

In consideration of the premises and the mutual agreements, provisions and covenants herein contained, and for the purpose of prescribing the terms and conditions of the Merger, the manner and the basis of converting the shares of Solomon Common Stock into shares of common stock, par value \$1.00 per share, of SMC (the "SMC Common Stock"), and such other details and provisions as are deemed necessary or desirable, the parties hereto have agreed, subject to the terms and conditions hereinafter set forth, as follows:

ARTICLE I

The Merger

Section 1.1. Surviving Corporation. At the Effective Time (as defined in Section 1.6 hereof), and in accordance with the provisions of this Plan of Merger and the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law"), Solomon shall be merged with and into SMC Sub, which shall be the surviving corporation (hereinafter sometimes called the "Surviving Corporation") and which shall continue its corporate existence under the laws of the State of Delaware under the name "Sam Solomon Company, Inc." At the Effective Time the separate existence of Solomon shall cease.

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