

Vol. 1188 234

SNC Sub is a corporation duly organized and validly existing under the laws of the State of Delaware. The authorized capital stock of SNC Sub consists of 1,000 shares of common stock, par value \$1.00 per share (the "SNC Sub Common Stock"). As of the date hereof, all of such shares of SNC Sub Common Stock are issued and outstanding and owned by Service Merchandise Company, Inc., a Tennessee corporation ("SMC").

The respective Boards of Directors of Solomon, SNC Sub and SMC Sub's sole stockholder, SMC, deem the merger (the "Merger") of Solomon with and into SNC Sub provided for herein desirable and in the best interests of their respective stockholders and have, by resolutions duly adopted, approved this Plan of Merger. The respective Boards of Directors of Solomon and SNC Sub have directed that the Plan of Merger be submitted to their respective stockholders for adoption.

Concurrently with the execution and delivery of this Plan of Merger, Solomon, SNC Sub and SMC are entering into an Agreement and Plan of Reorganization dated the date hereof (the "Agreement and Plan of Reorganization") setting forth certain representations, warranties and covenants relating to the Merger.

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