

FILED/EFFECTIVE

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger dated May 3/, 2000, between Arton Exchange, a California corporation ("Surviving Corporation") and Arton Gifts, Inc., an Idaho corporation ("Disappearing Corporation").

A. Arton Exchange is a corporation organized and existing under the laws of the State of California, with its principal executive office at 27 Riverrun, Irvine, CA 92604, and is authorized to issue 1,000,000 common shares of the par value of \$1.00 per share, of which there are issued and outstanding on the date of this Agreement 10,000 shares.

B. Arton Gifts, Inc. is a corporation organized and existing under the laws of the State of Idaho, with its principal executive office at 4423 East Trafalger Court, Meridian, Idaho 83642; and is qualified to do business as a foreign corporation in the State of California. Arton Gifts, Inc. is authorized to issue 100,000 common shares of the par value of \$1.00 per share, of which there are outstanding on the date of this Agreement 100,000 shares.

C. The boards of directors of the constituent corporations deem it desirable and in the best business interests of the corporations and their shareholders that Arton Gifts, Inc. be merged into Arton Exchange pursuant to the provisions of California Corporations Code (Section 1110, et seq.) and the provisions of the Idaho General Business Corporation Code (Section 30-1-1101, et seq.) in order that the transaction qualify as a "reorganization" within the meaning of the Internal Revenue Code of 1986, as amended. (6 U.S.C.S. § 368(a)(1)(A).)

In consideration of the mutual covenants set forth in this Agreement, the constituent corporations agree as follows:

Section 1. Merger

1. Arton Gifts, Inc. shall merge with and into Arton Exchange, which shall be the surviving corporation.

Section 2. Terms and Conditions

2. On the effective date of the merger, the separate existence of Disappearing Corporation shall cease, and Surviving Corporation shall succeed to all the rights, privileges, immunities, and franchises, and all the property, real, personal, and mixed of Disappearing Corporation, without the necessity for any separate transfer. Surviving Corporation shall after that date be responsible and liable for all liabilities and obligations of Disappearing Corporation as if Surviving Corporation had itself incurred them and all rights of creditors and all liens upon the property of Disappearing Corporation shall be unimpaired by the merger.

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Section 3. Conversion of Shares

3. The outstanding shares of Disappearing Corporation shall be canceled without consideration and no shares of Surviving Corporation shall be issued in exchange therefor. The outstanding shares of Surviving Corporation shall remain outstanding and are not affected as a result of the merger.

Section 4. Changes in Articles of Incorporation

4. The articles of incorporation of Surviving Corporation shall continue to be its articles of incorporation following the effective date of the merger.

Section 5. Changes in Bylaws

5. The bylaws of Surviving Corporation shall continue to be its bylaws following the effective date of the merger.

Section 6. Directors and Officers

6. The directors and officers of Surviving Corporation on the effective date of the merger shall continue as the directors and officers of Surviving Corporation for the full unexpired terms of their offices and until their successors have been elected or appointed and qualified.

Section 7. Operation of Business Pending Consummation of Merger

7. Neither of the constituent corporations shall, prior to the effective date of the merger, engage in any activity or transaction other than in the ordinary course of business, except as contemplated by this agreement.

Section 8. Filings and Approvals

8. The constituent corporations will cooperate with each other in the preparation and filing, as soon as possible, of all necessary applications, filings, and other documents with respect to the merger.

Section 9. Effective Date of Merger

9. Surviving Corporation and Disappearing Corporation shall each take or cause to be taken all such actions, or do or cause to be done all such things, as are necessary, proper, or advisable under the laws of the State of California and State of Idaho to make effective the merger provided in this Agreement, subject, however, to receipt of any required approval by outstanding shares of either in accordance with applicable laws. Unless this Agreement is terminated in accordance with its provisions, Surviving Corporation and Disappearing Corporation each agrees to use its best efforts, subject to the foregoing conditions, to take or

cause to be taken all actions as set forth above. Upon compliance with applicable laws and upon receipt of any required approval of the outstanding shares of either party, a copy of this Agreement and Plan of Merger with an officer's certificate of Surviving Corporation and Disappearing Corporation as required by Section 1103 of the California Corporations Code shall be filed in the office of the California Secretary of State, and Plan of Merger and Certificate of Approval of Agreement of Merger as required by section 30-1-1105 of the Idaho General Business Corporation Code shall be filed in the office of the Idaho Secretary of State. The merger shall become effective upon the latter of such filings.

Section 10. Abandonment of Merger

10. This plan of merger may be abandoned by action of the board of directors of the Surviving Corporation at any time prior to the effective date if, in the judgment of the board of directors of the Surviving Corporation, the merger would be impracticable.

Section 11. Execution of Agreement

11. This agreement of merger may be executed in any number of counterparts, and each counterpart shall constitute an original instrument.

Executed on behalf of the parties by their officers pursuant to the authorization of their respective boards of directors on the date first above written.

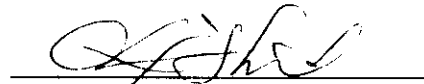
ARTON EXCHANGE, a California
corporation

By:



Bohr-Winn Shih
Chief Executive Officer

By:

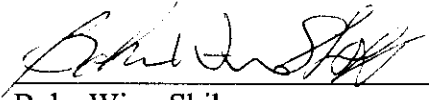


Ching-Shih
Secretary

(Signatures continue on following page.)

ARTON GIFTS, INC., an Idaho
corporation

By:



Bohr-Winn Shih
Chief Executive Officer

By:



Ching Shih
Secretary

**OFFICERS' CERTIFICATE
OF
APPROVAL OF AGREEMENT OF MERGER**

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SECRETARY OF STATE
STATE OF IDAHO

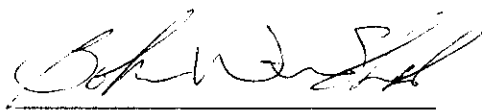
Arton Exchange

Bohr-Winn Shih and Ching Shih certify that:

1. They are the president and the secretary, respectively, of Arton Exchange, a California corporation.
2. This certificate is attached to the Agreement and Plan of Merger dated as of May ___, 2000, providing for the merger of this corporation with Arton Gifts, Inc., an Idaho corporation.
3. The Agreement of Merger in the form attached was duly approved by the board of directors.
4. The principal terms of the Agreement and Plan of Merger attached to this certificate were approved by the shareholders of Arton Exchange.
5. The total number of outstanding shares of the corporation entitled to vote on the Agreement and Plan of Merger is, and was at the time of that approval, 10,000 common shares.
6. Under the corporation's articles of incorporation and applicable law the percentage vote required of each class of shares of the corporation for agreement is a majority of the common shares. The Agreement and Plan of Merger was approved by the vote of 10,000 common shares, or 100% of outstanding shares of the Corporation.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: May 31, 2000


Bohr-Winn Shih, President


Ching Shih, Secretary

**OFFICERS' CERTIFICATE
OF
APPROVAL OF AGREEMENT OF MERGER**

Arton Gifts, Inc.

Bohr Winn Shih and Ching Shih certify that:

1. They are the president and the secretary, respectively, of Arton Gifts, Inc., an Idaho corporation.
2. This certificate is attached to the Agreement and Plan of Merger dated as of May ___, 2000, providing for the merger of this corporation with Arton Exchange, a California corporation.
3. The Agreement of Merger in the form attached was duly approved by the board of directors.
4. The principal terms of the Agreement and Plan of Merger attached to this certificate were approved by the shareholders of Arton Gifts, Inc.
5. The total number of outstanding shares of the corporation entitled to vote on the Agreement and Plan of Merger is, and was at the time of that approval, 100,000 common shares.
6. Under the corporation's articles of incorporation and applicable law the percentage vote required of each class of shares of the corporation for agreement is a majority of the common shares. The Agreement and Plan of Merger was approved by the vote of 100,000 common shares, or 100% of outstanding shares of the Corporation.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: May 31, 2000



Bohr Winn Shih, President



Ching Shih, Secretary