20/95	1,500	Cash (\$2.52)			See Footnote 5
Sharon Mork (Incentive)	09/20/95	1,500	Cash (\$2.52)			See Footnote 5
Sandy Jara (Incentive)	09/20/95	1,000	Cash (\$2.52)		1,000	See Footnote 3; Voluntarily terminated employment; option expired
Kate Downer (Incentive)	09/20/95	750	Cash (\$2.52)		750	See Footnote 3; Employment terminated; option expired
Valerie K. Reed (Incentive)	09/20/95	750	Cash (\$2.52)			See Footnote 3
Ted D. Nelson (Incentive)	09/20/95	198,410	Cash (\$2.52)			See Footnote 3
Ted D. Nelson (Nonqualified)	09/20/95	41,590	Cash (\$2.52)			See Footnote 3
R. Sam Christensen (Nonqualified)	09/20/95	15,000	Cash (\$2.52)			See Footnote 3

NAME OF OPTIONEE (TYPE OF AWARD)	DATE OF AGREEMENT	NO. OF SHARES	NATURE OF CONSIDERATION TO BE PAID (PRICE/SHARE)	OPTIONS/ RIGHTS TO PURCHASE EXERCISED (NO. OF SHARES)	EXPIRED (NO. OF SHARES)	COMMENTS RE VESTING
Charles W. Stevens, Jr. (Incentive)	02/4/98	614,226	Cash (\$1.60)			See Footnote 6
Randall P. Spackman (Incentive)	05/07/98	25,000	Cash (\$1.60)			See Footnote 7
		1,259,726		36,000	128,250	

Footnotes:

- ¹ No. of shares issuable as a result of stock split, effective 5/31/95; 20% to vest on 6/30/93, and additional 20% on each of 1st, 2nd, 3rd and 4th anniversaries of 6/30/93.
- ² No. of shares issuable as a result of stock split, effective 5/31/95; 20% to vest on 7/15/94, and additional 20% on each of 2/21/95, 2/21/96, 2/21/97 and 2/21/98.
- ³ 20% to vest on 9/20/95, and additional 20% on each of 1st, 2nd, 3rd and 4th anniversaries of 9/20/95.
- ⁴ 60% to vest on 9/20/95, and additional 20% on each of 6/30/96 and 6/30/97.
- ⁵ 20% to vest on 11/1/95, and additional 20% on each of 1st, 2nd, 3rd and 4th anniversaries of 11/1/95.
- ⁶ 20% to vest on 02/04/98, and remaining shares shall vest on the 7th anniversary of 02/04/98, except as otherwise provided in the Incentive Stock Option Agreement with Charles W. Stevens, Jr. dated 02/04/98.
- ⁷ 20% to vest on 05/07/98, and additional 20% on 04/01 of each of the next four years thereafter.

SCHEDULE "7.1"

CONDUCT OF BUSINESS PRIOR TO CLOSING

1. The Parties will be seeking consents under the various Leases described or referenced on Schedule 2.5. This activity, or the Merger Transaction itself, may result in the Adverse Lease Consequences described on Schedule 2.5.
2. Issuances of stock under the Agreements described or referenced on Schedule 2.2.
3. Payment of dividends currently owed, as described or referenced on Schedule 2.10.
4. Transactions described or referenced on Schedule 2.8.
5. Employment Related Agreements described or referenced on Schedule 2.9(b).

SCHEDULE "7.9"

NON-WHOLLY-OWNED SUSIDIARIES TO BE MERGED INTO CHI

See Attachment (i) of Schedule 2.1 for a list setting forth the Subsidiaries and their ownership structure.