

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	02/25/2005

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
The LoveSac Corporation		02/25/2005	CORPORATION: UTAH

**RECEIVING PARTY DATA**

Name:	The LoveSac Corporation
Street Address:	1209 Orange Street
City:	Wilmington, New Caste County
State/Country:	DELAWARE
Postal Code:	19801
Entity Type:	CORPORATION: DELAWARE

**PROPERTY NUMBERS Total: 9**

Property Type	Number	Word Mark
Registration Number:	2659121	LOVESAC
Serial Number:	78547330	LOVESAC
Serial Number:	78547331	LOVESAC
Serial Number:	78602928	SACTIONALS
Serial Number:	78597713	GAMESAC
Serial Number:	78508262	DURAF0AM
Serial Number:	78504605	OVERSIZED LIVING
Serial Number:	78491844	SAC
Serial Number:	78495098	CHILLSAC

**CORRESPONDENCE DATA**

Fax Number: (801)328-1707  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 801-533-9800

OP \$240.00 2659121

Email: mballard@wnlaw.com  
Correspondent Name: Michael M. Ballard  
Address Line 1: 60 East South Temple  
Address Line 2: 1000 Eagle Gate Tower  
Address Line 4: Salt Lake City, UTAH 84111

NAME OF SUBMITTER:	Michael M. Ballard
Signature:	/Michael M. Ballard/
Date:	05/12/2005

**Total Attachments: 17**

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**AGREEMENT AND PLAN OF MERGER OF  
THE LOVESAC CORPORATION, A DELAWARE CORPORATION, AND  
THE LOVESAC CORPORATION, A UTAH CORPORATION**

*THIS AGREEMENT AND PLAN OF MERGER*, dated as of February 25, 2005, (the "*Agreement*") is made by and between The LoveSac Corporation, a Delaware corporation ("*LoveSac DE*") and The LoveSac Corporation, a Utah corporation ("*LoveSac UT*"). LoveSac DE and LoveSac UT are sometimes referred to herein as the "*Constituent Corporations*."

**RECITALS**

**A.** LoveSac DE is a corporation duly organized and existing under the laws of the State of Delaware and has an authorized capital of 15,000,000 shares, all of which consists of "Common Stock," \$0.0001 par value per share. As of the date of this Agreement and Plan of Merger, 100 shares of Common Stock are issued and outstanding.

**B.** LoveSac UT is a corporation duly organized and existing under the laws of the State of Utah and has an authorized capital of 15,000,000 shares, all of which consists of "Common Stock," no par value. As of the date of this Agreement and Plan of Merger, 896,226 shares of Common Stock are issued and outstanding.

**C.** The Board of Directors of LoveSac UT has determined that, for the purpose of effecting the reincorporation of LoveSac UT in the State of Delaware, it is advisable and in the best interests of LoveSac UT and its shareholders that LoveSac UT merge with and into LoveSac DE upon the terms and conditions herein provided.

**D.** The Board of Directors of LoveSac UT has further determined that it is in the best interests of LoveSac UT and its shareholders to approve this Agreement and the transactions contemplated herein and has empowered the undersigned officers of LoveSac UT to submit this Agreement to its shareholders for adoption and approval. The Board of Directors of LoveSac UT has empowered the undersigned officers of LoveSac UT, upon the approval of this Agreement by the shareholders of LoveSac UT, to execute and deliver this Agreement.

**E.** The Board of Directors of LoveSac DE has approved this Agreement and the transactions contemplated herein and has empowered the undersigned officers of LoveSac DE to submit it to a vote of its sole stockholder, LoveSac UT, for adoption and approval. The Board of Directors of LoveSac DE has empowered the undersigned officers of LoveSac DE, upon the approval of this Agreement by the shareholders of LoveSac UT, to execute and deliver this Agreement.

*NOW, THEREFORE*, in consideration of the mutual agreements and covenants set forth herein, LoveSac DE and LoveSac UT hereby agree, subject to the terms and conditions hereinafter set forth, as follows:

## I. MERGER

1.1 Merger. In accordance with the provisions of this Agreement, the Delaware General Corporation Law (the “*DGCL*”) and the Utah Revised Business Corporation Act (the “*URBCA*”), LoveSac UT shall be merged with and into LoveSac DE (the “*Merger*”), the separate existence of LoveSac UT (the “*Non-Surviving Corporation*”) shall cease and LoveSac DE shall be the surviving corporation (sometimes referred to herein as the “*Surviving Corporation*”), and the name of the Surviving Corporation shall be The LoveSac Corporation.

1.2 Filing and Effectiveness. The Merger shall become effective when the following actions shall have been completed:

(a) This Agreement and Merger shall have been adopted and approved by the stockholders of each Constituent Corporation in accordance with the requirements of the DGCL and the URBCA;

(b) All of the conditions precedent to the consummation of the Merger specified in this Agreement shall have been satisfied or duly waived by the party entitled to satisfaction thereof;

(c) An executed Certificate of Ownership and Merger, in the form of Exhibit A attached hereto, meeting the requirements of Section 253 of the DGCL, shall have been filed with the Secretary of State of the State of Delaware and the Surviving Corporation and the Non-Surviving Corporation hereby stipulate that they will cause to be performed all necessary acts therein and elsewhere to effectuate the Merger; and

(d) An executed Articles of Merger, in the form of Exhibit B attached hereto, meeting the requirements of Section 16-10a-1105 of the URBCA, shall have been filed with the Utah Division of Corporations and Commercial Code and the Surviving Corporation and the Non-Surviving Corporation hereby stipulate that they will cause to be performed all necessary acts therein and elsewhere to effectuate the Merger.

The date and time when the Merger shall become effective, pursuant to the provisions of (i) Section 103 of the DGCL and (ii) Section 16-10a-1104 of the URBCA, is herein called the “*Effective Date of the Merger.*”

1.3 Effect of the Merger. Upon the Effective Date of the Merger, the separate existence of LoveSac UT shall cease and LoveSac DE, as the Surviving Corporation, (i) shall continue to possess all of its assets, rights, powers and property as constituted immediately prior to the Effective Date of the Merger, (ii) shall be subject to all actions previously taken by LoveSac UT’s Board of Directors, (iii) shall succeed, without other transfer, to all of the assets, rights, powers and property of LoveSac UT in the manner more fully set forth in Section 259 of the DGCL, (iv) shall continue to be subject to all of the debts, liabilities and obligations of LoveSac UT as constituted immediately prior to the Effective Date of the Merger and (v) shall succeed, without other transfer, to all of the debts, liabilities and obligations of LoveSac UT in the same manner as if LoveSac DE had itself incurred them, all as more fully provided under the applicable provisions of the DGCL and the URBCA.

## II. CHARTER DOCUMENTS, DIRECTORS AND OFFICERS

2.1 Certificate of Incorporation. The Certificate of Incorporation of LoveSac DE as in effect on the Effective Date of the Merger in the jurisdiction of its organization will be the Certificate of Incorporation of the Surviving Corporation and such Certificate of Incorporation shall continue in full force and effect until amended and changed in the manner prescribed by the provisions of the DGCL.

2.2 Bylaws. The Bylaws of LoveSac DE on the Effective Date of the Merger in the jurisdiction of its organization will be the Bylaws of the Surviving Corporation and will continue in full force and effect until changed, altered, or amended as therein provided and in the manner prescribed by the provisions of the DGCL.

2.3 Directors and Officers. The directors and officers of LoveSac DE on the Effective Date of the Merger shall be the directors and officers of the Surviving Corporation until their successors shall have been duly elected and qualified or until as otherwise provided by law, the Certificate of Incorporation of the Surviving Corporation or the Bylaws of the Surviving Corporation. For information purposes, the directors and officers of LoveSac DE are also the same officers and directors of LoveSac UT.

## III. MANNER OF CONVERSION OF STOCK

3.1 LoveSac UT Common Shares. Upon the Effective Date of the Merger, each share of LoveSac UT Common Stock, no par value, issued and outstanding immediately prior thereto shall by virtue of the Merger and without any action by the Constituent Corporations, the holder of such shares or any other person, be converted into and exchanged for one fully paid and non-assessable share of Common Stock, with a par value of \$0.0001 per share, of the Surviving Corporation. No fractional share interests of Surviving Corporation Common Stock shall be issued. In lieu thereof, any fractional share interests to whom a holder would otherwise be entitled shall be aggregated and rounded up on a holder-by-holder basis to a whole share amount.

3.2 LoveSac UT Options, Stock Purchase Rights and Convertible Securities.

(a) Upon the Effective Date of the Merger, the Surviving Corporation shall assume the obligations of LoveSac UT under, and continue, the option plans and all other employee benefit plans of LoveSac UT and certain stock option agreements by and between certain LoveSac UT employees and LoveSac UT. Each outstanding and unexercised option, warrant, other right to purchase, or security convertible into, LoveSac UT Common Stock (a "**Right**") shall become, subject to the provisions in paragraph (c) hereof, an option, right to purchase or a security convertible into the Surviving Corporation's Common Stock on the basis of one share of the Surviving Corporation's Common for each share of LoveSac UT Common Stock issuable pursuant to any such Right, on the same terms and conditions and at an exercise price equal to the exercise price applicable to any such LoveSac UT Right at the Effective Date of the Merger. This paragraph 3.2(a) shall not apply to LoveSac UT Common Stock. Such Common Stock is subject to paragraph 3.1 hereof.

(b) A number of shares of the Surviving Corporation's Common shall be reserved for issuance upon the exercise of options, stock purchase rights and convertible securities equal to the number of shares of LoveSac UT Common Stock so reserved immediately prior to the Effective Date of the Merger.

(c) The assumed Rights shall not entitle any holder thereof to a fractional share upon exercise or conversion (unless the holder was entitled to a fractional interest immediately prior to the Merger). In lieu thereof, any fractional share interests to whom a holder of an assumed Right would otherwise be entitled upon exercise or conversion shall be aggregated (but only with other similar Rights which have the same per share terms). To the extent that after such aggregation, the holder would still be entitled to a fractional share with respect thereto upon exercise or conversion, the holder shall be entitled upon the exercise or conversion of all such assumed Rights pursuant to their terms (as modified herein), to one full share of Common Stock in lieu of such fractional share. With respect to each class of such similar Rights, no holder will be entitled to more than one full share in lieu of a fractional share upon exercise or conversion.

Notwithstanding the foregoing, with respect to options issued under the LoveSac UT 2003 Stock Plan that are assumed in the Merger, the number of shares of Common Stock to which the holder would be otherwise entitled upon exercise of each such assumed options following the Merger shall be rounded down to the nearest whole number and the exercise price shall be rounded up to the nearest whole cent. In addition, no "additional benefits" (within the meaning of Section 424(a)(2) of the Internal Revenue Code of 1986, as amended) shall be accorded to the optionees pursuant to the assumption of their options.

3.3 LoveSac DE Common Stock. Upon the Effective Date of the Merger, each share of Common Stock, with a par value of \$0.0001 per share, of LoveSac DE issued and outstanding immediately prior thereto shall, by virtue of the Merger and without any action by LoveSac DE, the holder of such shares or any other person, be canceled and returned to the status of authorized but unissued shares.

3.4 Exchange of Certificates. After the Effective Date of the Merger, each holder of an outstanding certificate representing shares of LoveSac UT Common Stock may be asked to surrender the same for cancellation to an exchange agent, whose name will be delivered to holders prior to any requested exchange (the "*Exchange Agent*"), and each such holder shall be entitled to receive in exchange therefor a certificate or certificates representing the number of shares of the Surviving Corporation's Common Stock into which the surrendered shares were converted as herein provided. Until so surrendered, each outstanding certificate theretofore representing shares of LoveSac UT Common Stock shall be deemed for all purposes to represent the number of shares of the Surviving Corporation's Common Stock into which such shares of LoveSac UT Common Stock were converted in the Merger.

The registered owner on the books and records of the Surviving Corporation or the Exchange Agent of any such outstanding certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to the Surviving Corporation or the Exchange Agent, have and be entitled to exercise any voting and other rights with respect to and to receive dividends and other distributions upon the shares of Common

Stock of the Surviving Corporation represented by such outstanding certificate as provided above.

Each certificate representing Common Stock of the Surviving Corporation so issued in the Merger shall bear the same legends, if any, with respect to the restrictions on transferability as the certificates of LoveSac UT so converted and given in exchange therefore, unless otherwise determined by the Board of Directors of the Surviving Corporation in compliance with applicable laws.

If any certificate for shares of the Surviving Corporation's stock is to be issued in a name other than that in which the certificate surrendered in exchange therefor is registered, it shall be a condition of issuance thereof that the certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer, that such transfer otherwise be proper and comply with applicable securities laws and that the person requesting such transfer pay to the Exchange Agent any transfer or other taxes payable by reason of issuance of such new certificate in a name other than that of the registered holder of the certificate surrendered or establish to the satisfaction of the Surviving Corporation that such tax has been paid or is not payable.

#### IV. GENERAL

4.1 Covenants of LoveSac DE. LoveSac DE covenants and agrees that it will:

(a) Qualify to do business as a foreign corporation in the State of Utah by filing an application of authority with the Utah Division of Corporations and in connection therewith irrevocably appoint an agent for service of process as required under the provisions of Sections 16-10a-501 and 16-10a-504 of the URBCA; and

(b) Take such other actions as may be required by the URBCA.

4.2 Further Assurances. From time to time, as and when required by LoveSac DE or by its successors or assigns, there shall be executed and delivered on behalf of LoveSac UT such deeds and other instruments, and there shall be taken or caused to be taken by it such further and other actions as shall be appropriate or necessary in order to vest or perfect in or conform of record or otherwise by LoveSac DE the title to and possession of all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of LoveSac UT and otherwise to carry out the purposes of this Agreement, and the officers and directors of LoveSac DE are fully authorized in the name and on behalf of LoveSac UT or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

4.3 Abandonment. At any time before the Effective Date of the Merger, this Agreement may be terminated and the Merger may be abandoned for any reason whatsoever by the Board of Directors of either LoveSac UT or of LoveSac DE, or of both, notwithstanding the approval of this Agreement by the shareholders of LoveSac UT or by the stockholders of LoveSac DE, or by both.

4.4 Amendment. The Boards of Directors of the Constituent Corporations may amend this Agreement (or certificate in lieu thereof) at any time before the Effective Date of the

Merger, provided that an amendment made subsequent to the adoption of this Agreement by the stockholders of either Constituent Corporation shall not: (i) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such Constituent Corporation, (ii) alter or change any term of the Certificate of Incorporation of the Surviving Corporation to be effected by the Merger or (iii) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series of capital stock of any Constituent Corporation.

4.5 Registered Office. The registered office of the Surviving Corporation in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 and Corporation Trust Center is the registered agent of the Surviving Corporation at such address.

4.6 Agreement. Executed copies of this Agreement will be on file at the principal place of business of the Surviving Corporation at 155 North 400 West, Suite 520, Salt Lake City, UT, 84103, and copies thereof will be furnished to any stockholder of either Constituent Corporation, upon request and without cost.

4.7 Governing Law. This Agreement shall in all respects be construed, interpreted and enforced in accordance with and governed by the laws of the State of Delaware and, so far as applicable, the merger provisions of the URBCA.

4.8 FIRPTA Notification.

(a) On the Effective Date of the Merger, LoveSac UT shall deliver to LoveSac DE, as agent for the shareholders of LoveSac UT, a properly executed statement (the "**Statement**") substantially in the form attached hereto as **Exhibit C**. LoveSac DE shall retain the Statement for a period of not less than seven (7) years and shall, upon request, provide a copy thereof to any person that was a shareholder of LoveSac UT immediately prior to the Merger. In consequence of the approval of the Merger by the shareholders of LoveSac UT, (i) such shareholders shall be considered to have requested that the Statement be delivered to LoveSac DE as their agent and (ii) LoveSac DE shall be considered to have received a copy of the Statement at the request of the LoveSac UT shareholders for purposes of satisfying LoveSac DE's obligations under Treasury Regulation Section 1.1445 2(c)(3).

(b) LoveSac UT shall deliver to the Internal Revenue Service a notice regarding the Statement in accordance with the requirements of Treasury Regulation Section 1.897 2(h)(2).

*[SIGNATURE PAGE FOLLOWS]*



*IN WITNESS WHEREOF*, this Agreement having first been approved by the resolutions of the Board of Directors of LoveSac DE and LoveSac UT is hereby executed on behalf of each of such two corporations and attested by their respective officers thereunto duly authorized.

**THE LOVESAC CORPORATION**  
a Delaware corporation

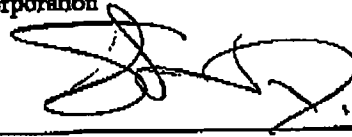
By: \_\_\_\_\_



Shawn D. Nelson  
Chief Executive Officer

**THE LOVESAC CORPORATION**  
a Utah corporation

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



Shawn D. Nelson  
Chief Executive Officer

*[SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER]*

**EXHIBIT A**

**FORM OF CERTIFICATE OF OWNERSHIP AND MERGER**

**(Delaware)**

# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"THE LOVESAC CORPORATION", A UTAH CORPORATION,

WITH AND INTO "THE LOVESAC CORPORATION" UNDER THE NAME OF "THE LOVESAC CORPORATION", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-FIFTH DAY OF FEBRUARY, A.D. 2005, AT 8:14 O'CLOCK P.M.

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



*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3708720

DATE: 02-28-05

3894418 8100M

050164115

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 09:08 PM 02/25/2005  
FILED 08:14 PM 02/25/2005  
SRV 050164115 - 3894418 FILE

**CERTIFICATE OF OWNERSHIP AND MERGER**

of

**THE LOVESAC CORPORATION**  
(a Utah corporation)

into

**THE LOVESAC CORPORATION**  
(a Delaware corporation)

It is hereby certified that

1. The LoveSac Corporation (hereinafter called "*LoveSac Utah*" or the "*Company*") is a corporation of the State of Utah, the laws of which permit a merger of a corporation of that jurisdiction with a corporation of another jurisdiction.

2. The Company, as the owner of all of the outstanding shares of capital stock of The LoveSac Corporation, a corporation of the State of Delaware (hereinafter called "*LoveSac Delaware*" or the "*Subsidiary*"), hereby merges itself into LoveSac Delaware.

3. In accordance with Section 253 of the Delaware General Corporate Law, the Board of Directors (the "*Board*") of LoveSac Utah adopted resolutions to effect a merger of the Company into the Subsidiary on December 7, 2004, which read as follows:

RESOLVED: That it is deemed advisable and in the best interests of the Corporation and its shareholders, in order to effect the reincorporation of the Corporation in the State of Delaware, that the Subsidiary acquire all of the assets and assume all of the liabilities of the Corporation in a merger (the "*Reincorporation*") of the Corporation with and into the Subsidiary, in which the Subsidiary shall be the surviving corporation (the "*Surviving Corporation*").

RESOLVED: That in order to effect the Reincorporation, the Board hereby deems it advisable and in the best interests of the Corporation and its shareholders to adopt the Agreement and Plan of Merger (the "*Merger Agreement*") in substantially the form attached hereto as Exhibit E and hereby adopts and approves the Merger Agreement and recommends to the shareholders of the Corporation that they approve the Merger Agreement.

RESOLVED FURTHER: That the proper officers of the Corporation are hereby authorized and empowered to effect the Reincorporation upon such terms and conditions as are set forth in the Merger Agreement, pursuant to which one share of Common Stock of the Surviving Corporation will be issued for each outstanding share of Common Stock of the Corporation.

RESOLVED FURTHER: That, at such date as the Reincorporation shall become effective ("*Effective Date*") each outstanding and unexercised option, warrant and other right to purchase shares of Common Stock of the Corporation, including outstanding and unexercised options under the Corporation's 2003 Stock Plan (a "*Right*"), shall be assumed and shall become an option, warrant

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FAX No. 8015323936

P. 005

or other right to purchase shares of the Common Stock of the Surviving Corporation's Common Stock on the basis of one share of the Surviving Corporation's Common Stock, as the case may be, for an equal amount of shares of the Corporation's Common Stock, as the case may be, issuable pursuant to any such Right, on the same terms and conditions and at an exercise price equal to the exercise price applicable to any such Right at the time of the Reincorporation.

RESOLVED FURTHER: That the proper officers of the Corporation are hereby authorized and empowered, subject to approval of its Merger Agreement by the shareholders of the Corporation, to execute and deliver the Merger Agreement to the Subsidiary for and on behalf of the Corporation.

RESOLVED FURTHER: That the officers of the Corporation are hereby authorized and empowered, subject to approval of the Merger Agreement by the shareholders of the Corporation, to file (i) a Certificate of Ownership and Merger, and any related or required documents to be filed with the appropriate governmental offices of the State of Delaware, and (ii) Articles of Merger and any related or required documents to be filed with the appropriate governmental offices of the State of Utah, all in accordance with applicable laws, to consummate the Reincorporation.

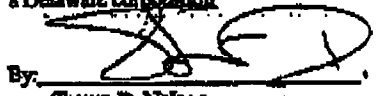
4. The proposed merger herein certified has been adopted, approved, certified, executed and acknowledged by LoveSac Utah, the parent Company, in accordance with the laws of the State of Utah.

5. The proposed merger herein certified has been adopted, approved, certified, executed and acknowledged by LoveSac Delaware, the Subsidiary, in accordance with the laws of the State of Delaware.

6. The executed Agreement and Plan of Merger between the Company and the Subsidiary is on file at an office of the aforesaid Subsidiary, the address of which is as follows: 155 North 400 West, Suite 520, Salt Lake City, UT 84103.

Dated as of February 25, 2005.

THE LOVESAC CORPORATION  
a Utah corporation  
By:   
Shawn D. Nelson  
Chief Executive Officer

THE LOVESAC CORPORATION  
a Delaware corporation  
By:   
Shawn D. Nelson  
Chief Executive Officer

**EXHIBIT B**

**FORM OF ARTICLES OF MERGER**

**(Utah)**

# MERGER



**State of Utah**  
DEPARTMENT OF COMMERCE  
Division of Corporations & Commercial Code

Non-Refundable Fee	
Domestic	\$25.00
Foreign	\$35.00

RECEIVED  
FEB 25 2005

## Articles of Merger / Share Exchange

# EXPEDITE

02/27/2005 13:00:00  
EXPEDITE

T. DIV. OF CORP. & COMM. CODE

The LoveSac Corporation, a Utah corporation  
the non-surviving corporation

Into

The LoveSac Corporation, a Delaware corporation  
the surviving corporation

CLS

### ARTICLE I - Surviving Corporation

#### Section 1

The name of the corporation surviving the merger is: The LoveSac Corporation  
and such name  has  has not been changed as a result of the merger.

#### Section 2

- A. The surviving corporation is a domestic corporation existing pursuant to the provisions of the Utah Revised Business Corporation Act incorporated on \_\_\_\_\_.
- B. The surviving corporation is a foreign corporation incorporated under the laws of the State of Delaware and  qualified  not qualified to do business in Utah, upon approval of Application for Certificate of Authority.

Note: If application for Certificate of Authority to Transact Business is filed concurrently herewith state "Upon approval of Application for Certificate of Authority" \_\_\_\_\_.

- C. The effective date of the merger described herein shall be the date upon which these Articles are filed with the Utah Division of Corporations and Commercial Code, or \_\_\_\_\_.

### ARTICLE II - Non-surviving Corporation(s)

The name, state of incorporation, and date incorporation or qualification (if applicable) respectively, of each Utah domestic corporation and Utah qualified foreign corporation, other than the survivor, which is party to the merger are as follows:

The LoveSac Corporation 01/23/02  
Utah Date of Incorporation / Qualification in Utah

Name of Corporation Date of Incorporation / Qualification in Utah  
State of Domicile

# EXPEDITE

### ARTICLE III - Plan of Merger or Share Exchange

The Plan of Merger or Share Exchange, containing such information as required by Utah Code 16-10a-1101, is set forth in "Exhibit A", attached hereto and made a part hereof.

### ARTICLE IV - Manner of Adoption & Vote of Surviving Corporation (must complete Section 1 or 2)

#### Section 1

Shareholder vote not required.

The merger/ share exchange was adopted by the incorporators or board of directors without shareholder action and shareholder action was not required.

Section 2

Vote of shareholders (complete either A or B)

The designation (i.e., common, preferred or any classification where different classes of stock exist), number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the merger / share exchange and the number of votes of each voting group represented at the meeting is set forth below:

- A. Unanimous written consent executed on and signed by all shareholders entitled to vote.
- B. Vote of shareholders during a meeting called by the Board of Directors.

	TOTAL	A	B	C
Designation of each voting group (i.e. preferred and common)				
Number of outstanding shares				
Number of votes entitled to be cast				
Number of votes represented at meeting				
Shares voted in favor				
Shares voted against				

ARTICLE V - Manner of Adoption & Vote of Non-surviving Corporation (must complete Section 1 or 2)

Section 1

Shareholder vote not required.

The merger / share exchange was adopted by the incorporators or board of directors without shareholder action and shareholder action was not required.

Section 2

Vote of shareholders (complete either A or B)

The designation (i.e., common, preferred or any classification where different classes of stock exist), number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the merger / share exchange and the number of votes of each voting group represented at the meeting is set forth below:

- A. Unanimous written consent executed on 20 and signed by all shareholders entitled to vote.
- B. Vote of shareholders during a meeting called by the Board of Directors.

	TOTAL	A
Designation of each voting group (i.e. preferred and common)		Common Stock
Number of outstanding shares	26,886,660	26,886,660
Number of votes entitled to be cast	26,886,660	26,886,660
Number of votes represented at meeting	24,950,280	24,950,280
Shares voted in favor	23,900,280	23,900,280
Shares voted against	1,050,000	1,050,000

In Witness Whereof, the undersigned being the Chief Executive Officer of the surviving corporation executes these Articles of Merger / Share Exchange and verifies, subject to penalties of perjury that the statements contained herein are true, this day of February 25, 2005

Signature

Shawn D. Nelson  
Printed Name

Mail In: S.M. Box 146705  
Salt Lake City, Utah 84114-6705  
Walk In: 160 East 300 South, Main Floor  
Corporation's Information Center: (801) 530-4849  
Toll Free Number: (877) 526-3994 (Utah Residents)  
Fax: (801) 530-6438  
Web Site: <http://www.commerce.utah.gov>



State of Utah  
 Department of Commerce  
 Division of Corporations and Commercial Code  
 I hereby certified that the foregoing has been filed  
 and approved on this 25 day of Feb 2005  
 in this office of this Division and hereby issued  
 This Certificate thereof.

Examiner [Signature] Date 3-1-05



[Signature]  
 Kathy Berg  
 Division Director

Date: 02/25/2005  
 Receipt Number: 1388998  
 Amount Paid: \$74.00

**EXHIBIT C**

**FORM OF FIRPTA STATEMENT**

**TRADEMARK**

**REEL: 003082 FRAME: 0079**

**THE LOVESAC CORPORATION**  
155 North 400 West, Suite 520  
Salt Lake City, UT 84103

February 10, 2005

TO THE SHAREHOLDERS OF  
THE LOVESAC CORPORATION, A UTAH CORPORATION:

In connection with the reincorporation (the "*Reincorporation*") in Delaware of The LoveSac Corporation, a Utah corporation (the "*Company*"), pursuant to the Agreement and Plan of Merger (the "*Agreement*") dated as of February 10, 2005 between the Company and The LoveSac Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("*LoveSac DE*"), your shares of Company stock will be replaced by shares of stock in LoveSac DE.

In order to establish that (i) you will not be subject to tax under Section 897 of the Internal Revenue Code of 1986, as amended (the "*Code*"), as a result of the Reincorporation and (ii) LoveSac DE will not be required under Section 1445 of the Code to withhold taxes from the LoveSac DE stock that you will receive in connection therewith, the Company hereby represents to you that, as of the date of this letter, shares of Company stock do not constitute a "United States real property interest" within the meaning of Section 897(c) of the Code and the regulations issued thereunder.

A copy of this letter will be delivered to LoveSac DE pursuant to Section 4.8 of the Agreement.

The undersigned officer of the Company hereby declares that, to the best knowledge and belief of the undersigned, the facts set forth herein are true and correct.

Sincerely,

**THE LOVESAC CORPORATION**  
a Utah corporation

By: \_\_\_\_\_  
Doyle Judd  
Chief Financial Officer