

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	07/24/2006

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Shabby Chic, Inc.		07/24/2006	CORPORATION: CALIFORNIA

**RECEIVING PARTY DATA**

Name:	Rachel Ashwell Designs, Inc.
Street Address:	6330 Arizona Circle
City:	Los Angeles
State/Country:	CALIFORNIA
Postal Code:	90045
Entity Type:	CORPORATION: CALIFORNIA

**PROPERTY NUMBERS Total: 32**

Property Type	Number	Word Mark
Registration Number:	2898987	RA
Registration Number:	2967641	RACHEL ASHWELL HOME RA SHABBY CHIC EST. 1989
Registration Number:	2715390	TREASURES BY RACHEL ASHWELL
Registration Number:	2585082	SHABBY CHIC
Registration Number:	2585081	SHABBY CHIC BABY
Registration Number:	2338304	SHABBY CHIC
Registration Number:	1950328	
Registration Number:	2937566	RACHEL ASHWELL
Registration Number:	2315707	SHABBY CHIC
Registration Number:	2264912	SHABBY CHIC
Registration Number:	2136125	RACHEL ASHWELL DESIGNS
Registration Number:	1949879	SHABBY CHIC
Registration Number:	2917782	SIMPLY SHABBY CHIC

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Registration Number:	2757921	SHABBY CHIC
Registration Number:	2330202	SHABBY CHIC BY RACHEL ASHWELL
Registration Number:	2037399	SHABBY CHIC
Registration Number:	2297906	SHABBY CHIC
Registration Number:	2438798	SHABBY CHIC STUDIO
Registration Number:	1753006	SHABBY CHIC
Registration Number:	3055992	SSC
Registration Number:	2746924	RACHEL ASHWELL
Registration Number:	2703186	SHABBY CHIC
Registration Number:	2153144	SHABBY SHEETS
Registration Number:	1869597	SHABBY CHIC FURNISHINGS
Registration Number:	2998803	SIMPLY SHABBY CHIC
Registration Number:	1759914	SHABBY CHIC
Registration Number:	2876676	RA
Registration Number:	2763467	TREASURES BY RACHEL ASHWELL
Registration Number:	2880142	SIMPLY SHABBY CHIC
Registration Number:	2763507	RA TREASURES BY RACHEL ASHWELL
Registration Number:	2438933	SHABBY CHIC
Registration Number:	2315476	SHABBY CHIC BY RACHEL ASHWELL

**CORRESPONDENCE DATA**

Fax Number: (310)282-2200  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Email: dgrace@loeb.com  
Correspondent Name: David W. Grace c/o Loeb & Loeb LLP  
Address Line 1: 10100 Santa Monica Boulevard  
Address Line 2: Suite 2200  
Address Line 4: Los Angeles, CALIFORNIA 90067-4120

ATTORNEY DOCKET NUMBER:	207837-10004
NAME OF SUBMITTER:	David W. Grace
Signature:	/David W. Grace/
Date:	10/20/2006

Total Attachments: 10  
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**State of California**  
**Secretary of State**

**CERTIFICATE OF FILING**

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That on the **24th day of July, 2006**, there was filed in this office a(n) **Agreement of Merger** merging **SHABBY CHIC, INC.**, a California corporation, into **RACHEL ASHWELL DESIGNS, INC.**, a California corporation, and the surviving corporation, by the terms of said agreement.

Further, that according to our records said merged California corporation has ceased to exist as a separate corporate entity.

**IN WITNESS WHEREOF**, I execute this certificate and affix the Great Seal of the State of California this day of October 14, 2006.



A handwritten signature in black ink, appearing to read "Bruce McPherson".

**BRUCE McPHERSON**  
Secretary of State

**State of California**  
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 8 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

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

OCT 17 2006



A handwritten signature in cursive script, appearing to read "Bruce McPherson".

BRUCE McPHERSON  
Secretary of State

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**FILED** (111)  
In the Office of the Secretary of State  
of the State of California  
JUL 24 2006

AGREEMENT OF MERGER

OF

SHABBY CHIC, INC.

AND

**RACHEL ASHWELL DESIGNS, INC.**

THIS AGREEMENT OF MERGER (the "Agreement") is entered into as of July 24, 2006, by RACHEL ASHWELL DESIGNS, INC., a California corporation (the "Surviving Corporation") and SHABBY CHIC, INC., a California corporation (the "Disappearing Corporation").

RECITALS

A. The Surviving Corporation is a California corporation authorized to issue One Million (1,000,000) common shares without par value, of which there are currently outstanding on the date of this Agreement One Thousand Thirty Three and One-Third (1,333 1/3) shares.

B. The Disappearing Corporation is a California corporation authorized to issue Seventy-Five Thousand (75,000) shares without par value, of which there are currently outstanding on the date of this Agreement Six Hundred Sixty-Six and Two-Third (666 2/3) shares.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Surviving Corporation and the Disappearing Corporation agree to merge subject to the following terms and conditions:

1. Merger. On the Effective Date (as defined in Section 8), the Disappearing Corporation shall merge with and into Surviving Corporation (the "Merger"). The separate existence of the Disappearing Corporation shall cease on the effective date of the Merger in accordance with the provisions of the General Corporation Law of the State of California. The Surviving Corporation shall continue its existence under its present name pursuant to the provisions of the General Corporation Law of the State of California.

2. Articles of Incorporation and Bylaws. The articles of incorporation and bylaws of Surviving Corporation, as in effect of the Effective Date, shall continue in full force and effect until changed, altered or amended as therein provided and in the manner prescribed by the provisions of the General Corporation Law of the State of California.

3. Directors and Officers. The directors and officers in office of the Surviving Corporation upon the effective date of the Merger shall continue to be the

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directors and officers of the Surviving Corporation, all of whom shall hold their offices until the election, choice and qualification of their respective successors or until their tenure is otherwise terminated in accordance with the Bylaws of the Surviving Corporation.

4. Effect of Merger on Outstanding Shares.

(a) Surviving Corporation. The shares of Surviving Corporation outstanding on the Effective Date shall not be changed or converted as a result of the merger but shall remain outstanding as shares of the Surviving Corporation.

(b) Disappearing Corporation. On the Effective Date, each issued and outstanding common share of Disappearing Corporation shall be converted into one common share, without par value, of Surviving Corporation, subject to adjustment as provided in this Agreement. Cash will be paid in lieu of fractional shares, based upon the market value of common shares of Surviving Corporation on the Effective Date as determined by the board of directors of Surviving Corporation in office immediately after the Effective Date; provided, however, that if the fraction of a share which any holder who would otherwise be entitled to receive is less than one half of one percent of the total shares that holder is entitled to receive, that holder shall not be entitled to receive cash in lieu of the fractional share but the number of shares which that holder is entitled to receive shall be rounded off to the nearest whole share (if the fraction is one half of one share exactly, the number of shares shall be rounded up to the next higher whole share).

5. Representations and Warranties. Disappearing Corporation and Surviving Corporation each represents as to itself that there has been no material adverse change in its business, financial condition, results of operations, prospects, properties, or capitalization, taken as a whole, since the date of its most recent financial statements, a copy of which has been delivered to the other party. Disappearing Corporation and Surviving Corporation each represents as to itself that (a) there is no pending or threatened judicial or administrative proceeding or investigation affecting it that (i) if resolved adversely to it would have material adverse effect on its business or (ii) could reasonably be expected to impair its ability to consummate the merger, and (b) it is not aware of any judicial or administrative decision affecting it that could reasonably be expected to impair its ability to consummate the merger.

6. Covenants.

a. Filings and Approvals. Each party will cooperate with the other in the preparation and filing, as soon as possible, of all necessary applications, filings, and other documents with respect to the merger.

b. Public Announcements. No party will make any public announcement concerning the merger before discussing it with the other party.

c. Access. Subject to applicable laws and regulations, each party will give the other party and its representatives full access during normal business hours to all of

its properties, books, records, documents, personnel, auditors, and counsel. All non-public information obtained through this access shall be kept confidential by each party.

d. *Adverse Event.* (i) If an event occurs that will materially and adversely affect a party's business or its ability to carry out the merger, or (ii) if a party determines that it is or will be unable to comply with any of its obligations under this Agreement or fulfill any conditions under its control, that party shall promptly notify the other.

e. *Stockholder Actions.* Each party will submit the principal terms of this Agreement to its shareholders for approval as soon as practicable.

7. Surrender of Share Certificates. After the Effective Date, each holder of an outstanding certificate evidencing common shares of Disappearing Corporation shall surrender the certificate, duly endorsed as Surviving Corporation may require, to Surviving Corporation or its agent for cancellation. Each holder shall promptly receive in exchange for the surrendered certificate a certificate representing the number of full common shares of Surviving Corporation to which that holder is entitled as provided in this Agreement. The shareholders of the Disappearing Corporation are also the shareholders of the Surviving Corporation, and in the same ownership percentages, respectively. Accordingly, shares of the Surviving Corporation shall be issued to shareholders of the Disappearing Corporation based on each of the shareholder's ownership percentage. The holder of 500 shares of common stock of the Disappearing Corporation will receive 500 shares of common stock of the Surviving Corporation. The holder of 166  $\frac{2}{3}$  shares of common stock of the Disappearing Corporation will receive 166  $\frac{2}{3}$  shares of common stock of the Surviving Corporation.

8. Effective Date. Surviving corporation and Disappearing Corporation shall each take or cause to be taken all such actions, or do or cause to be done all such things, as are necessary, proper, or advisable under the laws of the State of California to make effective the merger provided in this Agreement, subject, however, to receipt of any required approval by outstanding shares of either in accordance with California law and subject also to completion of any necessary qualification of securities under the Corporate Securities Law of California and in compliance with all other applicable laws. Unless this Agreement shall be terminated in accordance with its provisions, Surviving Corporation and Disappearing Corporation each agrees to use its best efforts, subject to the foregoing conditions, to take or cause to be taken all actions as set forth above. Upon compliance with applicable laws and upon receipt of any required approval of the outstanding shares of either party, a copy of this Agreement of Merger with an officer's certificate of each of Surviving Corporation and Disappearing Corporation as required by Section 1103 of the California Corporations Code shall be filed in the office of the California Secretary of State. The merger shall become effective upon such filing of the Agreement of Merger. The date on which the merger so becomes effective is referred to in this Agreement as the "Effective Date."

9. Operation of Business Pending Consummation of Merger. Prior to the Effective Date, neither Surviving Corporation nor Disappearing Corporation shall, without the prior written approval of the other, (a) amend its articles of incorporation or



bylaws; (b) engage in any activity or transaction other than in the ordinary course of business, except as contemplated by this Agreement; or (c) issue, sell, or subdivide any of its shares; or (d) issue any shares, any options, warrants, or rights to purchase any shares or any securities convertible into or exchangeable for any shares; or (e) declare or pay any dividend or make any distribution on any of its shares; or (f) purchase or redeem any of its outstanding shares.

10. Conditions Precedent. The obligations of each party to complete the merger are subject to the following conditions:

a. *Corporate Approval.* All corporate actions necessary to authorize the execution, delivery, and performance of this Agreement shall have been duly and validly taken by the other party. If required by applicable law, the shareholders of each party shall have approved the merger.

b. *Approval From Government Agencies.* All governmental approvals and other actions required to effect the merger and related transactions shall have been obtained, without conditions or restrictions that the affected party reasonably considers unduly burdensome.

c. *Representations and Compliance.* The representations and warranties of the other party in this Agreement shall be true on the Effective Date with the same effect as though made on and as of the Effective Date, except for any changes contemplated by this Agreement. Each other party shall have complied with all agreements to be performed by it on or before the Effective Date.

11. Termination or Abandonment. This Agreement of Merger may be terminated and the merger abandoned at any time prior to the Effective Date (a) by the mutual consent of the respective boards of directors of Disappearing Corporation and Surviving Corporation; or (b) by either Disappearing Corporation or Surviving Corporation if in the opinion of its board of directors, evidenced by a certified copy of resolutions of that board filed with the other party, the merger is impractical or undesirable by reason of the fact that demands of dissenting shareholders of either corporation, for purchase of their shares, are so great in amount as to render the merger inadvisable; or (c) by a party if the conditions precedent to the obligations of that party shall not have been satisfied and that party shall have notified the other party of its intention to terminate this Agreement and the other party has not within ten business days caused satisfaction of that condition; or (d) occurrence of a material adverse change in the business or financial position of any party. In the event of termination of this Agreement as provided in this Section, neither Disappearing Corporation nor Surviving Corporation or their respective boards of directors or shareholders shall be liable to the other or its directors or shareholders.

12. Other Provisions.

a. *Governing Law.* This Agreement of Merger shall be governed by the laws of California applicable to contracts made and to be performed in California.

b. *Entire Agreement.* This Agreement contains the entire agreement of the parties to this Agreement and supersedes any prior written or oral agreements between them concerning the subject matter contained in this Agreement.

c. *Counterparts.* This Agreement of Merger may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument, but all of such counterparts together shall constitute but one agreement.

d. *Further Assurances.* Disappearing Corporation shall from time to time upon request by Surviving Corporation execute and deliver all such documents and instruments and take all such action as Surviving Corporation may request in order to vest or evidence the vesting in Surviving Corporation of title to and possession of all rights, properties, assets, and business of Disappearing Corporation, or otherwise to carry out the full intent and purpose of this Agreement of Merger.

e. *Expenses.* Each party will pay its own expenses if the Merger is not consummated.

f. *Representations and Warranties.* The representations and warranties of each party will terminate on the Effective Date.

g. *No Assignability.* Neither this Agreement nor any rights or obligations under it are assignable.

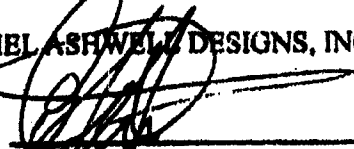
[signature page follows]

IN WITNESS WHEREOF, Disappearing Corporation and Surviving Corporation have caused this Agreement of Merger to be executed as of the day and year first above written.

**SURVIVING CORPORATION:**

**RACHEL ASHWELL DESIGNS, INC.**

By:



Brian Dell, President

By:



Rachel Ashwell, Secretary

**DISAPPEARING CORPORATION:**

**SHABBY CHIC, INC.**

By:



Brian Dell, President

By:



Rachel Ashwell, Secretary


**CERTIFICATE OF APPROVAL  
OF  
AGREEMENT OF MERGER**

Brian Dell and Rachel Ashwell certify that:

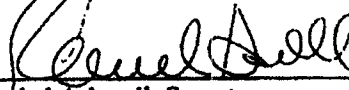
1. They are the president and the secretary respectively of Shabby Chic, Inc., a California corporation (the "Corporation").
2. The Agreement of Merger in the form attached was duly approved by the board of directors and shareholders of the Corporation.
3. The shareholders approval was by the holders of 100% of the outstanding shares of the Corporation.
4. There is only one class of shares and the number of shares outstanding is 666 and 2/3.

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

DATE: 7/24/2006.



\_\_\_\_\_  
Brian Dell, President



\_\_\_\_\_  
Rachel Ashwell, Secretary



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**CERTIFICATE OF APPROVAL**  
**OF**  
**AGREEMENT OF MERGER**

Brian Dell and Rachel Ashwell certify that:

1. They are the president and the secretary respectively of Rachel Ashwell Designs, Inc., a California corporation (the "Corporation").
2. The Agreement of Merger in the form attached was duly approved by the board of directors and shareholders of the Corporation.
3. The shareholders approval was by the holders of 100% of the outstanding shares of the Corporation.
4. There is only one class of shares and the number of shares outstanding is 1333 and 1/3.

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

DATE: 7/24/2006.



\_\_\_\_\_  
Brian Dell, President



\_\_\_\_\_  
Rachel Ashwell, Secretary

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