

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is dated as of March 20th, 2013, by and among Financial Trust Company, Inc., a U.S. Virgin Islands corporation, ("FTC"), Southern Trust Company, Inc., a U.S. Virgin Islands corporation ("STC") and Southern Financial, LLC, a U.S. Virgin Islands limited liability company (the "LLC") and a wholly owned subsidiary of STC.

RECITALS

A. FTC, an S corporation for U.S. Virgin Islands tax purposes, has an authorized capitalization of ten thousand (10,000) shares of Class A common stock, par value \$.01 per share ("FTC Stock"), of which ten thousand (10,000) shares are issued and outstanding on the date hereof and owned by Jeffrey E. Epstein ("JEE").

B. LLC is wholly owned by STC, a U.S. Virgin Islands S corporation for tax purposes, and all issued and outstanding membership interests of LLC are held by STC. LLC is treated as a disregarded entity for tax purposes. STC has an authorized capitalization of one hundred thousand (100,000) shares of common stock, par value \$.01 per share ("STC Stock"), of which ten thousand (10,000) shares are issued and outstanding on the date hereof and owned by Jeffrey E. Epstein ("JEE")

C. The Board of Directors of FTC, the Board of Directors of STC and the Manager of LLC, have determined that it is advisable that FTC be merged with and into LLC (the "Merger"), with LLC continuing as the surviving company in the Merger (the "Surviving Company") pursuant and subject to the terms and conditions of this Agreement and applicable law.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I THE MERGER

1.1 THE MERGER. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with applicable law, at the Effective Time of the Merger (as defined in SECTION 1.2), FTC shall be merged with and into LLC. As a result of the Merger, the separate existence of FTC shall cease and LLC shall continue as the Surviving Company of the Merger.

1.2 EFFECTIVE TIME OF THE MERGER. Subject to the terms and conditions of this Agreement, the articles of merger (the "Articles of Merger") shall be executed and filed with the Lieutenant Governor of the U.S. Virgin Islands in accordance with the General Corporation Law of the U.S. Virgin Islands at or as soon as practicable after the Closing (as defined in SECTION 1.3). The Merger shall become effective on March 29th, 2013 (the "Effective Time of the Merger").

1.3 CLOSING. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "Closing") will take place as soon as practicable after satisfaction or, if permissible, waiver of the latest to occur of the conditions set forth in ARTICLE IV hereof (the "Closing Date"), at the offices of LLC in St. Thomas, U.S. Virgin Islands, unless another date or place is agreed to in writing by the parties hereto.

1.4 EFFECTS OF THE MERGER. At the Effective Time of the Merger, the effect of the Merger shall be as provided in the provisions of applicable law, including but not limited to the Virgin Islands Code and the Internal Revenue Code of 1986 as amended and as applied in the U.S. Virgin Islands. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time of the Merger, all of the property, rights, privileges and powers of FTC and LLC shall vest in the Surviving Company, and all debts, liabilities and duties of FTC and LLC shall become the debts, liabilities and duties of the Surviving Company. It is intended that this merger shall qualify as a tax-free reorganization under section 368(a)(1)(A).

1.5 SURVIVING COMPANY ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT. At the Effective Time of the Merger (i) the Articles of Organization and Operating Agreement of LLC, as in effect immediately prior to the Effective Time of the Merger, shall be the Articles of Organization and Operating Agreement of the Surviving Company until thereafter amended as provided by applicable law.

ARTICLE II

EFFECT OF THE MERGER ON THE MEMBERSHIP UNITS AND CAPITAL STOCK OF THE CONSTITUENT COMPANIES

2.1 EFFECT ON CAPITAL STOCK. As of the Effective Time of the Merger, by virtue of the Merger and without any action on the part of LLC, FTC, or STC, each share of FTC Stock issued and outstanding immediately prior to the Effective Time of the Merger, all of which shares are owned as stated in Recital B above, shall be converted into one share of STC stock.

2.2 CANCELLATION OF STOCK. At the Effective Time of the Merger, each share of FTC Stock that is issued and outstanding immediately prior to the Effective Time of the Merger shall be cancelled and retired and all rights in respect thereof shall cease to exist.

ARTICLE III

ADDITIONAL AGREEMENTS

3.1 MANAGEMENT OF SURVIVING COMPANY AFTER THE EFFECTIVE TIME OF THE MERGER. After the Effective Time of the Merger, the Surviving Company shall have no directors or officers, but shall be managed by the current manager of LLC, Jeffrey E. Epstein.

3.2 CONSENT. Each of FTC, STC and LLC shall promptly apply for or otherwise seek, and use its best efforts to obtain, all consents and approvals required to be obtained by it for consummation of the Merger.

ARTICLE IV
CONDITIONS PRECEDENT

4.1 CONDITIONS TO EACH PARTY'S OBLIGATION TO EFFECT THE MERGER. The respective obligation of each party to effect the Merger shall be subject to the satisfaction at or prior to the Closing of the following conditions:

(a) STOCKHOLDER OR MEMBER APPROVALS. This Agreement shall have been approved and adopted by the sole stockholder of FTC entitled to vote and the sole member of LLC entitled to vote to the extent required by applicable law.

(b) GOVERNMENT APPROVALS. All authorizations, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any court or governmental authority of competent jurisdiction necessary for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred or been obtained, other than filings relating to the Merger.

(c) LEGAL ACTION. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition (an "Injunction") preventing the consummation of the Merger shall be in effect, nor shall any proceeding brought by any administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, prohibiting the consummation of the Merger be pending. In the event an Injunction shall have been issued, each party agrees to use its reasonable diligent efforts to have the Injunction lifted.

(d) STATUTES. No statute, rule or regulation shall have been enacted by any court or governmental authority of competent jurisdiction which would make the consummation of the Merger illegal.

ARTICLE V
TERMINATION, AMENDMENT AND WAIVER

5.1 TERMINATION. This Agreement may be terminated at any time prior to the Effective Time of the Merger, whether before or after approval by the sole stockholder of FTC or the sole member of LLC of matters presented in connection with the Merger, by mutual written consent of FTC and LLC.

5.2 EFFECT OF TERMINATION. In the event of termination of this Agreement by either FTC or LLC as provided in SECTION 5.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of FTC or LLC or their respective officers or directors or Manager, as the case may be.

5.3 EXPENSES. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense.

5.4 AMENDMENT. This Agreement may be amended by the parties hereto by action taken by their respective Boards of Directors and Manager, as the case may be, at any time before or after approval of matters presented in connection with the Merger by the sole stockholder of FTC or the sole member of LLC (to the extent such approval is required); PROVIDED THAT after any such stockholder or member approval, no amendment shall be made which by law requires the further approval of stockholders or members without obtaining such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

ARTICLE VI GENERAL PROVISIONS

6.1 SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

6.2 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to such subject matter.

6.3 ASSIGNMENT. This Agreement shall not be assigned by operation of law or otherwise.

6.4 PARTIES OF INTEREST. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

6.5 COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto. Facsimile or pdf signatures on this Agreement shall have the same effect as manually executed signatures.

6.6 GOVERNING LAW. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the Territory of the U.S. Virgin Islands without regard to its conflict of law provisions.

IN WITNESS WHEREOF, each of Financial Trust Company, Inc., Southern Trust Company, Inc. and Southern Financial, LLC has caused this Agreement to be executed and delivered by any authorized party, as of the date first written above.

Financial Trust Company, Inc.

By: _____
Name: Jeffrey E. Epstein
Title: President

Southern Trust Company, Inc.

By: _____
Name: Jeffrey E. Epstein
Title: President

Southern Financial, LLC

By: _____
Name: Jeffrey E. Epstein
Title: Manager