

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)



102215314

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Tab settings ⇌ ⇌ ⇌

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
RAY ENTERPRISES, INC.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: May 3, 2001

2. Name and address of receiving party(ies)

Name: Ray Enterprises, LLC
Internal Address: _____

Street Address: 6711 Ritz Way

City: Beltsville State: MD Zip: 20705

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State

Other Limited Liability Company - DE

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,536,161

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Sherry H. Flax

Internal Address: Saul Ewing LLP

Street Address: 100 S. Charles St.

15th Floor

City: Baltimore State: MD Zip: 21201

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

Sherry H. Flax
Name of Person Signing

Sherry H. Flax
Signature

September 6, 2002
Date

Total number of pages including cover sheet, attachments, and document: 14

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

09/10/2002 6TDN11 00000024 1536161

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40.00 GP

9-9-02

AGREEMENT AND PLAN OF REORGANIZATION

This Agreement and Plan of Reorganization ("Agreement") made this 3 day of May, 2001, by and between Ray Enterprises, Inc., a Delaware corporation ("Ray"), and Ritz Camera Centers, Inc., a Delaware corporation ("Ritz"), and Ray Enterprises, LLC (the "LLC"), a Delaware limited liability company, wholly-owned by Ritz.

WITNESSETH:

WHEREAS, Ray desires to transfer to the LLC and the LLC desires to acquire from Ray all of Ray's assets subject to its liabilities in exchange for (i) 4,016 shares of the Class B Common Stock, \$1.00 par value of Ritz and (ii) 10 shares of Series C convertible preferred stock, no par value of Ritz (together the "Shares") all in a transaction which will qualify as a reorganization under section 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Reorganization"); and

WHEREAS, Ray, in furtherance of the Reorganization, will distribute the Shares to its shareholders in exchange for their shares of Ray stock in complete liquidation of Ray and Ray will dissolve.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Transfer of Business and Assets.** Subject to the conditions set forth in this Agreement, Ray agrees that, at the Closing (as defined in Section 3) and in the manner provided in this Agreement, Ray shall transfer and deliver to the LLC, for the consideration set forth below, all of Ray's then-existing assets including, without limitation, all property, rights and business of every type and description, real, personal and mixed, tangible and intangible, wheresoever located and whether or not carried or reflected on Ray's books and records, all of Ray's goodwill, sales and supply contracts, leases, all cash on hand and in the banks, certificates of deposit, notes and accounts receivable, stocks, bonds, and other securities, patents, trademarks, trade names, brand names and copyrights, and all pending applications therefor and interests thereunder, licenses and inventions, processes, know-how, formulae, trade secrets, real estate and interests therein (including, but not limited to, fee interests, reversions, leaseholds and all other interests), buildings, construction in progress, vehicles, machinery, equipment, inventories of raw materials and consumables, work in process, finished products and supplies on hand and in transit, fixtures, rights under contracts and agreements, franchises, all rights in any funds of whatever nature (including, but not limited to, unemployment compensation, retirement, industrial accident, bonus and savings funds), books and records, the proceeds of any nonassignable assets and all other property and rights of every kind and nature owned or held by it on the Closing Date or then used by it whether or not specifically referred to in this Agreement. The assets shall be transferred subject to all liabilities, obligations, claims, security interests, and encumbrances.

2. **Consideration.** Subject to the terms of this Agreement, and in reliance on the representations and warranties of Ray contained herein, the LLC shall acquire, at Closing, the assets set forth in Section 1 of this Agreement for an aggregate consideration as follows: the Shares, and (ii) the LLC's assumption and agreement to pay or discharge Ray's liabilities and obligations. All of the Shares issued in connection with this Agreement shall be fully paid and non-assessable and shall be restricted securities under Rule 144 of the Securities Act of 1933, as amended. In furtherance of the Reorganization, Ray will liquidate and dissolve, distributing the Ritz Shares pro rata to its shareholders in accordance with Exhibit 2, attached hereto.

3. Closing.

3.1 **Date and Place.** Subject to the terms and conditions set forth in this Agreement, the closing of the transfer and acquisition shall take place at the offices of Ritz Camera Centers, Inc., 6711 Ritz Way, Beltsville, Maryland, at 10:00 A.M., on May 1, 2001, or such other date as the parties may agree upon in writing (the "Closing" or the "Closing Date").

3.2 **Closing Transactions.** Subject to the terms and conditions set forth in this Agreement, the parties agree to consummate the following transactions at Closing:

3.2.1 Ray shall deliver to the LLC such general warranty deeds, standard form bills of sale with covenants of warranty, endorsements, assignments and other good and sufficient instruments of transfer and conveyance as in the reasonable opinion of LLC's counsel, Thomas & Libowitz, P.A., shall be effective to vest in the LLC good and marketable title to Ray's assets and business to be sold as provided in this Agreement.

3.2.2 Ray shall also deliver to the LLC (and at such place or places as may be mutually agreed) all contracts, files, records and other data and documents pertaining of Ray's business.

3.2.3 The LLC shall deliver to Ray a certificate or certificates, registered in the name of Ray, representing the Shares.

3.2.4 The LLC shall execute and deliver to Ray an Assumption Agreement wherein the LLC will assume and agree to timely pay or discharge Ray's liabilities and obligations.

3.2.5 From time to time, at the LLC's request, whether at or after the Closing and without further consideration, Ray will execute and deliver such further instruments of conveyance and transfer and take such other actions as the LLC may reasonably require more effectively to convey and transfer to the LLC any of the property to be sold hereunder, and will assist the LLC reasonably in the collection or reduction to possession of such property. The LLC will pay all sales, transfer, and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to the LLC hereunder.

4. Representations and Warranties.

4.1 Ray represents and warrants that:

4.1.1 Organization and Good Standing. Ray is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has corporate power and authority to own, operate and lease its properties, to carry on its business as it is now being conducted and to enter into this Agreement and to carry out the contemplated transactions.

4.1.2 Subsidiaries. Ray has no subsidiaries.

4.1.3 Authorization. The Board of Directors of Ray has duly advised, and the stockholders of Ray have approved, the execution, delivery and performance of this Agreement and the contemplated transactions; this Agreement has been properly executed by the duly authorized officers of Ray; and this Agreement is the valid binding obligation of the Ray and is enforceable in accordance with its terms.

4.1.4 No Violation. Neither the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, violate the terms of or constitute a breach or default of or under the charter or by-laws of the Ray, and any agreements to which the Ray is a party, or any order, judgment or decree applicable to the Ray, or any law, administrative directive, or regulation applicable to the Ray.

4.1.5 Consents and Approvals. No consent, approval or authorization of or designation, declaration or filing with any governmental authority or other person and entity is required in connection with the execution, delivery or performance of this Agreement or the consummation of the contemplated transactions.

4.1.6 Suits and Proceedings. Except as provided in Exhibit 4.1.6, attached hereto, there is no suit, action, litigation, administrative proceeding, arbitration proceeding, governmental proceeding, investigation, inquiry or other proceeding which is pending or to the best of the knowledge of the, threatened against Ray or which would materially or adversely effect the Ray.

4.1.7 Compliance With Laws. Ray has fully complied with all federal, state and local laws, rules, regulations and administrative directives and has not received, and does not have reason to believe that it will receive, oral or written notice of any claim or violation under any law, ordinance, requirement, regulation or order applicable to Ray or its business.

4.1.8 Tax Returns. Ray has filed all tax returns, of every kind, nature or description, required to be filed by Target and has paid or remitted to the proper authority all taxes and assessments including without limitation, all excise taxes, sales taxes, payroll withholding taxes, FICA taxes, unemployment taxes and personal property taxes, which are required to be paid by the Ray.

4.2. Ritz and the LLC represent and warrant as follows:

4.2.1 Organization. Ritz is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own, operate and lease its properties to carry on its business as is now being conducted and to enter into this Agreement and to carry out the contemplated transactions. The LLC is a limited liability company duly formed validly existing and in good standing under the laws of the State of Delaware and has all requisite limited liability company power and authority to own, operate and lease its properties to carry on its business as is now being conducted and to enter into this Agreement and to carry out the contemplated transactions.

4.2.2 Authorization. The Board of Directors of Ritz has duly advised and the stockholders of Ritz, and the manager of the LLC have duly approved the execution, delivery and performance of this Agreement and the contemplated transactions; this Agreement has been properly executed by the authorized officers of Ritz and the LLC; and this Agreement is the valid binding obligation of Ritz and the LLC and is enforceable in accordance with its terms.

4.2.3 No Violation. Neither execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated thereby will conflict with, violate the terms of or constitute a breach or default of or under the charter or by-laws of either Ritz or the LLC, any agreement to which Ritz or the LLC is a party, any order, judgment, or decree applicable to the Ritz or the LLC or any law, administrative directive, or regulation applicable to the Ritz or the LLC.

4.2.4 Ritz Shares. The authorized capital stock of Ritz consists of 110 shares of Class A common stock, \$1.00 par value per share; 99,900 shares of Class B common stock, \$1.00 par value per share; 137 shares of Series A convertible preferred stock, no par value, 18 shares of Series B convertible preferred stock, no par value and 10 shares of Series C convertible preferred stock, no par value.

4.2.5 Membership Interest. Immediately prior to this Agreement there are no outstanding options, warrants, rights including conversions or preemptive rights and the rights of first refusal, or agreements for the purchase or acquisition from the LLC of any membership interests. The LLC is not a party or subject to any agreement or understanding and to the best of the LLC's knowledge, and except as provided in Exhibit 4.2.5 attached hereto there is no agreement or understanding between any persons that affects or relates to the voting or giving of written consents with respect to any security or the voting by any member of the LLC.

5. Acquisition of Shares by Ray. Ray acknowledges that none of the securities received under this Agreement have been registered under the Securities Act of 1933 or any applicable state securities laws. Ray represents that its shareholders are sophisticated investors, who after the liquidation of Ray, will be holding the securities for their own personal investment. Ray further acknowledges that the securities must be held by its shareholders for at least one year and will bear restrictive transfer legends.

6. **Liquidation and Dissolution of Ray.** From and after the Closing, Ray will not engage in any business and shall, as soon as practicable after the closing, distribute the securities, pro rata, to its stockholders and shall liquidate and dissolve.

7. **Conditions Precedent.** An express condition precedent to the obligations of Ritz and the LLC under this Agreement is that prior to Closing, the stockholders of Ray duly approve the transactions contemplated by this Agreement.

8. **Survival.** The representations and warranties set forth herein shall not merge into any assignment or other instrument of transfer executed and delivered at the Closing. Instead all covenants, representations, and warranties set forth herein shall survive the Closing and shall continue in full force and effect until the applicable statute of limitations thereon shall have expired.

9. **Miscellaneous.**

9.1 **Notices.** Any notice or other communication ("Notice") required or committed under this Agreement shall be in writing and either delivered personally or sent by facsimile, overnight delivery, express mail, or certified registered mail, postage prepaid, return receipt requested. A Notice delivered personally shall be deemed given only if acknowledged in writing by the person to whom it is given. A Notice sent by facsimile shall be deemed given when transmitted, provided that confirmation of that transmission was received. A Notice sent by overnight delivery or express mail shall be deemed given twenty-four (24) hours after having been sent. A Notice that is sent by certified mail or registered mail shall be deemed given forty-eight (48) hours after it is mailed. If any time period in this Agreement commences upon the delivery of the Notice to any one or more parties, the time period shall commence only when all the required Notices have been deemed given.

9.2 **Governing Law.** The laws of the State of Delaware shall govern the interpretation, validity and construction of this Agreement, without regard to the principles of conflicts of laws.

9.3 **Consent to Jurisdiction.** The parties hereby submit to the jurisdiction and venue of the courts of the State of Delaware.

9.4 **Severability.** A ruling by any court that one or more of the provisions contained in the Agreement is invalid, illegal or unenforceable in any respect shall not affect any other provision of this Agreement. Thereafter this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had been amended to the extent necessary to be enforceable within the jurisdiction of the court making the ruling.

9.5 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original. In that event, in approving this Agreement it shall only be necessary to produce or account for the counterpart signed by the party against whom the proof is being presented.

9.6 Headings. The section and subsection headings have been included for convenience only, are not part of this Agreement and shall not be taken as an interpretation of any provision hereof.

9.7 Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon each corporate party and its successors and assigns in the individual parties, their respective personal representatives, successors and assigns.

9.8 Amendments and Modifications. This Agreement may be amended, waived, changed, modified or discharged only by an Agreement in writing signed by all the parties.

9.9 Integration. This Agreement represents the parties' final understanding as to all matters included herein, and supercedes all prior written or oral agreements of the parties concerning matters covered herein.

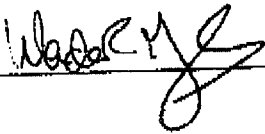
9.10 Waiver of Breaches. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of that term, covenant or condition or of any other term, covenant or condition of this Agreement. Any waiver or relinquishment of any right or power hereunder at any one or more times shall not be deemed a waiver or relinquishment of that right or power at any other time.

9.11 Waiver of Right to Jury Trial. EACH PARTY TO THIS AGREEMENT WAIVES ITS OR HIS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION BROUGHT UNDER OR IN CONNECTION WITH THIS AGREEMENT.

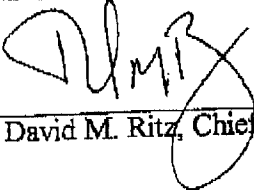
9.12 Recitals. The recitals is part of this Agreement.

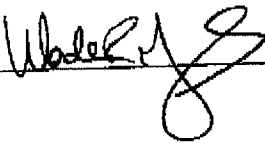
IN WITNESS WHEREOF, the parties have executed this Agreement, under seal, the day and year first written above.

WITNESS:

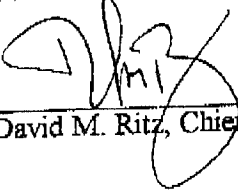


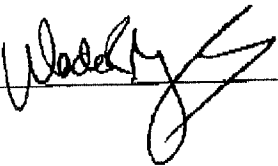
RITZ CAMERA CENTERS, INC.

By:  (SEAL)
David M. Ritz, Chief Executive Officer



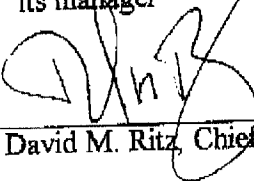
RAY ENTERPRISES, INC.

By:  (SEAL)
David M. Ritz, Chief Executive Officer



RAY ENTERPRISES, LLC

By: Ritz Camera Centers, Inc.,
its manager

By:  (SEAL)
David M. Ritz, Chief Executive Officer

BILL OF SALE


FOR GOOD AND VALUABLE CONSIDERATION, Ray Enterprises, Inc., a Delaware corporation ("Ray"), hereby sets over, transfers, conveys, grants, assigns and delivers unto Ray Enterprises, LLC (the "LLC"), a Delaware limited liability company and wholly-owned subsidiary of Ritz Camera Centers, Inc., a Delaware corporation ("Ritz"), all of Ray's assets, properties, rights and interests, tangible and intangible, of every kind and wherever situated, including, without limitation, the following (collectively, the "Assets"):


All property, rights and business of every type and description, real, personal and mixed, tangible and intangible, wheresoever located and whether or not carried or reflected on Ray's books and records, all of Ray's goodwill, sales and supply contracts, leases, all cash on hand and in the banks, certificates of deposit, notes and accounts receivable, stocks, bonds, and other securities, patents, trademarks, trade names, brand names and copyrights, and all pending applications therefor and interests thereunder, licenses and inventions, processes, know-how, formulae, trade secrets, real estate and interests therein (including, but not limited to, fee interests, reversions, leaseholds and all other interests), buildings, construction in progress, vehicles, machinery, equipment, inventories of raw materials and consumables, work in process, finished products and supplies on hand and in transit, fixtures, rights under contracts and agreements, franchises, all rights in any funds of whatever nature (including, but not limited to, unemployment compensation, retirement, industrial accident, bonus and savings funds), books and records, the proceeds of any nonassignable assets and all other property and rights of every kind and nature owned or held by it.

To have and to hold the Assets unto the LLC, and the LLC's successors and assigns, for the LLC's own use and benefit, forever.

Ray represents and warrants that Ray has not encumbered or suffered the encumbrance of the Assets and will defend title to the Assets for the benefit of the LLC and the LLC's successors and assigns.

WITNESS the hand and seal of Seller on this 3rd day of May, 2001.

WITNESS:

Wade R. Mayberry, Assistant Secretary

RAY ENTERPRISES, INC.
By:  (SEAL)
David M. Ritz, Chief Executive Officer

ASSUMPTION AGREEMENT

This ASSUMPTION AGREEMENT ("Agreement") is made this 3rd day of May, 2001, by and between Ray Enterprises, Inc., a Delaware corporation ("Assignor") and Ray Enterprises, LLC, a Delaware limited liability company ("Assignee") and wholly-owned subsidiary of Ritz Camera Centers, Inc., a Delaware corporation ("Ritz").

WHEREAS, pursuant to an Agreement and Plan of Reorganization dated May 3, 2001, by and among Assignor, Assignee, and Ritz (the "Plan of Reorganization"), Assignor has agreed to sell certain of the assets subject to liabilities, of Assignor to Assignee in exchange for (i) 4,016 shares of Class B common stock, \$1.00 par value of Ritz and (ii) 10 shares of Series C convertible preferred stock, no par value of Ritz.

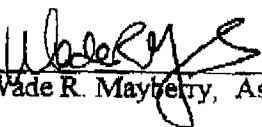
NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the undersigned parties, intending to be legally bound, agree as follows:


1. Assignee assumes and agrees to pay, perform, discharge and indemnify Assignor against and hold it harmless from all liabilities of Assignor existing on the date hereof to the extent of the value of the assets of Assignor received by Assignee on the date hereof.
2. Assignee does not assume the following liabilities or obligations:
 - 2.1 Any liabilities or obligations for federal, state or other taxes arising out of, resulting from or incidental to the assignment, transfer and delivery of the assets of Assignor, except as specifically provided in the Plan of Reorganization; or
 - 2.2 Any liabilities or obligations incurred by Assignor in connection with the execution, delivery or performance under the Plan of Reorganization.
3. It is the express intent of the parties hereto that nothing contained in this Agreement shall be deemed to cause Assignee to be liable for the aggregate liabilities of Assignor in the excess of the value of Assignor's assets delivered to Assignee.
4. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.
5. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but of which together shall constitute one of the same instrument.

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

ATTEST:

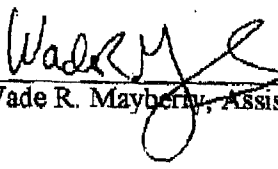
RAY ENTERPRISES, INC.



Wade R. Mayberry, Assistant Secretary

By: 
David M. Ritz, Chief Executive Officer

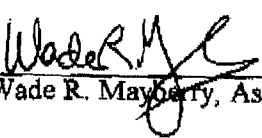
RAY ENTERPRISES, LLC

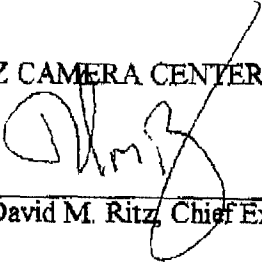
By: Ritz Camera Centers, Inc., its Manager


Wade R. Mayberry, Assistant Secretary

By: 
David M. Ritz,
Chief Executive Officer

RITZ CAMERA CENTERS, INC.


Wade R. Mayberry, Assistant Secretary

By: 
David M. Ritz, Chief Executive Officer

RAY ENTERPRISES, INC.

CERTIFICATE OF DISSOLUTION

Ray Enterprises, Inc., a Delaware corporation (hereinafter called the "Corporation"), certifies to the Secretary of State of Delaware that:

FIRST: The name of the Corporation is as set forth above, and the address of the principal office of the Corporation in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, county of New Castle.

SECOND: The dissolution was authorized and approved on May 3, 2001.

THIRD: The dissolution was authorized by the Board of Directors of the Corporation and the stockholders of the Corporation, in accordance with the provisions of 275(a) and 275(b) of the Delaware General Corporation Law, as follows:

(a) The Board of Directors of the Corporation, by written consent filed with the minutes of proceedings of the Board, adopted a resolution declaring that the dissolution was advisable and directing that the proposed dissolution be submitted to the stockholders of the Corporation for their consideration; and

(b) The stockholders of the Corporation, by written consent, filed with the minutes of the proceedings of the stockholders, adopted a resolution approving the liquidation and dissolution of the Corporation.

FOURTH: The name and address of each director of the Corporation are as follows:

<u>Name</u>	<u>Address</u>
Edward C. Ritz	6711 Ritz Way Beltsville, Maryland 20705
Irene K. Ritz	6711 Ritz Way Beltsville, Maryland 20705
David M. Ritz	6711 Ritz Way Beltsville, Maryland 20705
Linda R. Dolphin	6711 Ritz Way Beltsville, Maryland 20705
Wade R. Mayberry	6711 Ritz Way Beltsville, Maryland 20705

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 06/05/2001
010268984 - 0500114

FIFTH: The name, title and address of each officer of the Corporation are as follows:

<u>Name</u>	<u>Title</u>	<u>Address</u>
David M. Ritz	President	6711 Ritz Way Beltsville, Maryland 20705
Linda R. Dolphin	Vice President	6711 Ritz Way Beltsville, Maryland 20705
Edward C. Ritz	Secretary	6711 Ritz Way Beltsville, Maryland 20705
Wade R. Mayberry	Assistant Secretary	6711 Ritz Way Beltsville, Maryland 20705
C. Jay Sloan	CFO	6711 Ritz Way Beltsville, Maryland 20705

SEVENTH: The Corporation is dissolved.

EIGHTH: The undersigned President acknowledges that this Certificate of Dissolution is the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of that President's knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles to be signed in its name and on its behalf by its president and attested by its Secretary on this 5th day of June, 2001.

ATTEST:



Wade R. Mayberry, Assistant Secretary

RAY ENTERPRISES, INC.

By:  (SEAL)

David M. Ritz, President