

Filing fee: \$50.00

**ARTICLES OF MERGER
OF DOMESTIC CORPORATIONS
INTO**

KAY JEWELSMITHS OF RHODE ISLAND, INC.

Pursuant to the provisions of Chapter 7-1.1 of the General Laws, 1956, as amended, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

FIRST: The following Plan of Merger was approved by the shareholders of each of the undersigned corporations in the manner prescribed by said Chapter 7-1.1:

(Insert Plan of Merger)

As attached hereto in Exhibit "A"

SECOND: As to each of the undersigned corporations, (except one whose shareholders are not required to approve the agreement under § 7-1.1-67, in which event that fact shall be set forth), the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on such Plan, are as follows:

Name of Corporation	Number of Shares Outstanding	Entitled to Vote as a Class	
		Designation of Class	Number of Shares
Tweed Shops of Rhode Island, Inc.	75		
Kay Jewelsmiths of Rhode Island, Inc.	75		

THIRD: As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, and, as to each class entitled to vote thereon as a class, the number of shares of such class voted for and against such Plan, respectively, are as follows:

Name of Corporation	Total Voted For	Total Voted Against	Number of Shares		
			Entitled to Vote as a Class		
			Class	Voted For	Voted Against
Tweed Shops of Rhode Island, Inc.	75	NONE			
Kay Jewelsmiths of Rhode Island, Inc.	75	NONE			

FOURTH: Time merger to become effective (§ 7-1.1-69): Upon filing.

Dated July 28, 1975

TWEED SHOPS OF RHODE ISLAND, INC.

By *[Signature]*
Its Vice President

and *[Signature]*
Its Asst. Secretary

KAY JEWELSMITHS OF RHODE ISLAND, INC.

By *[Signature]*
Its Vice President

and *[Signature]*
Its Asst. Secretary

New York
STATE OF ~~RHODE ISLAND~~
COUNTY OF New York

} Sc.

At New York in said County on the 28th day of
July 19 75, before me personally appeared Dong S. Suh
, who being by me first duly sworn, declared that he is
the Vice President of Tweed Shops of Rhode Island, Inc.
that he signed the foregoing document as such Vice President of the
corporation, and that the statements therein contained are true.

Phillip L. Johnson
Notary Public

PHILLIP L. JOHNSON
Notary Public, State of New York
No. 31-7102700
Qualified in New York County
Commission Expires March 30, 1976

(NOTARIAL SEAL)

New York
STATE OF ~~RHODE ISLAND~~
COUNTY OF New York

} Sc.

At New York in said county on the 28th day of
July, 1975, before me personally appeared Dong S. Suh
, who being by me first duly sworn, declared that he is
the Vice President of Kay Jewelsmiths of Rhode Island, Inc.
that he signed the foregoing document as such Vice President of the
corporation, and that the statements therein contained are true.

Phillip L. Johnson
Notary Public

PHILLIP L. JOHNSON
Notary Public, State of New York
No. 31-7102700
Qualified in New York County
Commission Expires March 30, 1976

(NOTARIAL SEAL)

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (hereinafter sometimes referred to as "this Agreement") dated this 28th day of July, 1975 between TWEED SHOPS OF RHODE ISLAND, INC. ("Tweed") and KAY JEWELSMITHS OF RHODE ISLAND, INC. ("Kay").

WITNESSETH:

WHEREAS, Tweed, a Rhode Island corporation, has an authorized capital stock of 100 shares of Common Stock, with a par value of \$1.00 per share, of which 75 shares are issued and outstanding; and

WHEREAS, Kay, a Rhode Island corporation, has an authorized capital stock of 100 shares of Common Stock, with a par value of \$1.00 per share, of which 75 shares are issued and outstanding; and

WHEREAS, the Board of Directors of Tweed considers that it would be advisable and to the advantage of such corporation for Tweed to merge into Kay and thereby to have all of its shares of Common Stock outstanding exchanged for shares of Common Stock of Kay; and

WHEREAS, the Board of Directors of Kay considers that it would be advisable and to the advantage of such

corporation for Tweed to merge into Kay, and for the outstanding shares of Tweed Common Stock to be thereby exchanged for shares of Kay Common Stock;

NOW, THEREFORE, in consideration of the foregoing and of each of the covenants hereinafter set forth, the parties hereto hereby agree that the terms and conditions of the merger of Tweed into Kay (the "Merger"), the means of effecting the Merger and other provisions with respect to the Merger shall be as follows:

1. On the effective date of the Merger (as defined in Section 3 below), Tweed (hereinafter sometimes referred to as the "Merged Corporation") shall be merged into Kay (hereinafter sometimes referred to as the "Surviving Corporation") on the terms and conditions hereinafter set forth and as permitted by and in accordance with the stock corporation law of Rhode Island.

On such date the separate existence of the Merged Corporation shall cease, and the Surviving Corporation shall continue to exist under and be governed by the stock corporation law of Rhode Island with its By-Laws as in effect on the effective date of the Merger. Such By-Laws shall remain unchanged until further amended in accordance with the provisions thereof and the applicable law.

2. The manner and basis of converting the outstanding shares of Common Stock of the Merged Corporation into shares of the Surviving Corporation shall be as follows:

(a) All shares of Common Stock of Tweed which shall be outstanding on the effective date of the Merger shall, without further action by or on behalf of the Surviving Corporation or any holder of such shares, forthwith be converted by the Merger into one share of Common Stock of the Surviving Corporation;

(b) Upon and after the effective date of the Merger, Kay Retail Division Inc., as holder of outstanding certificates representing shares of capital stock of the Merged Corporation, shall surrender the same to the Surviving Corporation and shall be entitled, upon such surrender, to receive a certificate or certificates for the number of shares of Common Stock of Kay into which such shares shall have been converted. Until so surrendered each such outstanding certificate which, prior to the effective date of the Merger, represented shares of capital stock of the Merged Corporation shall, upon the day of and after the effective date of the Merger, be deemed for all purposes to evidence the number of shares of Common Stock, par value \$1.00 per share, of Kay into which such shares shall be converted upon exchange;

(c) Upon and after the effective date of the Merger each holder of an outstanding certificate representing shares of capital stock of Tweed shall surrender the same to the Surviving Corporation and shall be entitled upon such surrender to receive a certificate or certificates from the Surviving Corporation for the number of shares of Common Stock of the Surviving Corporation into which such shares shall have been converted. Until so surrendered each outstanding certificate which, prior to the effective date of the Merger, represented shares of Common Stock of Tweed shall, upon and after the effective date of the Merger, be deemed for all corporate purposes to evidence the number of shares of Common Stock, par value \$1.00 per share, of the Surviving Corporation into which such shares shall have been converted.

3. After this Agreement and Plan of Merger shall have been adopted by the Boards of Directors of Tweed and Kay and shall have been adopted and approved by the stockholders of Tweed and Kay, an appropriate Certificate of Merger shall be submitted for filing to the Secretary of State of the State of Rhode Island. The merger shall become effective immediately upon such filing, and the date and time when the Certificate of Merger so becomes effective shall be referred to as the "effective date" of the Merger.

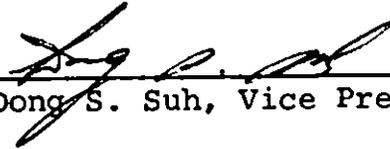
4. After the effective date of the Merger the Surviving Corporation shall assume all liabilities of the Merged Corporation, whether then known to the Merged Corporation or not, in accordance with the stock corporation law of Rhode Island as in effect on the date hereof.

5. This Agreement may be terminated at any time prior to the effective date of the Merger by mutual consent of all parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, and this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each party hereto has caused this Agreement and Plan of Merger to be executed in its corporate name by a President or Vice-President thereof and has caused its corporate seal to be hereunto affixed and

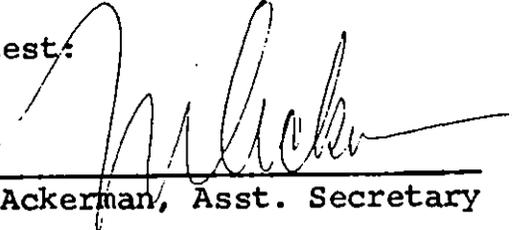
attested by a Secretary or Assistant Secretary thereof, all
as of the date first above written.

TWEED SHOPS OF RHODE ISLAND, INC.

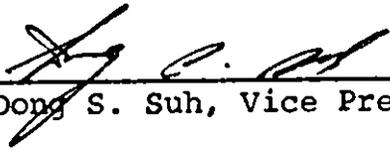
By 
Dong S. Suh, Vice President

(SEAL)

Attest:


M. Ackerman, Asst. Secretary

KAY JEWELSMITHS OF RHODE ISLAND, INC.

By 
Dong S. Suh, Vice President

(SEAL)

Attest:


M. Ackerman, Asst. Secretary