

Form PTO-1594  
6-93

# RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE

OMB No. 0651-0011 (exp. 4/94)

## TRADEMARKS ONLY

Patent and Trademark Office

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

1. Name of conveying party(ies):

Name: Home Court International, Ltd.

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

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

2. Name and address of receiving party(ies):

Name: Home Court International 2002, Ltd.

Internal Address:

3265 17th Street, Suite 104  
San Francisco, CA 94110

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation- California
- Other:

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

3. Nature of conveyance:

- Assignment  Merger
- Security Agreement  Change of Name
- Other Agreement and Plan of Reorganization

Execution Date: **December 31, 2001**

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2228473; 1825256

Additional numbers attached?  Yes  No

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

Name: **Leslie Bertagnolli**

Internal Address: **One Prudential Plaza**

Street Address: **130 East Randolph Drive, Suite 3500**

City: **Chicago** State: **Illinois** ZIP: **60601**

6. Total number of applications and registrations involved: **2**

7. Total fee (37 CFR 3.41): **\$65.00**

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

**501-649**

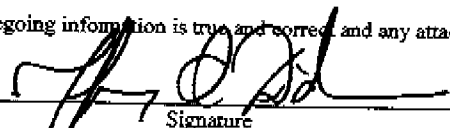
DO NOT USE THIS SPACE

CH \$65.00 601649 2228473

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.

Jeffrey O. Davidson  
Name of Person Signing

  
Signature

3/8/04  
Date

Total number of pages comprising cover sheet:

**AGREEMENT AND PLAN OF REORGANIZATION**

THIS AGREEMENT AND PLAN OF REORGANIZATION (this "Agreement") is made and entered into as of the close of business on December 31, 2001, by and among Home Court International, Ltd. ("HCP"), Home Court International 2002, Ltd. ("HCI 2002"), and C. Thomas Richardson ("Shareholder").

WHEREAS, Shareholder caused HCI to be organized as an Illinois corporation in 1992, with Shareholder as the sole shareholder of HCI, for the purpose of engaging in the business of importing, wholesaling and distributing shoes (the "Business");

WHEREAS, the Shareholder caused HCI to relocate the Business and its principal office to San Francisco, California, in 1993;

WHEREAS, the corporation authorities of the State of Illinois involuntarily dissolved HCI in 1993 due to a failure to make necessary filings in that state;

WHEREAS, the Shareholder received no notice of such involuntary dissolution but continued in good faith to believe that HCI was a corporation in good standing under the laws of Illinois, and to operate the Business as the property and business of HCI, including, without limitation, causing HCI to file federal income tax returns and California franchise tax returns reflecting all items of income and expense realized in connection with the conduct of the Business for all completed fiscal years since its organization through the present;

WHEREAS, on discovering that HCI was involuntarily dissolved as an Illinois corporation, Shareholder promptly caused the formation of HCI 2002 as a California corporation to take over and assume the Business in accordance with the terms and conditions hereof;

WHEREAS, pursuant to Sections 301.7701-3(b)(3) and 301.7701-3(h)(2) of the Treasury Regulations, HCI continues to have status and to be classified as a corporation for federal income and California franchise tax purposes;

WHEREAS, pursuant to Section 12.30 of the Illinois Business Corporation Act of 1983, HCI also continues to have status as a corporation for various purposes, including the transfer of good and merchantable title to its assets as authorized by its board of directors, and doing such other acts and things as are necessary to wind up and liquidate its business and affairs;

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

1. Transfer of Assets and Liabilities. HCI, to the extent of its continuing existence as an Illinois corporation, and Shareholder, to the extent HCI does not have continuing existence as an Illinois corporation such that its assets were transferred to Shareholder in liquidation by operation of Illinois law and assets ostensibly acquired by it subsequent to its involuntary dissolution became, by operation of the laws of California and/or Illinois, the property of Shareholder, hereby transfers, sets over, assigns and sells to HCI 2002 each and all of the assets used or held for use in connection with the conduct of the Business and all other assets and

properties of HCI. In connection with transfer of assets above set forth, and as partial consideration therefor, HCI 2002 hereby assumes all liabilities of HCI, to the extent of its continuing existence as an Illinois corporation, and all those liabilities of Shareholder that he is deemed to have incurred by operation of the laws of California and/or Illinois in connection with the operation of the Business, as a consequence of the involuntary dissolution of HCI.

2. Consideration. As additional consideration for the transfer of assets described above, HCI 2002 shall issue One Million (1,000,000) shares of its common stock. Such stock, upon its issuance, shall be fully paid and nonassessable. Although such shares are being issued at least in part in consideration of the transfer of assets owned by HCI, all of such shares shall be issued in the name and to the account of Shareholder in light of the contemplated liquidation of HCI and the fact that all assets of HCI remaining after the satisfaction of, or other provision for, its known debts and liabilities are distributable to Shareholder in his capacity as the sole shareholder of HCI.

3. Income Tax Consequences. Notwithstanding the involuntary dissolution of HCI under Illinois law, HCI continues to be a corporation for all federal income tax and California franchise and income tax purposes, such that the transfer of assets and assumption of liabilities above set forth is strictly a transfer by HCI of all of its assets to HCI 2002 and an assumption by HCI 2002 of all of the liabilities of HCI. Accordingly, the asset transfer and liability assumption above set forth shall constitute a reorganization described in Section 368(a)(1)(F) of the Internal Revenue Code of 1986 – i.e., “a mere change in identity, form, or place of organization of one corporation, however effected” – and the issuance by HCI 2002 of its stock to Shareholder as above set forth shall be deemed a transfer of such shares to HCI and a distribution of such shares by HCI to Shareholder described in Section 354(a) of such Code. Consistent with the foregoing, each of the parties hereto shall report the transactions contemplated hereby and provided for herein for income and franchise tax purposes as a reorganization and distribution described in those sections, including, without limitation, the inclusion by each party on its tax return for this fiscal year of a complete statement of all facts pertinent to this reorganization as required by Section 1.368-3 of the Treasury Regulations.

4. Indemnification. The parties acknowledge and agree that HCI has a duty to indemnify, defend if requested and hold harmless Shareholder from and against any damages, losses, liabilities, costs, expenses, judgments, penalties, deficiencies, claims, demands or causes of action based on the theory, or any derivative thereof, that Shareholder was the owner and operator of the Business from and after the involuntary dissolution of HCI in 1993 until the asset transfer described herein. In light thereof, HCI 2002 acknowledges that one of the liabilities it is assuming from HCI is the duty to indemnify, defend if requested and hold harmless Shareholder to the extent provided in the foregoing sentence. The provisions of this Section 4 set out in greater detail the nature and extent of such matters.

a. Shareholder's rights to indemnification shall include, without limitation, the reimbursement or advancement of costs incurred in investigating, responding to or defending against any claim, demand or penalty described above, regardless of whether any suit or other proceeding has commenced, including, without limitation, the reasonable fees and costs of legal counsel (selected in accordance with the provisions hereof), court costs, expert witness fees and costs and all related expenses. HCI 2002

shall reimburse or advance such costs promptly upon demand by Shareholder, provided that Shareholder provides a reasonably detailed statement of the amount and purpose of such costs or the reasonably anticipated amount and purpose of such costs, as appropriate, together with such demand.

b. In the event any liabilities, costs, expenses, judgments, penalties, deficiencies, claims, demands or causes of action are asserted or commenced against Shareholder for which indemnification may be had hereunder, Shareholder shall promptly notify HCI 2002 of the same, provided that the failure to give such notice shall not relieve HCI 2002 of its obligations to indemnify Shareholder hereunder, except to the extent that HCI 2002 is able clearly and unequivocally to demonstrate that such failure has materially prejudiced its ability to settle or defend such claim or other matter.

c. At the election of Shareholder, exercised if at all by notice to HCI 2002 requesting the same, HCI 2002 shall defend Shareholder from and against any liabilities, costs, expenses, judgments, penalties, deficiencies, claims, demands or causes of action asserted or commenced against Shareholder for which indemnification may be had hereunder. No election by Shareholder to conduct his own defense will limit his rights to indemnification under this Agreement. However, if Shareholder has elected to have HCI 2002 defend him in accordance with the provisions hereof, and thereafter Shareholder determines to engage his own counsel to defend him, the fees and expenses of such counsel shall be at the expense of Shareholder unless: (i) he reasonably determines that there is a conflict of interest, or a reasonable possibility of a conflict of interest, between him and HCI 2002 in the conduct of the defense in that action or that counsel may not be adequately representing his interests; or (ii) HCI 2002 shall not in fact have retained legal counsel to assume the defense of Shareholder, in each of which cases the fees and expenses of Shareholder's counsel shall be at the expense of HCI 2002.

5. Further Assurances. Upon the reasonable request of any party hereto, each other party hereto shall execute and deliver such additional agreements, instruments and other documents as are reasonably required to evidence, give effect to or carry out the transactions contemplated hereby.

6. Notices. All notices, demands and other communications required or permitted by a party hereto to another party hereto shall be sufficient if in writing and either delivered personally to the party (meaning, in the case of HCI or HCI 2002, the individual identified in the "Attention" line below) or sent to the party at its address set forth below by either Federal Express or other nationally recognized overnight courier or by certified mail, return receipt requested, in either case with all charges prepaid and properly addressed. Any notice or other communication shall be deemed to have been given upon receipt if delivered personally, on the day following deposit with Federal Express or other nationally recognized overnight courier or on the fourth business day following deposit with the U.S. Postal Service if sent via certified or registered mail. The respective addresses of the parties are as follows:

**If to Shareholder:**

**C. Thomas Richardson  
c/o Home Court International  
3265 17<sup>th</sup> Street, Suite 104  
San Francisco, CA 94110**

**If to HCI or HCI 2002:**

**Home Court International, Ltd.  
3265 17<sup>th</sup> Street, Suite 104  
San Francisco, CA 94110  
Attention: President**

Either party may change its address for notice or other communication by notice to the other parties to such effect.

**7. Miscellaneous.**

a. This Agreement may not be amended except by a writing signed by all of the parties hereto.

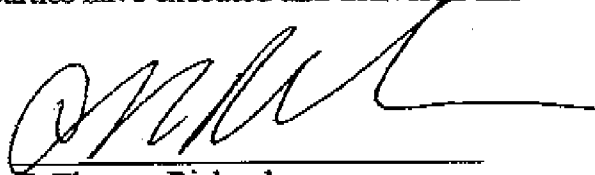
b. This Agreement shall be governed by, and interpreted and applied in accordance with, the laws of the State of California, disregarding the laws of such state concerning conflicts of laws.

c. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

d. If a party brings an action to enforce or construe the terms of this Agreement, the substantially prevailing party or parties, as determined by the court, shall be entitled to receive recovery of all costs that the party incurred in that action and any appeal of that action, including but not limited to reasonable attorneys' fees.

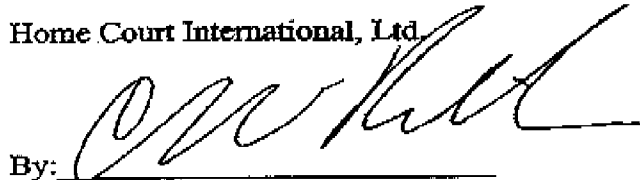
*[ Signature Page to Follow ]*

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above.



C. Thomas Richardson

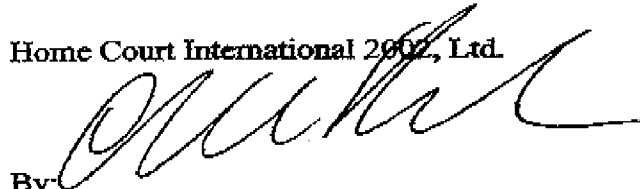
Home Court International, Ltd.



By:

C. Thomas Richardson,  
Its President

Home Court International 2002, Ltd.



By:

C. Thomas Richardson  
Its President