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Division of Corporations

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MERGER OR SHARE EXCHANGE

PALADIN HOLDINGS, INC.

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Date: August 8, 2007

To: MERGER SECTION

Fax: 205-0380

From: LYDIA LOTT

Pages: 11

*** PLEASE FILE ATTACHED MERGER UPON RECEIPT AS THIS WAS FAXED
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THIS IS NEEDED ASAP FOR A CLOSING - THANK YOU!!!

Please call or e-mail if there are problems with this transmission.

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COVER LETTER

TO: Amendment Section
Division of Corporations

SUBJECT: PALADIN HOLDINGS, INC.

(Name of Surviving Corporation)

The enclosed Articles of Merger and fee are submitted for filing.

Please return all correspondence concerning this matter to following:

LARRY LUNAN

(Contact Person)

PALADIN HOLDINGS, INC.

(Firm/Company)

3520 OREBANK ROAD

(Address)

KINGSPORT, TENNESSEE 37664

(City/State and Zip Code)

For further information concerning this matter, please call:

LARRY LUNAN

(Name of Contact Person)

At (423) 247-9560

(Area Code & Daytime Telephone Number)

☒ Certified copy (optional) \$8.75 (Please send an additional copy of your document if a certified copy is requested)

STREET ADDRESS:

Amendment Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, Florida 32301

MAILING ADDRESS:

Amendment Section
Division of Corporations
P.O. Box 6327
Tallahassee, Florida 32314

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ARTICLES OF MERGER

(Profit Corporations)

The following articles of merger are submitted in accordance with the Florida Business Corporation Act pursuant to section 607.1105, Florida Statutes.

First: The name and jurisdiction of the surviving corporation:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document Number</u> (If known/ applicable)
PALADIN HOLDINGS, INC.	FLORIDA	P07000006610

Second: The name and jurisdiction of each merging corporation:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document Number</u> (If known/ applicable)
BAD TOYS HOLDINGS, INC.	NEVADA	

Third: The Plan of Merger is attached.

Fourth: The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

OR 8 / 13 / 07 (Enter a specific date. NOTE: An effective date cannot be prior to the date of filing or more than 90 days after merger file date.)
at 12:01 a.m.

Fifth: Adoption of Merger by surviving corporation - (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the surviving corporation on JUNE 2, 2007.

The Plan of Merger was adopted by the board of directors of the surviving corporation on _____ and shareholder approval was not required.

Sixth: Adoption of Merger by merging corporation(s) (COMPLETE ONLY ONE STATEMENT)

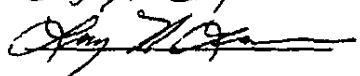
The Plan of Merger was adopted by the shareholders of the merging corporation(s) on FEBRUARY 9, 2007.

The Plan of Merger was adopted by the board of directors of the merging corporation(s) on _____ and shareholder approval was not required.

(Attach additional sheets if necessary)

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Seventh: SIGNATURES FOR EACH CORPORATIONName of CorporationSignature of an Officer or
DirectorTyped or Printed Name of Individual & TitlePALADIN HOLDINGS, INC.LARRY LUNAN, PRESIDENTBAD TOYS HOLDINGS, INC.LARRY LUNAN, PRESIDENT

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PLAN OF MERGER
(Merger of subsidiary corporation(s))

The following plan of merger is submitted in compliance with section 607.1104, Florida Statutes, and in accordance with the laws of any other applicable jurisdiction of incorporation.

The name and jurisdiction of the parent corporation owning at least 80 percent of the outstanding shares of each class of the subsidiary corporation:

NameJurisdictionBAD TOYS HOLDINGS, INC.NEVADA

The name and jurisdiction of each subsidiary corporation:

NameJurisdictionPALADIN HOLDINGS, INC.FLORIDA

The manner and basis of converting the shares of the subsidiary or parent into shares, obligations, or other securities of the parent or any other corporation or, in whole or in part, into cash or other property, and the manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, and other securities of the surviving or any other corporation or, in whole or in part, into cash or other property are as follows:

PLEASE SEE ATTACHED AGREEMENT OF MERGER AND PLAN OF REORGANIZATION, DATED AS OF JULY 2, 2007, BETWEEN BAD TOYS HOLDINGS, INC. AND PALADIN HOLDINGS, INC.

(Attach additional sheets if necessary)

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If the merger is between the parent and a subsidiary corporation and the parent is not the surviving corporation, a provision for the pro rata issuance of shares of the subsidiary to the holders of the shares of the parent corporation upon surrender of any certificates is as follows:

PLEASE SEE ATTACHED AGREEMENT OF MERGER AND PLAN OF REORGANIZATION,
DATED AS OF JULY 2, 2007, BETWEEN BAD TOYS HOLDINGS, INC. AND PALADIN HOLDINGS,
INC.

If applicable, shareholders of the subsidiary corporations, who, except for the applicability of section 607.1104, Florida Statutes, would be entitled to vote and who dissent from the merger pursuant to section 607.1321, Florida Statutes, may be entitled, if they comply with the provisions of chapter 607 regarding appraisal rights of dissenting shareholders, to be paid the fair value of their shares.

Other provisions relating to the merger are as follows:

PLEASE SEE ATTACHED AGREEMENT OF MERGER AND PLAN OF REORGANIZATION,
DATED AS OF JULY 2, 2007, BETWEEN BAD TOYS HOLDINGS, INC. AND PALADIN HOLDINGS,
INC.

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AGREEMENT OF MERGER AND PLAN OF REORGANIZATION

This AGREEMENT OF MERGER AND PLAN OF REORGANIZATION (the "**Agreement**") is made and entered into as of July 2, 2007 between Bad Toys Holdings, Inc., a Nevada corporation with a mailing address of 2344 Woodridge Avenue, Kingsport, Tennessee 37664 ("**Bad Toys Nevada**"), and Paladin Holdings, Inc., a Florida corporation with a mailing address of 2344 Woodridge Avenue, Kingsport, Tennessee 37664 ("**Paladin Florida**"). Bad Toys Nevada and Paladin Florida are from time to time herein referred to as the "**Constituent Corporations**."

RECITALS

WHEREAS, Bad Toys Nevada is a corporation duly organized and existing under the laws of the State of Nevada and, on the date hereof, has authority to issue 300,000,000 shares of common stock, \$.001 par value per share ("**Bad Toys Nevada Common Stock**"), of which 21,642,818 shares are issued and outstanding as of the date hereof.

WHEREAS, Paladin Florida is a corporation duly organized and existing under the laws of the State of Florida and, on the date hereof, has authority to issue 300,000,000 shares of common stock, par value \$.001 per share ("**Paladin Florida Common Stock**"), of which one share is issued and outstanding and owned by Bad Toys Nevada.

WHEREAS, the Boards of Directors of the Constituent Corporations deem it advisable and to the advantage of the Constituent Corporations and their respective shareholders that Bad Toys Nevada be merged with and into Paladin Florida for the purpose of changing the jurisdiction of incorporation of Bad Toys Nevada from the State of Nevada to the State of Florida.

WHEREAS, each of the Constituent Corporations has, subject to approval by its shareholders, adopted the Plan of Merger embodied in this Agreement.

NOW, THEREFORE, in consideration of the terms hereof, the Constituent Corporations do hereby agree to merge on the terms and conditions herein provided, as follows:

ARTICLE I**The Merger**

1.01 **The Merger**. Upon the terms and subject to the conditions hereof, on the Effective Date (as hereinafter defined), Bad Toys Nevada shall be merged with and into Paladin Florida in accordance with the applicable laws of the States of Nevada and Florida (the "**Merger**"). The separate existence of Bad Toys Nevada shall cease, and Paladin Florida shall be the surviving corporation (the "**Surviving Corporation**") and shall be governed by the laws of the State of Florida.

1.02 **Effective Date**. The Merger shall become effective on the date and at the time of filing of the Articles of Merger, in substantially the form annexed hereto as **Exhibit "A"**, with the Secretary of State of the State of Nevada, and Articles of Merger in substantially the same form with the Secretary of State of the State of Florida, whichever later occurs (the "**Effective Date**"), all after satisfaction of the requirements of the applicable laws of such States prerequisite to such filings, including, without limitation, the approval of the shareholders of the Constituent Corporations.

1.03 **Articles of Incorporation**. On the Effective Date, the Articles of Incorporation of Paladin Florida, as in effect immediately prior to the Effective Date, shall continue in full force and effect as the Articles of Incorporation of the Surviving Corporation.

1.04 **Bylaws**. On the Effective Date, the Bylaws of Paladin Florida, as in effect immediately prior to the Effective Date, shall continue in full force and effect as the bylaws of the Surviving Corporation.

1.05 **Directors and Officers**. The directors and officers of Paladin Florida immediately prior to the Effective Date shall be the directors and officers of the Surviving Corporation, until their successors shall have been duly elected and qualified or until otherwise provided by law, the Articles of Incorporation of the Surviving Corporation or the Bylaws of the Surviving Corporation.

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1.06 Tax Consequences. It is intended by the Constituent Corporations that the Merger shall constitute a reorganization within the meaning of Section 368(a)(1)(F) of the Internal Revenue Code.

ARTICLE II

Conversion of Shares

2.01 Bad Toys Nevada Common Stock. Upon the Effective Date, by virtue of the Merger and without any action on the part of any holder thereof, each share of Bad Toys Nevada Common Stock outstanding immediately prior thereto shall be changed and converted into one fully paid and nonassessable share of the common stock of the Surviving Corporation, par value of \$0.001 per share ("Survivor Stock").

2.02 Paladin Florida Common Stock. Upon the Effective Date, by virtue of the Merger and without any action on the part of the holder thereof, each share of Paladin Florida Common Stock outstanding immediately prior thereto shall be cancelled and returned to the status of authorized but unissued shares.

2.03 Exchange of Certificates. Each person who becomes entitled to receive Survivor Stock by virtue of the Merger shall be entitled to receive from the Surviving Corporation, as promptly as practicable after the Effective Date, a certificate or certificates representing the number of shares of Survivor Stock to which such person is entitled as provided herein.

ARTICLE III

Effect of the Merger

3.01 Rights, Privileges, Etc. On the Effective Date of the Merger, the Surviving Corporation, without further act, deed or other transfer, shall retain or succeed to, as the case may be, and possess and be vested with all the rights, privileges, immunities, powers, franchises and authority, of a public as well as of a private nature, of Bad Toys Nevada and Paladin Florida; all property of every description and every interest therein, and all debts and other obligations of or belonging to or due to each of Southland Delaware and Paladin Florida on whatever account shall thereafter be taken and deemed to be held by or transferred to, as the case may be, or invested in the Surviving Corporation without further act or deed; title to any real estate, or any interest therein vested in Bad Toys Nevada or Paladin Florida, shall not revert or in any way be impaired by reason of this Merger; and all of the rights of creditors of Bad Toys Nevada and Paladin Florida shall be preserved unimpaired, and all liens upon the property of Bad Toys Nevada or Paladin Florida shall be preserved unimpaired, and all debts, liabilities, obligations and duties of the respective corporations shall thenceforth remain with or be attached to, as the case may be, the Surviving Corporation and may be enforced against it to the same extent as if all of said debts, liabilities, obligations and duties had been incurred or contracted by it.

3.02 Further Assurances. From time to time, as and when required by the Surviving Corporation or by its successors and assigns, there shall be executed and delivered on behalf of Bad Toys Nevada such deeds and other instruments, and there shall be taken or caused to be taken by it such further and other action, as shall be appropriate or necessary in order to vest or perfect in or to conform of record or otherwise in the Surviving Corporation the title to and possession of all the property, interest, assets, rights, privileges, immunities, powers, franchises and authority of Bad Toys Nevada and otherwise to carry out the purposes of this Agreement, and the officers and directors of the Surviving Corporation are fully authorized in the name and on behalf of Bad Toys Nevada or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

ARTICLE IV

Miscellaneous

4.01 Abandonment. At any time before the Effective Date, this Agreement may be terminated and the Merger may be abandoned for any reason whatsoever by the Board of Directors of either Bad

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Toys Nevada or Paladin Florida or both, notwithstanding the approval of this Agreement by the shareholders of Bad Toys Nevada and Paladin Florida.


4.02 Amendment. At any time prior to the Effective Date, this Agreement may be amended or modified in writing by the Board of Directors of either Bad Toys Nevada or Paladin Florida or both; provided, however, that an amendment made subsequent to the adoption of this Agreement by the shareholders of either Constituent Corporation shall not alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the rights of the shareholders of such Constituent Corporation.

4.03 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida and, so far as applicable, the merger provisions of the Nevada General Corporation Law.

4.04 Counterparts. In order to facilitate the filing and recording of this Agreement, the same may be executed in any number of counterparts, each of which shall be deemed to be an original.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first above written.

BAD TOYS HOLDINGS, INC.,
a Nevada corporation

By: 
Larry N. Lunan, President

PALADIN HOLDINGS, INC.,
a Florida corporation

By: 
Larry N. Lunan, President

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