

J25189

CAPITAL CONNECTION, INC.

417 E. Virginia Street, Suite 1 • Tallahassee, Florida 32302
(850) 224-8870 • 1-800-342-8062 • Fax (850) 222-1222

Bernard Valdane
Acquisition Corp

300002854983--7

-04/28/99--01054--022

*****70.00 *****70.00

RECEIVED

90 APR 28 AM 11:40

DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

Per Mr. Klein name
of survivor is not
changing - name
corrected in
Article II of
plan

Signature _____

Requested by: AB

Name

Date

Time

Walk-In _____

Will Pick Up _____

Art of Inc. File _____
LTD Partnership File _____
Foreign Corp. File _____
L.C. File _____
Fictitious Name File _____
Trade/Service Mark _____
☒ Merger File _____
Art. of Amend. File _____
RA Resignation _____
Dissolution / Withdrawal _____
Annual Report / Reinstatement _____
Cert. Copy _____
☒ Photo Copy _____
Certificate of Good Standing _____
Certificate of Status _____
Certificate of Fictitious Name _____
Corp Record Search _____
Officer Search _____
Fictitious Search _____
Fictitious Owner Search _____ *merge*
Vehicle Search _____
Driving Record _____
UCC 1 or 3 File _____ *4/30/99*
UCC 11 Search _____
UCC 11 Retrieval _____
Courier _____

FILED
99 APR 30 PM 12:26
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER
Merger Sheet

MERGING: -----

BERNARD HALDANE ACQUISITION CORP., a FL corp., #P97000094844

INTO

BERNARD HALDANE ASSOCIATES, INC., a Florida corporation, J25189.

File date: April 30, 1999

Corporate Specialist: Susan Payne



FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

April 29, 1999

Capital Connection, Inc.

Tallahassee, FL

SUBJECT: BERNARD HALDANE ACQUISITION CORP.
Ref. Number: P97000094844

We have received your document for BERNARD HALDANE ACQUISITION CORP. and check(s) totaling \$70.00. However, the enclosed document has not been filed and is being returned to you for the following reason(s):

The enclosed merger document does not contain the articles of merger required pursuant to section 607.1105, Florida Statutes. Enclosed is a form for your convenience.

The name of the surviving corporation is as referenced above. Please correct the name in all appropriate places in the document.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6901.

Susan Payne
Senior Section Administrator

Letter Number: 999A00022937

corrected

53 APR 30 AM 10:52
DIVISION OF CORPORATIONS

RECEIVED

ANNEX II

STATE OF FLORIDA
ARTICLES OF MERGER
OF
BERNARD HALDANE ACQUISITION CORP.
A FLORIDA CORPORATION
INTO
BERNARD HALDANE ASSOCIATES, INC.
A FLORIDA CORPORATION

FILED
99 APR 30 PM 12:26
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1105 of the Florida Business Corporation Act, the undersigned corporations adopt the following articles of merger:

FIRST: The plan of merger is as follows:

(A) On the Effective Date of the Merger, Bernard Haldane Acquisition Corporation shall be merged with and into Bernard Haldane Associates, Inc. in accordance with the applicable provisions of the laws of the State of Florida and the separate existence of Bernard Haldane Acquisition Corporation shall cease, and Bernard Haldane Associates, Inc., as the surviving corporation in the Merger shall continue its corporate existence under the laws of the State of Florida;

(B) As of the Effective Date of the Merger and by virtue of the Merger: (i) Each Common Share of Bernard Haldane Associates, Inc. held by Bernard Haldane Associates, Inc. as treasury shares or owned by Bernard Haldane Acquisition Corporation shall be canceled; (ii) Each other outstanding Common Share of Bernard Haldane Associates, Inc. shall be converted into the right to receive \$3.00 in cash, without interest; (iii) Each issued and outstanding share of capital stock of Bernard Haldane Acquisition Corporation shall be converted into one validly issued, fully paid, and non-assessable Common Share of Bernard Haldane Associates, Inc.; and (iv) All rights with respect to the Common Shares of Bernard Haldane Associates, Inc. issuable pursuant to the exercise of stock options ("Options") granted by Bernard Haldane Associates, Inc. under its

stock option plans (the "Stock Option Plans") or otherwise issued, and held by each participant thereunder or holder thereof, and which are outstanding at the Effective Date of the Merger, whether or not such Options are then exercisable, shall be terminated and canceled as of the Effective Date of the Merger and shall be converted into the right of the holders thereof to receive \$3.00 in cash, without interest for each Common Share of Bernard Haldane Associates, Inc.

SECOND: The Effective Date of the Merger is the date on which these Articles of Merger are filed with the Secretary of State of the State of Florida.

THIRD: The plan of merger was adopted by the shareholders of Bernard Haldane Acquisition Corp., a Florida corporation, on the 8th day of APRIL, 1999, and was adopted by the shareholders of Bernard Haldane Associates, Inc., a Florida corporation, on the 9th day of APRIL, 1999.

Signed this 21st day of APRIL, 1999.

BERNARD HALDANE ASSOCIATES, INC.
(Name of Surviving Corporation)

By:

Jerald P. Weinger, President

**BERNARD HALDANE ACQUISITION
CORP.**
(Name of Merged Corporation)

By:

Jerald P. Weinger, President

ANNEX I

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (the "Agreement") dated as of December 15, 1997, by and between Bernard Haldane Acquisition Corp., a Florida corporation ("Newco"), and Bernard Haldane Associates, Inc., a Florida corporation (the "Company"), (Newco and the Company are hereinafter collectively referred to as the "Constituent Corporations").

WHEREAS, the Board of Directors of the Company has (i) determined that the Merger (as defined below) is fair to the shareholders of the Company and in the best interests of such shareholders and (ii) resolved to approve and adopt this Agreement and the transactions contemplated hereby and to recommend approval and adoption of this Agreement by the shareholders of the Company; and

WHEREAS, the Boards of Directors of Newco and the Company, deeming it advisable for the respective benefit of Newco and the Company and their respective shareholders that Newco merge with the Company on the terms and conditions hereinafter set forth (the "Merger"), have approved this Agreement in accordance with the 1989 Business Corporation Act of the State of Florida (the "FBCA");

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants, representations, and warranties herein contained, the parties hereto agree as follows:

ARTICLE I

THE MERGER

SECTION 1.1. The Merger. On the Effective Date (as defined in Section 1.2), Newco shall be merged with and into the Company in accordance with the applicable provisions of the laws of the State of Florida and the separate existence of Newco shall thereupon cease, and the Company, as the surviving corporation in the Merger (the "Surviving Corporation") shall continue its corporate existence under the laws of the State of Florida. Upon the consummation of the Merger, the Surviving Corporation shall thereupon and thereafter possess all the rights, privileges, powers, and franchises as well of a public as of a private nature, and be subject to all the restrictions, disabilities and duties of each of the Constituent Corporations; and each and all of the rights, privileges, powers, and franchises of each of the Constituent Corporations, and all property, real, personal, and mixed, and

all debts due to either of the Constituent Corporations on whatever account, as well as for stock subscriptions as all other things in action or belonging to each of such Constituent Corporations shall be vested in the Surviving Corporation; and all property, rights, privileges, powers, and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the Constituent Corporations, and the title to any real estate vested by deed, lease or otherwise, in either Constituent Corporation, shall not revert or be in any way impaired by reason of the Merger; but all rights of creditors and all liens upon any property of either of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities, and duties of each of the Constituent Corporations shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities, and duties had been incurred or contracted by it.

SECTION 1.2. Certificate of Merger. As promptly as practicable after the satisfaction or waiver of the conditions hereinafter set forth, the parties hereto will cause an appropriate certificate of merger ("Certificate of Merger") (a form of which is attached hereto as Exhibit A) in such form or forms as required by, and executed in accordance with, the relevant provisions of the FBCA to be filed with the Department of State of the State of Florida. The Merger shall become effective upon the filing of the Certificate of Merger and such date and time is hereinafter referred to as the "Effective Date."

SECTION 1.3. Shareholders' Meeting. The Company shall take all action necessary, in accordance with the FBCA and the Company's Certificate of Incorporation and By-laws, to duly call, give notice of, convene and hold a meeting of its shareholders (the "Shareholders' Meeting") as promptly as practicable to consider and vote upon the adoption of this Agreement and the Merger. The Company shall use its best efforts to solicit from holders of common shares, par value \$.00001 per share (the "Common Shares"), of the Company, entitled to vote thereon proxies in favor of adoption and approval of this Agreement and the Merger and to take all other action necessary or, in the reasonable judgment of the Company, helpful to secure the vote of holders of Common Shares required by law to effect the Merger and the other transactions contemplated hereby. At any such meeting Newco shall vote, or cause to be voted, all of the Common Shares then owned by Newco or any subsidiary or affiliate of Newco and entitled to vote thereon in favor of the Merger.

SECTION 1.4. Approval by Newco. The shareholders of Newco have approved this Agreement and the Merger in accordance with the FBCA.

ARTICLE II

NAME, CERTIFICATE OF INCORPORATION, AND BY-LAWS OF THE SURVIVING CORPORATION

SECTION 2.1. Name. The name of the surviving corporation shall be Bernard Haldane Associates, Inc.

SECTION 2.2. Certificate of Incorporation. The Certificate of Incorporation of the Company as may be amended by the Certificate of Merger shall be the Certificate of Incorporation of the Surviving Corporation.

SECTION 2.3. By-Laws. The By-laws of the Company as in effect on the Effective Date shall be the By-laws of the Surviving Corporation.

SECTION 2.4. Directors and Officers. The Directors and Officers of the Company on the Effective Date shall be the directors and officers of the Surviving Corporation and shall serve in accordance with the By-laws of the Surviving Corporation.

ARTICLE III

CONVERSION OF SHARES

SECTION 3.1. Conversion of Shares. As of the Effective Date, by virtue of the Merger and without any action on the part of the holders thereof:

(a) Each Common Share of the Company held by the Company as treasury shares or owned by Newco shall be cancelled.

(b) Each other outstanding Common Share of the Company, except those held by shareholders of the Company who have validly demanded and perfected rights of dissent under Section 607.1320 of the FBCA and have not effectively withdrawn or lost such rights, shall be converted into the right to receive \$3.00 in cash, without interest.

(c) Each issued and outstanding share of capital stock of Newco shall be converted into one validly issued, fully paid, and non-assessable common share of the Surviving Corporation.

(d) Each outstanding Common Share of the Company, the holder of which has demanded and perfected his right to payment of "fair value" for his shares in accordance with Section 607.1320 of the FBCA and has not effectively withdrawn or lost his right to such payment, shall not be converted into or represent a right to

receive cash hereunder, but the holder thereof shall be entitled only to such rights as are granted by the FBCA.

The Company shall give Newco prompt notice upon receipt by the Company of any written objection to the Merger and any such written demands for rights to payment of fair value, withdrawal of demands for such rights and any other instruments served pursuant to the FBCA Section 607.1320 (any shareholder duly making such demand being hereinafter called a "Dissenting Shareholder"). The Company agrees that it will not, except with the prior written consent of Newco, voluntarily make any payment with respect to, or settle or offer to settle, any such demands. Each Dissenting Shareholder who becomes entitled, pursuant to the provisions of the FBCA Section 607.1320, to payment for his Common Shares shall receive payment therefor from the Surviving Corporation (but only after the amount thereof shall have been agreed upon or finally determined pursuant to such law) and such Common Shares shall be cancelled. If any Dissenting Shareholder shall have failed to perfect or shall have effectively withdrawn or lost such right to demand payment of fair value, his Common Shares shall thereupon be deemed to have been converted into the right to the cash consideration to be issued in the Merger as provided in this Agreement.

SECTION 3.2. Payment for Common Shares. After the Effective Date, a bank or trust company having combined capital, surplus, and undivided profits of at least \$10,000,000, to be designated by the Company shall act as paying agent (the "Paying Agent") in effecting the payment of cash for certificates which, immediately prior to the Effective Date, represented Common Shares of the Company entitled to payment pursuant to Section 3.1(b). As soon as practicable after the Effective Date, the Paying Agent shall mail a transmittal form (the "Letter of Transmittal") to each holder (other than the Company and Newco) of certificates theretofore representing Common Shares advising such holder of the procedure for surrendering to the Paying Agent such Common Share certificates for payment. Notwithstanding the foregoing, neither the Paying Agent nor any party hereto shall have any liability to a holder of certificates theretofore representing Common Shares for the payment of the amount to be paid pursuant to Section 3.1(b) in respect of such Common Shares if such amount is paid to a public official pursuant to any applicable abandoned property, escheat, or similar law. Upon the surrender of a certificate or certificates in accordance with the requirements of the Letter of Transmittal, the holder shall be paid, without interest thereon, the amount of cash equal to the product of the number of Common Shares represented by such certificates and \$3.00, less any amount required to be withheld under applicable federal income tax regulations ("Backup Withholding"), and such certificate(s) shall forthwith be cancelled. Until so surrendered, each such certificate shall represent solely the right to receive \$3.00, less any Backup Withholding, without interest, and the Surviving Corporation shall not be

required to pay the holder thereof the cash to which such holder otherwise would be entitled under Section 607.1320 of the FBCA. If payment for Common Shares is to be made in a name other than that in which the certificate or certificates for such Common Shares is registered on the stock transfer books of the Company as of the Effective Date, it will be a condition of such payment that the certificate or certificates so surrendered shall be properly endorsed or otherwise in proper form for transfer as determined by the Paying Agent and that person requesting such payment shall pay to the Paying Agent any transfer or other taxes required by reason of the payment to a person other than the registered holder of the certificates so surrendered. On the Effective Date, the Company shall make available to the Paying Agent, in accordance with the terms and conditions of a Paying Agent Agreement to be entered into by the Company and the Paying Agent, sufficient cash to permit the conversions and exchanges provided for in Section 3.1 and this Section 3.2 to be made; provided, however, that in the event the Surviving Corporation deposits cash with the Paying Agent hereunder and any portion of such cash remains in escrow with the Paying Agent and has not been delivered upon exchanges in accordance with this Section at the expiration of 90 days from the Effective Date, the cash and any interest accumulated thereon shall be returned immediately by the Paying Agent to the Surviving Corporation; and provided further, that if at any time prior to the expiration of such 90-day period any Dissenting Shareholder shall have demanded in writing from the Surviving Corporation payment of the value of his Common Shares in accordance with Section 607.1320 of the FBCA, and in the event cash remains in escrow with the Paying Agent, the cash and any interest accumulated thereon deposited in escrow with the Paying Agent in respect to such Common Shares shall be returned immediately by the Paying Agent to the Surviving Corporation upon receipt of notice from the Surviving Corporation of such demand. If any certificate or certificates representing Common Shares are thereafter surrendered to the Paying Agent in accordance with the requirements of the Letter of Transmittal, the Paying Agent shall promptly notify the Surviving Corporation which shall promptly deposit with the Paying Agent an amount equal to \$3.00 multiplied by the number of Common Shares represented by such surrendered certificate or certificates, and the Paying Agent shall promptly pay to the holder thereof such amount, without interest, less any Backup Withholding. If any of the consideration due to be paid or delivered in the Merger is not paid or delivered in the Merger within the time period specified by any applicable laws concerning abandoned property, escheat or similar laws, and if such failure to pay or deliver such consideration occurs or arises out of the fact that such property is not claimed by the proper owner thereof, the Surviving Corporation shall be entitled to dispose of any such consideration in accordance with applicable laws concerning abandoned property, escheat or similar laws.

SECTION 3.2.A. Stock Options and Related Matters. As of the Effective Date of the Merger, all rights with respect to the Common Shares of the Company issuable pursuant to the exercise of stock options ("Company Options") granted by the Company under stock option plans of the Company (the "Company Stock Option Plans") or otherwise issued, and held by each participant thereunder or holder thereof, which Company Options are listed and described in Disclosure Schedule 3.2.A. hereof and which are outstanding at the Effective Date of the Merger, whether or not such Company Options are then exercisable, shall be terminated and canceled as of the Effective Date of the Merger and shall be converted into the right of the holders thereof to receive \$3.00 in cash for each Common Share of the Company subject to the Company Options held by such holder. Such holder of the Company Options so surrendered shall execute a cancellation agreement pursuant to which the rights held by such holder shall be surrendered and the Company Options held by such holder shall be canceled and shall be of no further force or effect upon the payment of the consideration stated above."

SECTION 3.3. Taking of Necessary Action; Further Action. Newco and the Company, respectively, shall take all such action as may be necessary or appropriate in order to effectuate the Merger as promptly as possible, subject to all of the terms and conditions hereof. If, at any time after the Effective Date, any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full right, title, and interest in all assets, property, rights, privileges, powers, and franchises of either of the Constituent Corporations, the officers and directors of such corporation are fully authorized in the name of their corporation or otherwise to take, and shall take, all such action.

SECTION 3.4. Closing of the Company's Transfer Books. On the Effective Date, the stock transfer books of the Company shall be closed and no transfer of Common Shares shall thereafter be made. If, after the Effective Date, certificates representing Common Shares are presented to the Surviving Corporation, they shall be cancelled and exchanged for cash in accordance with this Article III.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF NEWCO

Newco represents and warrants to the Company as follows:

SECTION 4.1. Organization. Newco is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida and has the requisite corporate power and authority to own, lease, license, and use its properties and assets

and to carry on the business in which it is now engaged and any business in which it contemplates engaging.

SECTION 4.2. Capitalization. The authorized capital stock of Newco consists of 2,000,000 shares of common stock, par value \$.01 per share ("Newco Shares"), of which, as of the date hereof, 731,670 Newco Shares are issued and outstanding. All the issued and outstanding Newco Shares are validly issued, fully paid, and nonassessable, and are not owned or held in violation of any preemptive right of shareholders, and are owned of record as follows:

| <u>Name of Shareholder</u> | <u>Number of Shares</u> |
|-------------------------------------------------------------------------------------------------|-------------------------|
| Taylor Management Money -- Purchase Plan | 5,000 |
| Taylor Management Profit Sharing Plan | 7,300 |
| Jerold Weinger, SEP/Individual Retirement Account | 11,900 |
| Jerold & Lilli Weinger, as joint tenants with the rights of survivorship | 6,145 |
| Jerold Weinger, as custodian under the Uniform Gift to Minors Act (f/b/o Seth Weinger) | 21,350 |
| Jerold Weinger, Individual Retirement Account | 5,500 |
| Jerold Weinger | 64,550 |
| Jerold Weinger, SEP/Individual Re- tirement Account | 9,000 |
| Jerold Weinger, as custodian under the Uniform Gift to Minors Act (f/b/o Allison Weinger) | 22,550 |
| Lilli Weinger, Individual Retirement Account | 11,500 |
| Jerold Weinger, Individual Retirement Account | 23,125 |
| Renee M. Nadel, Irrevocable Trust dated December 28, 1997 | 262,500 |
| Seth Weinger | 5,000 |
| Lilli Weinger | 276,250 |

There are no options, warrants or other rights, agreements, or commitments obligating Newco to issue shares of its capital stock.

SECTION 4.3. Authority Relative to this Agreement. Newco has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Newco's Board of Directors and shareholders, and no other corporate proceedings on the part of Newco are necessary to authorize this Agreement and the transactions contemplated hereby. Newco is not subject to or obligated under any charter, by-law, or any order or decree, which would be breached or violated by its executing and carrying out this Agreement. The execution and delivery of this Agreement by Newco and the consummation of the transactions contemplated hereby will not violate any applicable law, rule, or regulation binding on Newco. This Agreement is a legal, valid, and binding obligation of Newco enforceable against Newco in accordance with its terms, except as enforcement may be limited by general principles of equity whether applied in a court of law or a court of equity.

SECTION 4.4. Operations of Newco. Newco was formed on November 5, 1997, for the purpose of the Merger and has conducted no activities and incurred no liabilities other than in connection with the negotiation and execution of this Agreement and consummation of the transactions contemplated herein.

SECTION 4.5. Proxy Statement and Schedule 13E-3. None of the information supplied by Newco for inclusion in the proxy statement or similar materials distributed to the Company's shareholders in connection with the Merger, including any amendments or supplements thereto (the "Proxy Statement") or the Rule 13E-3 Transaction Statement (the "Schedule 13E-3") will, at the respective times that the Proxy Statement and the Schedule 13E-3 or any amendments or supplements thereto are filed with the Securities and Exchange Commission (the "SEC") or, at the time the Proxy Statement is mailed to the Company's shareholders for the Shareholders' Meeting, or at the Effective Date, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 4.6. Brokers and Finders. Neither Newco nor any of its officers, directors, or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated herein.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Newco as follows:

SECTION 5.1. Organization. The Company and each of its subsidiaries is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and has the requisite corporate power and authority to carry on its business as it is now being conducted. The Company and each of its subsidiaries is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of its properties owned or held under lease or the nature of its activities makes such qualification necessary, except where the failure to be so qualified will not have a material adverse effect on the Company and its subsidiaries taken as a whole.

SECTION 5.2. Capitalization. The authorized capital stock of the Company consists of 950,000,000 Common Shares, \$.00001 par value, of which, as of the close of business on December 1, 1997, 949,365 shares were issued and outstanding. All the issued and outstanding Common Shares are validly issued, fully paid, and nonassessable and are not owned or held in violation of any preemptive right of shareholders. There are no options, warrants, or other rights, agreements or commitments obligating the Company to issue shares of its capital stock, except those set forth on Schedule 5.2 hereto.

SECTION 5.3. Authority Relative to this Agreement. The Company has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by its Board of Directors and, except for approval by its shareholders as set forth in Section 6.3, no other corporate proceedings on the part of the Company are necessary to authorize this Agreement and the transactions contemplated hereby. Neither the Company nor any of its properties is subject to or obligated under any charter, by-law, or provision of any material contract or any license, franchise, or permit, or any order or decree which would be breached or violated or in respect of which a right of acceleration would be created by its executing, delivering, and carrying out this Agreement. Except as referred to herein and except for compliance with the provisions of applicable securities laws, there is no legal impediment to the Company's execution and delivery of this Agreement or its consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company and constitutes a legal, valid, binding

obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement may be limited by general principles of equity whether applied in a court of law or a court of equity.

SECTION 5.4. Proxy Statement and Schedule 13E-3. None of the information supplied by the Company for inclusion in the Proxy Statement or the Schedule 13E-3 will, at the respective times that the Proxy Statement and the Schedule 13E-3 or any amendments or supplements thereto are filed with the SEC or, at the time the Proxy Statement is mailed to the Company's shareholders for the Shareholders' Meeting, or at the Effective Date, contain any untrue statements of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

SECTION 5.5. Brokers and Finder. Neither the Company nor any of its officers, directors, or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the transactions contemplated herein.

ARTICLE VI

COVENANTS

SECTION 6.1. Conduct of Business by the Company Pending the Merger. Except as contemplated by this Agreement, during the period from the date hereof to the Effective Date, the Company and each of its subsidiaries will conduct its operations in the ordinary and usual course, consistent with past practice, and the Company and each of its subsidiaries will use its best efforts to preserve intact its business organization, to keep available the services of its officers and employees and to maintain existing relationships with licensors, licensees, suppliers, contractors, distributors, customers, and others having business relationships with it. Without limited the generality of the foregoing, and except as otherwise expressly provided in this Agreement, prior to the Effective Date, neither the Company nor any of its subsidiaries will, without the prior written consent of Newco:

(a) amend its certificate of incorporation or by-laws;

(b) split, combine, or reclassify any outstanding shares of its capital stock or declare, set aside or pay any dividend payable in cash, stock, or property or make any other distributions with respect to shares of its capital stock;

(c) issue, sell, pledge, dispose of, or encumber, or authorize, or propose the issuance, sale, pledge, disposition or encumbrance of (i) additional shares of, or rights of any kind to acquire any shares of, its capital stock of any class, or securities convertible into any such shares, or any rights, warrants or options to acquire any such convertible securities or (ii) any other securities in respect of or in substitution for any outstanding shares of its capital stock;

(d) acquire or dispose of any assets, other than in the ordinary course of business;

(e) incur any amount of indebtedness for borrowed money or enter into any other transaction other than in the ordinary course of business other than in connection with the Merger;

(f) redeem, purchase, or acquire or offer to acquire any shares of its capital stock;

(g) enter into any employment agreement or collective bargaining agreement or amend or extend any existing agreement of that nature or grant severance or termination pay or increases in compensation other than severance or termination pay or compensation increases which are mandated by the terms of existing agreements or are in the ordinary course of business and consistent with past practice and are not, individually or in the aggregate, material in amount;

(h) change any of the accounting principles or practices used by it;

(i) revalue in any material respect any of its assets, including, without limitation, writing down the value of inventory or writing off notes or accounts receivable other than in the ordinary course of business;

(j) make any tax election or settle or compromise any material income tax liability;

(k) adopt, or amend to increase any benefits payable under, any bonus, profit sharing, pension, stock option, or similar plan, trust or other arrangement for the benefit of employees, including, but not limited to, any action to vest any benefits in any such plan in any of the participants thereunder to the extent not otherwise vested pursuant to said plan as in effect on the date hereof;

(l) make, or enter into any agreement or understanding to make, any capital expenditures during the period commencing on the

date hereof and ending on April 1, 1998, which in aggregate amount shall exceed \$50,000 during such period; and

(m) engage in any transaction or take any other action which, if engaged in or taken on the date of this Agreement, would have caused or resulted in a breach of any representation or warranty of the Company set forth in Article V hereof.

SECTION 6.2. Access and Information. (a) The Company shall afford to Newco, its affiliates and its accountants, counsel, other representatives and prospective lenders full access during normal business hours throughout the period prior to the Effective Date to all of its properties, books, contracts, commitments and records (including but not limited to tax returns and accountants' work papers) and, during such period, shall furnish promptly to any of them (i) a copy of each report, schedule, and other document filed or received by it pursuant to the requirements of federal or state securities laws, and (ii) all other information concerning its business, properties and personnel as they may reasonably request.

(b) In the event of the termination of this Agreement, Newco will, and will cause its affiliates, its accountants, counsel, and other representatives to, deliver to the Company all documents, work papers and other material and information, and all copies thereof, obtained by them as a result of Section 6.2(a) of this Agreement. Such information will be held by Newco in confidence until such time as such information is otherwise publicly available or required to be disclosed in connection with the transactions contemplated by this Agreement or otherwise pursuant to law.

SECTION 6.3. Shareholders' Approval. The Company shall take all action necessary in accordance with applicable law and its Certificate of Incorporation and By-laws to obtain approval of this Agreement and the Merger by the requisite number of outstanding Common Shares of the Company. In connection therewith, the Company will convene a Shareholders' Meeting as soon as is reasonably practicable at which the Company will submit this Agreement to, and recommend approval of this Agreement and the Merger by, its shareholders. In connection with the Shareholders' Meeting, the Company shall prepare, as promptly as practicable, a Proxy Statement with respect to the Merger and shall submit the Proxy Statement to Newco for its review and comments. The Company shall file the Proxy Statement with the SEC and promptly respond to any comments made by the SEC with respect to the Proxy Statement and any preliminary version thereof. The Company shall thereafter mail the Proxy Statement to its shareholders in order to solicit proxies in favor of the Merger.

SECTION 6.4. Expenses. Whether or not the Merger is consummated, all costs and expenses incurred by the Company or Newco in

connection with this Agreement and the Merger shall be paid by the Company.

SECTION 6.5. Additional Arrangements. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, as promptly as practicable, all things necessary, proper or advisable under applicable laws and regulations to assure the performance or satisfaction of each condition to, and to consummate and make effective, the transactions contemplated by this Agreement, including using its best efforts to obtain all necessary waivers, consents and approvals and effecting all necessary registrations and filings (including, but not limited to, the execution and filing of a Certificate of Merger, the filing and mailing of the Proxy Statement and Schedule 13E-3 and any amendments or supplements thereto and the execution of any additional instruments necessary to consummate the transactions contemplated hereby).

SECTION 6.6. Agreement to Defend and Indemnify. [(a) For three years after the Effective Date, the Surviving Corporation shall use its good faith efforts to provide officers' and directors' liability insurance covering each present and former director and officer of the Company who is presently covered by the Company's officers' and directors' liability insurance or will be so covered at the Effective Date (the "Indemnified Parties") with respect to actions and omissions occurring prior to the Effective Date, on terms no less favorable to such officers and directors than such insurance maintained in effect by the Company on the date hereof in terms of coverage and amounts.]

(b) For six years and one hundred and eighty days after the Effective Date, the Surviving Corporation shall indemnify and hold harmless the Indemnified Parties against any losses, claims, damages, liabilities, costs, expenses, judgments, and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative ("Indemnifiable Claim") arising out of or pertaining to any action or omission occurring prior to the Effective Date (including, without limitation, any which arise out of or relate to the Merger or other transactions contemplated by this Agreement) [to the extent not covered by the officers' and directors' liability insurance policy referred to above and] to the full extent required by the Company's By-laws as presently in effect. Any Indemnifiable Party wishing to claim indemnification under this Section 6.6, upon learning of any such Indemnifiable Claim, shall notify the Surviving Corporation thereof and shall deliver to the Surviving Corporation an undertaking to repay any amounts advanced pursuant hereto when and if a court of competent jurisdiction shall ultimately determine, after exhaustion of all

avenues of appeal, that he did not act in accordance with the standards set forth in Section 607.0830 of the FBCA or the Company's Certificate of Incorporation and By-Laws. The Indemnified Party, or the Indemnified Parties, as a group, may retain only one law firm to represent them with respect to any Indemnifiable Claim unless there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Indemnified Parties. This Section 6.6 shall survive the Merger, shall continue for six years and one hundred and eighty days after the Effective Date of the Merger and is intended to benefit each of the Indemnified Parties, each of whom shall be entitled to enforce this Section 6.6 against the Surviving Corporation.

SECTION 6.7. Public Announcements. Newco and the Company will consult with each other before issuing any press release or otherwise making any public statements with respect to the transactions contemplated by this Agreement and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law.

SECTION 6.8. Notification of Certain Matters. The Company shall give prompt notice to Newco and Newco shall give prompt notice to the Company of (a) the occurrence, or nonoccurrence, of any event the occurrence or nonoccurrence of which would be likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Effective Date and (b) any material failure of the Company, or Newco, as the case may be, to comply with or satisfy any covenant, condition, or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.8 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

ARTICLE VII

CONDITIONS

SECTION 7.1. Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of each party to effect the Merger shall be subject to the fulfillment at or prior to the Effective Date of the following conditions:

(a) This Agreement shall have been approved and adopted by the requisite vote of the shareholders of the Company in accordance with the FBCA.

(b) No preliminary or permanent injunction or other order by any Federal or state court in the United States which prevents the consummation of the Merger shall have been issued and remain in effect (each party agrees to use its best efforts to have any such injunction lifted).

(c) No action shall have been taken nor any statute, rule, or regulation have been enacted by the government (or any governmental body or agency) of the United States or any state thereof that makes the consummation of the Merger illegal.

SECTION 7.2. Conditions to Obligation of the Company to Effect the Merger. The obligation of the Company to effect the Merger shall be subject to the fulfillment at or prior to the Effective Date of the following additional conditions (unless waived):

(a) The representations and warranties of Newco contained in this Agreement shall be true in all material respects on and as of all times prior to the Effective Date with the same force and effect as though made on and as of such times, except as affected by the transactions contemplated hereby and except that any such representation and warranty made as of a specified date shall have been true on and as of such date.

(b) Newco shall in all material respects have performed each obligation and agreement and complied with each covenant to be performed or complied with by it hereunder on or before the Effective Date.

(c) The Company shall have received from an investment banking firm acceptable to the Company opinions, one dated the date of the Proxy Statement and suitable for transmission therewith, and another dated the Effective Date, to the effect that the \$3.00 to be paid to the public shareholders of the Company in the Merger is fair to the public shareholders of the Company from a financial point of view.

SECTION 7.3. Conditions to Obligation of Newco to Effect the Merger. The obligation of Newco to effect the Merger shall be subject to the fulfillment at or prior to the Effective Date of the following additional conditions (unless waived):

(a) The representations and warranties of the Company contained in this Agreement shall be true in all material respects on and as of all times prior to the Effective Date with the same force and effect as though made on and as of such times, except as affected by the transactions contemplated hereby and except that any such representation or warranty made as of a specified date shall have been true on and as of such date.

(b) The Company shall in all material respects have performed each obligation and agreement and complied with each covenant to be performed or complied with by it hereunder on or before the Effective Date.

(c) There shall not have been instituted or threatened any proceedings in law or equity relating to, or seeking to prohibit or otherwise challenging the consummation of the transactions contemplated by this Agreement or seeking to obtain substantial damages with respect thereto.

ARTICLE VIII

TERMINATION, AMENDMENTS, AND WAIVER

SECTION 8.1. Termination. This Agreement may be terminated at any time prior to the Effective Date, whether before or after approval by the shareholders of the Company:

(a) by mutual consent of the Boards of Directors of Newco and the Company;

(b) by the Company or Newco if the Merger shall not have been consummated prior to April 1, 1998 or such later date as may be established by the parties hereto;

(c) upon termination of the Organization Agreement among Newco and Mme. Weinger and Nadel and the persons and entities identified in Section 4.2 hereof; or

(d) by the Company or Newco if any court of competent jurisdiction in the United States or other United States governmental body shall have issued an order, decree, or ruling or taken any other action restraining, enjoining, or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and nonappealable.

SECTION 8.2. Effect of Termination. In the event of the termination and abandonment of this Agreement, this Agreement shall forthwith become void and have no effect, without any liability on the part of any party hereto or its directors, officers, or shareholders, other than the provisions of this Section 8.2 and Sections 6.4, 6.6, and 8.3 and Article IX. Nothing contained in this Section 8.2 shall relieve any party from liability for any breach of this Agreement.

SECTION 8.3. Amendment. This Agreement may be amended by the parties hereto, by action taken by their respective Boards of Directors or duly authorized committees thereof, at any time before or after approval hereby by the shareholders of the Company, but,

after any such approval, no amendment shall be made which reduces the price paid per Common Share or changes the medium of payment therefor or which in any materially adversely affects the rights of such shareholder without the further approval of the shareholders. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

SECTION 8.4. Waiver. At any time prior to the Effective Date, any term, provision, or condition of this Agreement may be waived in writing (or the time for performance of any of the obligations or other acts of the other party hereto may be extended) by the party which is, or the party the shareholders which are, entitled to the benefits thereof. Any agreement on the part of a party hereto to any such extension or wavier shall be valid if set forth in an instrument in writing signed on behalf of such party by a duly authorized officer.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1. Non-Survival of Representations and Warranties. The representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall not survive the Effective Date.

SECTION 9.2. Closing. The closing of the transactions contemplated by this Agreement shall take place at the offices of Gusrae, Kaplan & Bruno, 120 Wall Street, New York, New York 10005 or such other place as the parties may agree, as promptly as practicable after the satisfaction or wavier of the conditions set forth in Article VII.

SECTION 9.3. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) If to Newco:

c/o Bernard Haldane Associates, Inc.
192 Lexington Avenue
New York, New York 10016
Attention: Jerold P. Weinger

With copies to:

Gusrae, Kaplan & Bruno
120 Wall Street
New York, New York 10005
Attention: Robert Perez, Esq.

(b) If to the Company:

Bernard Haldane Associates, Inc.
192 Lexington Avenue
New York, New York 10016
Attention: Jerold P. Weinger

With copies to:

Schoeman, Marsh & Updike
60 East 42nd Street
New York, New York 10165
Attention: Michael Schoeman, Esq.

SECTION 9.4. Notice of Breach. Each party will promptly give written notice to the other party upon becoming aware of the occurrence, or impending or threatened occurrence, of any event which would cause or constitute a breach of any of its representations, warranties, or covenants contained or referred to in this Agreement and will use its best efforts to prevent or promptly remedy the same.

SECTION 9.5. Assignment. Newco may not assign any of its rights and obligations under this Agreement without the consent of the Company.

SECTION 9.6. Interpretation. When a reference is made in this Agreement to subsidiary, the word "subsidiary" means any corporation more than 50% of the outstanding voting securities of which are directly or indirectly owned by the Company or Newco, as the case may be. When a reference is made in this Agreement to affiliate, the word "affiliate" means with respect to any person (as hereinafter defined), any Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such Person. For purposes of this Agreement, "Persons" means an individual, a corporation, a partnership, an association, a trust, or any other entity or organization. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine, or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa.

SECTION 9.7. Separability. Any term or provisions of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

SECTION 9.8. Specific Performance. Each of Newco and the Company acknowledges that (i) neither will have any adequate remedy at law if the other fails to perform any of its obligations hereunder and (ii) each shall have the right, in addition to any other rights it may have, to obtain in any court of competent jurisdiction injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any of the obligations of the other under this Agreement if the other shall fail to perform any of its obligations hereunder.

SECTION 9.9. Miscellaneous. This Agreement (a) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof; and (b) except for the provisions set forth in Section 6.6 hereof, is solely for the benefit of the parties hereto and their respective successors, legal representatives and assigns and does not confer on any other person any obligations or rights or remedies under or by reason of this Agreement. This Agreement may be executed in two or more counterparts which together shall constitute a single agreement.

SECTION 9.10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to conflict of laws.

IN WITNESS WHEREOF, Newco and Company have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

BERNARD HALDANE ACQUISITION CORP.

Attest: Karen Lanthier BY: Jeffrey G. Klein
Karen Lanthier JEFFREY G. KLEIN,
Vice president

BERNARD HALDANE ASSOCIATES, INC.

Attest: Karen Lanthier BY: Jeffrey G. Klein
Karen Lanthier JEFFREY G. KLEIN
Vice president

**AMENDMENT TO AGREEMENT
AND
PLAN OF MERGER**


THIS AMENDMENT TO AN AGREEMENT AND PLAN OF MERGER (this "Amendment") is made effective as of the 1st day of November 1998, by BERNARD HALDANE ACQUISITION CORP. , A FLORIDA CORPORATION ("Newco"), and BERNARD HALDANE ASSOCIATES, INC., a Florida corporation (the "Company"), amending that certain Agreement and Plan of Merger between the parties dated as of December 15, 1997 (the "Agreement").

1. Section 8.1(b) of the Agreement is amended to read as follows:

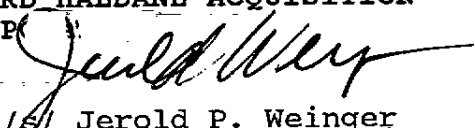
(b) by the Company or Newco if the Merger shall not have been consummated prior to April 1, 1999 or such later date as may be established by the parties hereto;


2. Except for this Amendment, the Agreement remains unchanged, and is in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the date first above written.

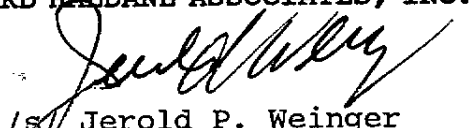
Attest: 
/s/ Jeffrey G. Klein
Jeffrey G. Klein
Secretary

BERNARD HALDANE ACQUISITION
CORP.

By: 
/s/ Jerold P. Weinger
Jerold P. Weinger
President

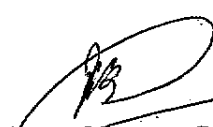
Attest: 
/s/ Jeffrey G. Klein
Jeffrey G. Klein
Secretary

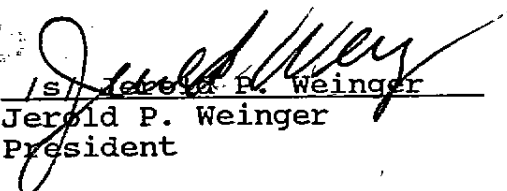
BERNARD HALDANE ASSOCIATES, INC.

By: 
/s/ Jerold P. Weinger
Jerold P. Weinger
President


IN WITNESS WHEREOF, Newco and Company have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

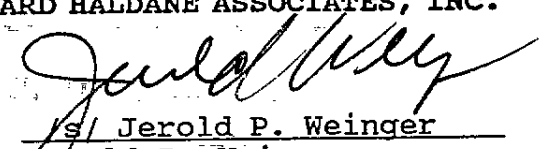
**BERNARD HALDANE ACQUISITION
CORP.**

Attest:  /s/ Jeffrey G. Klein
Jeffrey G. Klein
Secretary

By:  /s/ Jerold P. Weinger
Jerold P. Weinger
President

BERNARD HALDANE ASSOCIATES, INC.

Attest:  /s/ Jeffrey G. Klein
Jeffrey G. Klein
Secretary

By:  /s/ Jerold P. Weinger
Jerold P. Weinger
President

**SECOND AMENDMENT TO AGREEMENT
AND
PLAN OF MERGER**


THIS SECOND AMENDMENT TO AN AGREEMENT AND PLAN OF MERGER (this "Amendment") is made effective as of the 27th day of January 1999, by BERNARD HALDANE ACQUISITION CORP., A FLORIDA CORPORATION ("Newco"), and BERNARD HALDANE ASSOCIATES, INC., a Florida corporation (the "Company"), amending that certain Agreement and Plan of Merger between the parties dated as of December 15, 1997 (the "Agreement").

1. Section 8.1(b) of the Agreement is amended to read as follows:

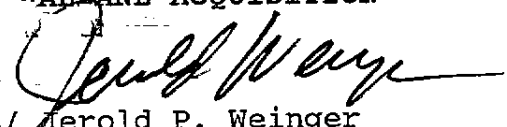
(b) by the Company or Newco if the Merger shall not have been consummated prior to June 30, 1999 or such later date as may be established by the parties hereto;

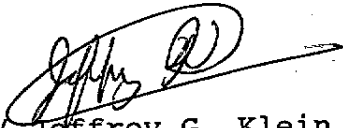
2. Except for this Amendment, the Agreement remains unchanged, and is in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the date first above written.

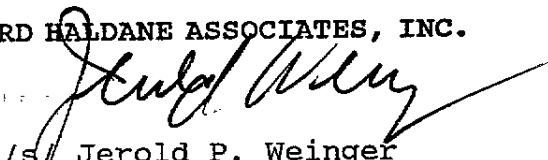
Attest: 
/s/ Jeffrey G. Klein
Jeffrey G. Klein
Secretary

BERNARD HALDANE ACQUISITION
CORP.

By: 
/s/ Jerold P. Weinger
Jerold P. Weinger
President

Attest: 
/s/ Jeffrey G. Klein
Jeffrey G. Klein
Secretary

BERNARD HALDANE ASSOCIATES, INC.

By: 
/s/ Jerold P. Weinger
Jerold P. Weinger
President