

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 1, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-7604

Crown Crafts, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

58-0678148

(IRS Employer Identification No.)

916 South Burnside Avenue, Gonzales, LA

(Address of principal executive offices)

70737

(Zip Code)

(225) 647-9100

Registrant's telephone number, including area code

Former name, former address and former fiscal year, if changed since last report

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CRWS	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-Accelerated filer

Accelerated filer
Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of common stock, \$0.01 par value, of the registrant outstanding as of October 30, 2023 was 10,240,719.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CROWN CRAFTS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 OCTOBER 1, 2023 (UNAUDITED) AND APRIL 2, 2023
 (amounts in thousands, except share and per share amounts)

	October 1, 2023	April 2, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,851	\$ 1,742
Accounts receivable (net of allowances of \$2,410 at October 1, 2023 and \$1,474 at April 2, 2023):		
Due from factor	17,091	20,740
Other	3,215	2,068
Inventories	35,257	34,211
Prepaid expenses	1,458	1,614
Total current assets	58,872	60,375
Operating lease right of use assets	15,733	17,305
Property, plant and equipment - at cost:		
Vehicles	182	182
Leasehold improvements	480	473
Machinery and equipment	4,802	4,333
Furniture and fixtures	476	408
Property, plant and equipment - gross	5,940	5,396
Less accumulated depreciation	4,109	3,677
Property, plant and equipment - net	1,831	1,719
Finite-lived intangible assets - at cost:		
Customer relationships	8,174	8,174
Other finite-lived intangible assets	4,766	4,766
Finite-lived intangible assets - gross	12,940	12,940
Less accumulated amortization	9,766	9,467
Finite-lived intangible assets - net	3,174	3,473
Goodwill	7,875	7,912
Other	197	188
Total Assets	\$ 87,682	\$ 90,972
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,490	\$ 7,548
Accrued wages and benefits	1,062	1,087
Accrued royalties	642	614
Dividends payable	822	815
Operating lease liabilities, current	3,096	2,427
Other accrued liabilities	643	566
Total current liabilities	13,755	13,057
Non-current liabilities:		
Long-term debt	9,808	12,674
Deferred income taxes	297	815
Operating lease liabilities, noncurrent	13,306	14,889
Reserve for unrecognized tax liabilities	363	323
Total non-current liabilities	23,774	28,701
Shareholders' equity:		
Common stock - \$0.01 par value per share; Authorized 40,000,000 shares at October 1, 2023 and April 2, 2023; Issued 13,138,226 shares at October 1, 2023 and 13,051,814 shares at April 2, 2023	131	131
Additional paid-in capital	57,509	57,126
Treasury stock - at cost -2,897,507 shares at October 1, 2023 and April 2, 2023	(15,821)	(15,821)
Retained Earnings	8,334	7,778
Total shareholders' equity	50,153	49,214
Total Liabilities and Shareholders' Equity	\$ 87,682	\$ 90,972

See notes to unaudited condensed consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 THREE- AND SIX-MONTH PERIODS ENDED OCTOBER 1, 2023 AND OCTOBER 2, 2022
 (amounts in thousands, except per share amounts)

	Three-Month Periods Ended		Six-Month Periods Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Net sales	\$ 24,129	\$ 18,726	\$ 41,252	\$ 34,436
Cost of products sold	17,533	13,280	29,914	23,837
Gross profit	6,596	5,446	11,338	10,599
Marketing and administrative expenses	4,036	2,736	8,082	6,149
Income from operations	2,560	2,710	3,256	4,450
Other (expense) income:				
Interest expense - net of interest income	(164)	4	(352)	1
Gain on insurance proceeds received for damage to equipment	-	-	-	34
Gain on sale of property, plant and equipment	-	-	-	2
Other - net	(24)	(3)	(26)	124
Income before income tax expense	2,372	2,711	2,878	4,611
Income tax expense	550	671	690	1,137
Net income	<u>\$ 1,822</u>	<u>\$ 2,040</u>	<u>\$ 2,188</u>	<u>\$ 3,474</u>
Weighted average shares outstanding:				
Basic	10,199	10,094	10,177	10,085
Effect of dilutive securities	2	22	5	22
Diluted	<u>10,201</u>	<u>10,116</u>	<u>10,182</u>	<u>10,107</u>
Earnings per share - basic and diluted	<u>\$ 0.18</u>	<u>\$ 0.20</u>	<u>\$ 0.21</u>	<u>\$ 0.34</u>

See notes to unaudited condensed consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 THREE- AND SIX-MONTH PERIODS ENDED OCTOBER 1, 2023 AND OCTOBER 2, 2022

	Common Shares		Treasury Shares		Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
	Number of Shares	Amount	Number of Shares	Amount			
	(Dollar amounts in thousands)						
	Three-Month Periods						
Balances - July 3, 2022	12,959,918	\$ 130	(2,890,165)	\$ (15,776)	\$ 56,331	\$ 5,989	\$ 46,674
Issuance of shares	51,896	-	-	-	24	-	24
Stock-based compensation	-	-	-	-	258	-	258
Acquisition of treasury stock	-	-	(4,077)	(27)	-	-	(27)
Net income	-	-	-	-	-	2,040	2,040
Dividend declared on common stock - \$0.08 per share	-	-	-	-	-	(809)	(809)
Balances - October 2, 2022	<u>13,011,814</u>	<u>\$ 130</u>	<u>(2,894,242)</u>	<u>\$ (15,803)</u>	<u>\$ 56,613</u>	<u>\$ 7,220</u>	<u>\$ 48,160</u>
Balances - July 2, 2023	13,051,814	\$ 131	(2,897,507)	\$ (15,821)	\$ 57,317	\$ 7,332	\$ 48,959
Issuance of shares	86,412	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	192	-	192
Net income	-	-	-	-	-	1,822	1,822
Dividend declared on common stock - \$0.08 per share	-	-	-	-	-	(820)	(820)
Balances - October 1, 2023	<u>13,138,226</u>	<u>\$ 131</u>	<u>(2,897,507)</u>	<u>\$ (15,821)</u>	<u>\$ 57,509</u>	<u>\$ 8,334</u>	<u>\$ 50,153</u>
	Six-Month Periods						
Balances - April 3, 2022	12,944,918	\$ 129	(2,864,698)	\$ (15,614)	\$ 55,925	\$ 5,361	\$ 45,801
Issuance of shares	66,896	1	-	-	97	-	98
Stock-based compensation	-	-	-	-	591	-	591
Acquisition of treasury stock	-	-	(29,544)	(189)	-	-	(189)
Net income	-	-	-	-	-	3,474	3,474
Dividend declared on common stock - \$0.16 per share	-	-	-	-	-	(1,615)	(1,615)
Balances - October 2, 2022	<u>13,011,814</u>	<u>\$ 130</u>	<u>(2,894,242)</u>	<u>\$ (15,803)</u>	<u>\$ 56,613</u>	<u>\$ 7,220</u>	<u>\$ 48,160</u>
Balances - April 2, 2023	13,051,814	\$ 131	(2,897,507)	\$ (15,821)	\$ 57,126	\$ 7,778	\$ 49,214
Issuance of shares	86,412	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	383	-	383
Net income	-	-	-	-	-	2,188	2,188
Dividends declared on common stock - \$0.16 per share	-	-	-	-	-	(1,632)	(1,632)
Balances - October 1, 2023	<u>13,138,226</u>	<u>\$ 131</u>	<u>(2,897,507)</u>	<u>\$ (15,821)</u>	<u>\$ 57,509</u>	<u>\$ 8,334</u>	<u>\$ 50,153</u>

See notes to unaudited condensed consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX-MONTH PERIODS ENDED OCTOBER 1, 2023 AND OCTOBER 2, 2022
(amounts in thousands)

	Six-Month Periods Ended	
	October 1, 2023	October 2, 2022
Operating activities:		
Net income	\$ 2,188	\$ 3,474
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	432	335
Amortization of intangibles	299	241
Amortization of right of use assets	2,074	884
Deferred income taxes	(518)	247
Gain on insurance proceeds received for damage to equipment	-	(34)
Gain on sale of property, plant and equipment	-	(2)
Reserve for unrecognized tax liabilities	40	74
Stock-based compensation	383	591
Changes in assets and liabilities:		
Accounts receivable	2,502	5,643
Inventories	(1,434)	(7,082)
Prepaid expenses	156	(112)
Other assets	(9)	-
Lease liabilities	(1,417)	(969)
Accounts payable	(126)	370
Accrued liabilities	80	(1,002)
Net cash provided by operating activities	<u>4,650</u>	<u>2,658</u>
Cash used in investing activities:		
Capital expenditures for property, plant and equipment	(539)	(227)
Insurance proceeds received for damage to equipment	-	34
Proceeds from sale of property, plant and equipment	-	2
Aggregate adjustment from the Manhattan and MTE acquisition	488	-
Net cash used in investing activities	<u>(51)</u>	<u>(191)</u>
Financing activities:		
Repayments under revolving line of credit	(35,947)	-
Borrowings under revolving line of credit	33,081	-
Purchase of treasury stock from related parties	-	(189)
Issuance of common stock	-	98
Dividends paid	(1,624)	(1,632)
Net cash used in financing activities	<u>(4,490)</u>	<u>(1,723)</u>
Net increase in cash and cash equivalents	109	744
Cash and cash equivalents at beginning of period	1,742	1,598
Cash and cash equivalents at end of period	<u>\$ 1,851</u>	<u>\$ 2,342</u>
Supplemental cash flow information:		
Income taxes paid	\$ 875	\$ 23
Interest paid	448	5
Noncash activities:		
Property, plant and equipment purchased but unpaid	(5)	(25)
Dividends declared but unpaid	(822)	(809)

See notes to unaudited condensed consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE- AND SIX-MONTH PERIODS ENDED OCTOBER 1, 2023 AND OCTOBER 2, 2022

Note 1 – Interim Financial Statements

Basis of Presentation: The accompanying unaudited condensed consolidated financial statements include the accounts of Crown Crafts, Inc. (the “Company”) and its subsidiaries and have been prepared pursuant to accounting principles generally accepted in the United States (“GAAP”) applicable to interim financial information as promulgated by the Financial Accounting Standards Board (“FASB”). Accordingly, they do not include all of the information and disclosures required by GAAP for complete financial statements. References herein to GAAP are to topics within the FASB Accounting Standards Codification (the “FASB ASC”), which the FASB periodically revises through the issuance of an Accounting Standards Update (“ASU”) and which has been established by the FASB as the authoritative source for GAAP recognized by the FASB to be applied by nongovernmental entities.

In the opinion of the Company’s management, the unaudited condensed consolidated financial statements contained herein include all adjustments necessary to present fairly the financial position of the Company as of October 1, 2023 and the results of its operations and cash flows for the periods presented. Such adjustments include normal, recurring accruals, as well as the elimination of all significant intercompany balances and transactions. Operating results for the three- and six-month periods ended October 1, 2023 are not necessarily indicative of the results that may be expected by the Company for its fiscal year ending March 31, 2024. For further information, refer to the Company’s consolidated financial statements and notes thereto for the fiscal year ended April 2, 2023, included in the Company’s Annual Report on Form 10-K filed with the United States Securities and Exchange Commission (the “SEC”).

Fiscal Year: The Company’s fiscal year ends on the Sunday that is nearest to or on March 31. References herein to “fiscal year 2024” or “2024” represent the 52-week period ending March 31, 2024 and references herein to “fiscal year 2023” or “2023” represent the 52-week period ended April 2, 2023.

Recently-Issued Accounting Standards: In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, the objective of which is to provide financial statement users with more information about the expected credit losses on financial instruments and other commitments to extend credit held by an entity. Current GAAP requires an “incurred loss” methodology for recognizing credit losses that delays recognition until it is probable that a loss has been incurred. Because this methodology restricted the recognition of credit losses that are expected, but did not yet meet the “probable” threshold, ASU No. 2016-13 was issued to require the consideration of a broader range of reasonable and supportable information when determining estimates of credit losses. The ASU is to be applied using a modified retrospective approach, and the ASU could have been early-adopted in the fiscal year that began after December 15, 2018. When issued, ASU No. 2016-13 was required to be adopted no later than the fiscal year beginning after December 15, 2019, but on November 15, 2019, the FASB issued ASU No. 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, which provided for the deferral of the effective date of ASU No. 2016-13 for a registrant that is a smaller reporting company to the first interim period of the fiscal year beginning after December 15, 2022. Accordingly, the Company adopted ASU No. 2016-13 effective as of April 3, 2023. Because the Company assigns the majority of its trade accounts receivable under factoring agreements with The CIT Group/Commercial Services, Inc. (“CIT”), a subsidiary of CIT Group Inc., the adoption of the ASU has not had a significant impact on the Company’s financial position, results of operations and related disclosures.

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements – Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative*, the objective of which is to clarify or improve disclosure and presentation requirements and to align the requirements in the FASB ASC with the SEC’s regulations. In August 2018, the SEC issued Release No. 33-10532, in which the SEC referred certain of its disclosure requirements that overlap with GAAP to the FASB for potential incorporation into the FASB ASC. The amendments in ASU No. 2023-06 are the result of the FASB’s decision to incorporate into the FASB ASC 14 of the 27 disclosures referred by the SEC. The FASB noted that the disclosure requirements in the SEC’s guidance and the FASB ASC should not be duplicated in both places. Accordingly, although the ASU was required to be adopted upon issuance, each amendment to the FASB ASC included in the ASU will not become effective until the effective date upon which the related SEC disclosure is no longer required. The amendments in this ASU are to be applied prospectively, and early application of the amendments is prohibited. The Company does not anticipate that the adoption of ASU No. 2023-06 will have a significant impact on the Company’s financial position, results of operations and related disclosures.

The Company has determined that all other ASUs issued which had become effective as of October 1, 2023, or which will become effective at some future date, are not expected to have a material impact on the Company's consolidated financial statements.

Note 2 – Advertising Costs

The Company's advertising costs are primarily associated with cooperative advertising arrangements with certain of the Company's customers and are recognized using the straight-line method based upon aggregate annual estimated amounts for these customers, with periodic adjustments to the actual amounts of authorized agreements. Advertising expense is included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of income and amounted to \$172,000 and \$123,000 for the three-month periods ended October 1, 2023 and October 2, 2022, respectively, and amounted to \$364,000 and \$247,000 for the six-month periods ended October 1, 2023 and October 2, 2022, respectively.

Note 3 – Segment and Related Information

The Company operates primarily in one principal segment, infant, toddler and juvenile products. These products consist of infant and toddler bedding, blankets, accessories, bibs, toys and disposable products. Net sales of bedding, blankets and accessories and net sales of bibs, toys and disposable products for the three- and six-month periods ended October 1, 2023 and October 2, 2022 are as follows (in thousands):

	Three-Month Periods Ended		Six-Month Periods Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Bedding, blankets and accessories	\$ 9,776	\$ 9,503	\$ 15,349	\$ 17,001
Bibs, toys and disposable products	14,353	9,223	25,903	17,435
Total net sales	\$ 24,129	\$ 18,726	\$ 41,252	\$ 34,436

Note 4 – Licensing Agreements

The Company has entered into licensing agreements that provide for royalty payments based on a percentage of sales with certain minimum guaranteed amounts. These royalty amounts are accrued based upon historical sales rates adjusted for current sales trends by customers. Royalty expense is included in cost of products sold in the accompanying unaudited condensed consolidated statements of income and amounted to \$1.5 million and \$1.2 million for the three months ended October 1, 2023 and October 2, 2022, respectively, and amounted to \$2.5 million and \$2.3 million for the six months ended October 1, 2023 and October 2, 2022, respectively.

Note 5 – Income Taxes

The Company files income tax returns in the many jurisdictions in which it operates, including the U.S., several U.S. states and the People's Republic of China. The statute of limitations varies by jurisdiction; tax years open to examination or other adjustment as of October 1, 2023 were the fiscal years ended April 2, 2023, April 3, 2022, March 28, 2021, March 29, 2020 and March 31, 2019.

In August 2020, the Company was notified by the Franchise Tax Board of the State of California (the "FTB") of its intention to examine the Company's California income tax returns for the fiscal years ended April 2, 2017, April 1, 2018 and March 31, 2019. On May 30, 2023, the Company and the FTB entered into an agreement to settle (the "Settlement Agreement") the FTB's proposed assessment of additional income tax in respect of these consolidated income tax returns under examination for the amount of \$442,000, which included interest expense of \$86,000, payment of which was made by the Company to the FTB on May 31, 2023. Because the examination was ongoing as of April 2, 2023, and because the Settlement Agreement was entered into prior to the issuance of the consolidated financial statements as of and for the fiscal year ended April 2, 2023, the Company recorded the effect of the Settlement Agreement in the consolidated balance sheet as of April 2, 2023 and the consolidated statement of income for the fiscal year ended April 2, 2023.

Although management believes that the calculations and positions taken on its filed income tax returns are reasonable and justifiable, the outcome of an examination could result in an adjustment to the position that the Company took on such income tax returns. Such adjustment could also lead to adjustments to one or more other state income tax returns, or to income tax returns for subsequent fiscal years, or both. To the extent that the Company's reserve for unrecognized tax liabilities is not adequate to support the cumulative effect of such adjustments, the Company could experience a material adverse impact on its future results of operations. Conversely, to the extent that the calculations and positions taken by the Company on the filed income tax returns under examination are sustained, the reversal of all or a portion of the Company's reserve for unrecognized tax liabilities could result in a favorable impact on its future results of operations.

Note 6 – Inventories

As of October 1, 2023 and April 2, 2023, the Company's balances of inventory were \$35.3 million and \$34.2 million, respectively, nearly all of which were finished goods.

Note 7 – Acquisition

On March 17, 2023 (the "Closing Date"), the Company acquired Manhattan Group, LLC ("Manhattan") and Manhattan Toy Europe Limited ("MTE"), Manhattan's wholly-owned subsidiary, from H Enterprises International, LLC ("HEI") (the "Manhattan Acquisition"), for a purchase price of \$ 17.0 million, subject to adjustments for cash at the Closing Date and to the extent that actual net working capital as of the Closing Date differs from target net working capital of \$13.75 million (the "Aggregate Adjustment"). The Manhattan Acquisition was funded with cash available on the Closing Date and borrowings under the Company's revolving line of credit with CIT. On September 29, 2023, the Company and HEI agreed to a settlement of the Aggregate Adjustment, pursuant to which HEI paid \$509,000 to the Company, which included interest income of \$21,000.

The Manhattan Acquisition has been accounted for in accordance with FASB ASC Topic 805, *Business Combinations*. The Company is currently determining the allocation of the acquisition cost with the assistance of an independent third party. The identifiable assets acquired were recorded at their estimated fair value, which has been preliminarily determined based on available information and the use of multiple valuation approaches. The estimated useful lives of the identifiable intangible assets acquired were determined based upon the remaining time that these assets are expected to directly or indirectly contribute to the future cash flow of the Company. Certain data necessary to complete the acquisition cost allocation is not yet available, including the final appraisals and valuations of the assets acquired and liabilities assumed.

The acquisition cost paid on the Closing Date amounted to \$17.4 million, which included an estimate for cash as of the Closing Date and an estimate for the net working capital acquired. The settlement of the Aggregate Adjustment decreased the acquisition cost to \$16.9 million. The following table represents the Company's preliminary allocation of this acquisition cost (in thousands) to the identifiable assets acquired and the liabilities assumed based on their respective estimated fair values as of the Closing Date. The excess of the acquisition cost over the estimated fair value of the identifiable net assets acquired is reflected as goodwill.

Tangible assets:	
Cash and cash equivalents	\$ 1,270
Accounts receivable	3,112
Inventories	12,578
Prepaid expenses	350
Other assets	91
Operating lease right of use assets	1,009
Property, plant and equipment	194
Total tangible assets	18,604
Amortizable intangible assets:	
Tradename	300
Licensing relationships	200
Customer relationships	800
Total amortizable intangible assets	1,300
Goodwill	750
Total acquired assets	20,654
Liabilities assumed:	
Accounts payable	2,048
Accrued wages and benefits	370
Operating lease liabilities, current	226
Other accrued liabilities	308
Operating lease liabilities, noncurrent	783
Total liabilities assumed	3,735
Net acquisition cost	\$ 16,919

The Company expects to complete the acquisition cost allocation during the 12-month period following the Closing Date, during which time the values of the assets acquired and liabilities assumed, including the goodwill, may need to be revised as appropriate. Based upon the preliminary allocation of the acquisition cost, the Company recognized \$787,000 of goodwill as of the Closing Date, the entirety of which was assigned to the reporting unit of the Company that produces and markets infant and toddler bibs, developmental toys, feeding, bath care and disposable products, and the entirety of which is expected to be deductible for income tax purposes. The following table represents the adjustments made to the amount of goodwill during the six-month period ended October 1, 2023.

Amount of goodwill recognized based upon the preliminary allocation of the acquisition cost	\$ 787,000
Adjustments made during the six-month period ended October 1, 2023:	
Settlement of the Aggregate Adjustment	(488,000)
Revaluation of inventory as of the Closing Date	387,000
Resolution of pre-acquisition accounts payable	64,000
Net adjustments made during the six-month period ended October 1, 2023	(37,000)
Amount of goodwill recognized as of October 1, 2023	<u>\$ 750,000</u>

The Manhattan Acquisition resulted in net sales of \$4.8 million and \$8.5 million of developmental toy, feeding and baby care products for the three- and six-month periods ended October 1, 2023, respectively. Manhattan recorded amortization expense associated with the acquired amortizable intangible assets of \$33,000 and \$58,000 during the three and six months ended October 1, 2023, respectively, which is included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of income. Amortization is computed using the straight-line method over the estimated useful lives of the assets, which are 15 years for the tradename, 10 years for the customer and licensing relationships and 11 years on a weighted-average basis for the grouping taken together.

The Company has determined, on a pro forma basis, that the combined net sales and the combined net income of the Company and Manhattan, giving effect to the Manhattan Acquisition as if it had been completed on April 4, 2022, would have been \$25.8 million and \$1.3 million, respectively, for the three-month period ended October 2, 2022, and would have been \$48.5 million and \$2.1 million, respectively, for the six-month period ended October 2, 2022. The combined net income includes adjustments related to the amortization of the amortizable intangible assets acquired and estimates of the interest expense and income tax expense or benefit that would have been incurred, but otherwise do not reflect the costs of any integration activities or benefits that may result from the realization of future cost savings from operating efficiencies, or any revenue, tax or other synergies that may result from the Manhattan Acquisition.

Note 8 – Financing Arrangements

Factoring Agreements: To reduce its exposure to credit losses, the Company assigns the majority of its trade accounts receivable to CIT pursuant to factoring agreements, which have expiration dates that are coterminous with that of the financing agreement described below. Under the terms of the factoring agreements, CIT remits customer payments to the Company as such payments are received by CIT. As such, the Company does not take advances on the factoring agreements. CIT bears credit losses with respect to assigned accounts receivable from approved shipments, while the Company bears the responsibility for adjustments from customers related to returns, allowances, claims and discounts. CIT may at any time terminate or limit its approval of shipments to a particular customer. If such a termination or limitation occurs, then the Company either assumes (and may seek to mitigate) the credit risk for shipments to the customer after the date of such termination or limitation or discontinues shipments to the customer. Factoring fees, which are included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of income, amounted to \$92,000 and \$79,000 for the three months ended October 1, 2023 and October 2, 2022, respectively, and amounted to \$159,000 and \$147,000 for the six months ended October 1, 2023 and October 2, 2022, respectively.

Credit Facility: The Company's credit facility as of October 1, 2023 consisted of a revolving line of credit under a financing agreement with CIT of up to \$35.0 million, which includes a \$1.5 million sub-limit for letters of credit. The financing agreement matures on July 11, 2028, bears interest at prime minus 0.5% or the Secured Overnight Financing Rate ("SOFR") plus 1.6%, and is secured by a first lien on all assets of the Company. At October 1, 2023, the Company had elected to pay interest on balances owed under the revolving line of credit under the SOFR option, which was 6.9%. The financing agreement also provides for the payment by CIT to the Company of interest at prime as of the beginning of the calendar month minus 2.0% on daily negative balances, if any, held at CIT.

As of October 1, 2023 and April 2, 2023, the balances on the revolving line of credit were \$9.8 million and \$12.7 million, respectively, there was no letter of credit outstanding and \$20.2 million and \$20.0 million, respectively, was available under the revolving line of credit based on the Company's eligible accounts receivable and inventory balances. The financing agreement contains usual and customary covenants for agreements of that type, including limitations on other indebtedness, liens, transfers of assets, investments and acquisitions, merger or consolidation transactions, transactions with affiliates, and changes in or amendments to the organizational documents for the Company and its subsidiaries. The Company believes it was in compliance with these covenants as of October 1, 2023.

Credit Concentration: The Company's accounts receivable as of October 1, 2023 amounted to \$20.3 million, net of allowances of \$2.4 million. Of this amount, \$17.1 million was due from CIT under the factoring agreements, which represents the maximum loss that the Company could incur if CIT failed completely to perform its obligations under the factoring agreements. The Company's accounts receivable as of April 2, 2023 amounted to \$22.8 million, net of allowances of \$1.5 million. Of this amount, \$20.7 million was due from CIT under the factoring agreements, which represented the maximum loss that the Company could have incurred if CIT had failed completely to perform its obligations under the factoring agreements.

Note 9 – Goodwill

Goodwill represents the excess of the purchase price over the fair value of net identifiable assets acquired in business combinations. For the purpose of presenting and measuring for the impairment of goodwill, the Company has two reporting units: one that produces and markets infant and toddler bedding, blankets and accessories and another that produces and markets infant and toddler bibs, toys and disposable products. The Company's reporting units have recognized goodwill as of October 1, 2023 and April 2, 2023 of \$30.8 million, which is reflected in the accompanying condensed consolidated balance sheets net of accumulated impairment charges of \$22.9 million, for a net reported balance of \$7.9 million.

The Company measures for impairment the goodwill within its reporting units annually as of the first day of the Company's fiscal year. An additional interim measurement for impairment is performed during the year whenever an event or change in circumstances occurs that suggests that the fair value of either of the reporting units of the Company has more likely than not (defined as having a likelihood of greater than 50%) fallen below its carrying value. The annual or interim measurement for impairment is performed by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If such qualitative factors so indicate, then the measurement for impairment is continued by calculating an estimate of the fair value of each reporting unit and comparing the estimated fair value to the carrying value of the reporting unit. If the carrying value exceeds the estimated fair value of the reporting unit, then an impairment charge is calculated as the difference between the carrying value of the reporting unit and its estimated fair value, not to exceed the goodwill of the reporting unit.

On April 3, 2023, the Company performed a qualitative assessment to determine if it is more likely than not that the fair values of the Company's reporting units are less than their carrying values by evaluating relevant events and circumstances, including financial performance, market conditions and share price. Based on this assessment, the Company concluded that the goodwill for each of the Company's reporting units was not considered at risk of impairment.

Note 10 – Other Intangible Assets

Other intangible assets as of October 1, 2023 and April 2, 2023 consisted primarily of the fair value of identifiable assets acquired in business combinations other than tangible assets and goodwill. The gross amount and accumulated amortization of the Company's other intangible assets as of October 1, 2023 and April 2, 2023 and the amortization expense for the three and six months ended October 1, 2023 and October 2, 2022, the entirety of which has been included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of income, are as follows (in thousands):

	<u>Gross Amount</u>		<u>Accumulated Amortization</u>		<u>Amortization Expense</u>			
	<u>October 1,</u>	<u>April 2,</u>	<u>October 1,</u>	<u>April 2,</u>	<u>Three-Month Periods Ended</u>		<u>Six-Month Periods Ended</u>	
	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>October 1,</u>	<u>October 2,</u>	<u>October 1,</u>	<u>October 2,</u>
					<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Tradename and trademarks	\$ 2,867	\$ 2,867	\$ 2,103	\$ 2,025	\$ 43	\$ 35	\$ 78	\$ 70
Non-compete covenants	98	98	98	98	-	-	-	-
Patents	1,601	1,601	1,081	1,055	13	13	26	26
Customer relationships	8,174	8,174	6,474	6,289	92	73	185	145
Licensing relationships	200	200	10	-	5	-	10	-
Total other intangible assets	<u>\$ 12,940</u>	<u>\$ 12,940</u>	<u>\$ 9,766</u>	<u>\$ 9,467</u>	<u>\$ 153</u>	<u>\$ 121</u>	<u>\$ 299</u>	<u>\$ 241</u>

Note 11 – Leases

The Company made cash payments related to its recognized operating leases of \$993,000 and \$488,000 during the three months ended October 1, 2023 and October 2, 2022, respectively, and \$1.4 million and \$969,000 for the six months ended October 1, 2023 and October 2, 2022, respectively. Such payments reduced the operating lease liabilities and were included in the cash flows provided by operating activities in the accompanying unaudited condensed consolidated statements of cash flows. The Company recognized noncash reductions to its operating right of use assets resulting from reductions to its lease liabilities in the amount of \$249,000 and \$20,000 during the three-month periods ended October 1, 2023 and October 2, 2022, respectively, and \$503,000 and \$43,000 during the six-month periods ended October 1, 2023 and October 2, 2022, respectively. As of October 1, 2023 and April 2, 2023, the Company's operating leases had weighted-average remaining lease terms of 4.5 years and 5.0 years, respectively, and weighted-average discount rates of 5.9%.

During the three- and six-month periods ended October 1, 2023 and October 2, 2022, the Company classified its operating lease costs within the accompanying unaudited condensed consolidated statements of income as follows (in thousands):

	Three-Month Periods Ended		Six-Month Periods Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Cost of products sold	\$ 940	\$ 401	\$ 1,880	\$ 802
Marketing and administrative expenses	97	41	194	82
Total operating lease costs	<u>\$ 1,037</u>	<u>\$ 442</u>	<u>\$ 2,074</u>	<u>\$ 884</u>

The maturities of the Company's operating lease liabilities as of October 1, 2023 are as follows (in thousands):

Fiscal Year	
2024	\$ 1,980
2025	4,027
2026	4,108
2027	4,086
2028	3,952
2029	663
Total undiscounted operating lease payments	<u>18,816</u>
Less imputed interest	<u>2,414</u>
Operating lease liabilities - net	<u>\$ 16,402</u>

Note 12 – Stock-based Compensation

The Company has three incentive stock plans, the 2006 Omnibus Incentive Plan (the "2006 Plan"), the 2014 Omnibus Equity Compensation Plan (the "2014 Plan") and the 2021 Incentive Plan (the "2021 Plan"), although grants may no longer be issued under either the 2006 Plan or the 2014 Plan. As of October 1, 2023, 559,000 shares of the Company's common stock were available for future issuance under the 2021 Plan, which may be issued from authorized and unissued shares of the Company's common stock or treasury shares. The Company recorded stock-based compensation expense of \$192,000 and \$258,000 during the three-month periods ended October 1, 2023 and October 2, 2022, respectively, and \$383,000 and \$591,000 during the six-month periods ended October 1, 2023 and October 2, 2022, respectively. The Company records the compensation expense associated with stock-based awards granted to individuals in the same expense classifications as the cash compensation paid to those same individuals. No stock-based compensation costs were capitalized as part of the cost of an asset as of October 1, 2023.

Stock Options: The following table represents stock option activity for the six-month periods ended October 1, 2023 and October 2, 2022:

	Six-Month Periods Ended			
	October 1, 2023		October 2, 2022	
	Weighted-Average Exercise Price	Number of Options Outstanding	Weighted-Average Exercise Price	Number of Options Outstanding
Outstanding at Beginning of Period	\$ 7.32	735,500	\$ 7.39	635,500
Granted	5.26	120,000	6.54	120,000
Exercised	-	-	4.92	(20,000)
Expired	6.14	(10,000)	-	-
Outstanding at End of Period	7.04	845,500	7.32	735,500
Exercisable at End of Period	7.41	665,500	7.42	499,000

As of October 1, 2023, the outstanding and exercisable stock options had no intrinsic value. There were no stock options exercised during the six-month period ended October 1, 2023. The intrinsic value of the stock options exercised during the three- and six-month periods ended October 2, 2022 was \$8,000 and \$28,000, respectively. The Company did not receive any cash from the exercise of stock options during the three- and six-month periods ended October 2, 2022. Upon the exercise of stock options, participants may choose to surrender to the Company those shares from the option exercise necessary to satisfy the exercise amount and their income tax withholding obligations that arise from the option exercise. The effect on the cash flow of the Company from these “cashless” option exercises is that the Company remits cash on behalf of the participant to satisfy his or her income tax withholding obligations. The Company used cash to remit the required income tax withholding amounts from “cashless” option exercises of \$2,000 and \$10,000 during the three and six months ended October 2, 2022, respectively.

Stock-based compensation is calculated according to FASB ASC Topic 718, *Compensation – Stock Compensation*, which requires stock-based compensation to be accounted for using a fair-value-based measurement. To determine the estimated fair value of stock options granted, the Company uses the Black-Scholes-Merton valuation formula, which is a closed-form model that uses an equation to estimate fair value. The following table sets forth the assumptions used to determine the fair value of the non-qualified stock options that were awarded to certain employees during the six-month periods ended October 1, 2023 and October 2, 2022, which stock options vest over a two-year period, assuming continued service.

	Six-Month Periods Ended	
	October 1, 2023	October 2, 2022
Number of options issued	120,000	120,000
Grant date	June 21, 2023	June 7, 2022
Dividend yield	6.08%	4.89%
Expected volatility	25.00%	30.00%
Risk free interest rate	4.29%	2.95%
Contractual term (years)	10.00	10.00
Expected term (years)	3.00	4.00
Forfeiture rate	5.00%	5.00%
Exercise price (grant-date closing price) per option	\$ 5.26	\$ 6.54
Fair value per option	\$ 0.46	\$ 0.90

During the three-month periods ended October 1, 2023 and October 2, 2022, the Company classified its compensation expense associated with stock options within the accompanying unaudited condensed consolidated statements of income as follows (in thousands):

Options Granted in Fiscal Year	Three-Month Period Ended October 1, 2023			Three-Month Period Ended October 2, 2022		
	Cost of Products Sold	Marketing & Administrative Expenses	Total Expense	Cost of Products Sold	Marketing & Administrative Expenses	Total Expense
2021	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 15
2022	-	-	-	10	16	26
2023	5	8	13	4	8	12
2024	3	3	6	-	-	-
Total stock option compensation	\$ 8	\$ 11	\$ 19	\$ 14	\$ 39	\$ 53

During the six-month periods ended October 1, 2023 and October 2, 2022, the Company classified its compensation expense associated with stock options within the accompanying unaudited condensed consolidated statements of income as follows (in thousands):

Options Granted in Fiscal Year	Six-Month Period Ended October 1, 2023			Six-Month Period Ended October 2, 2022		
	Cost of Products Sold	Marketing & Administrative Expenses	Total Expense	Cost of Products Sold	Marketing & Administrative Expenses	Total Expense
2021	\$ -	\$ -	\$ -	\$ 3	\$ 26	\$ 29
2022	10	21	31	22	46	68
2023	12	17	29	6	10	16
2024	3	4	7	-	-	-
Total stock option compensation	\$ 25	\$ 42	\$ 67	\$ 31	\$ 82	\$ 113

As of October 1, 2023, total unrecognized stock option compensation expense amounted to \$86,000, which will be recognized as the underlying stock options vest over a weighted-average period of 12.5 months. The amount of future stock option compensation expense could be affected by any future stock option grants and by the separation from the Company of any individual who has received stock options that are unvested as of such individual's separation date.

Non-vested Stock Granted to Directors: The following shares of non-vested stock were granted to the Company's directors:

Number of Shares	Fair Value per Share	Grant Date	Vesting Period (Years)
60,412	\$4.85	August 15, 2023	One
46,896	6.65	August 16, 2022	One
40,165	7.47	August 11, 2021	One
41,452	5.79	August 12, 2020	Two

The fair value of the non-vested stock granted to the Company's directors was based on the closing price of the Company's common stock on the date of each grant.

The non-vested stock granted on August 11, 2021 included 8,033 shares granted to E. Randall Chestnut, formerly the Company's Chairman, President and Chief Executive Officer. On May 1, 2022, upon the resignation of Mr. Chestnut from the Board of Directors of the Company (the "Board") and his retirement from all positions that he held within the Company, the vesting of these 8,033 shares was accelerated, with such shares having an aggregate value on such date of \$0,000.

The non-vested stock granted on August 16, 2022 included 11,724 shares granted to Sidney Kirschner, a director of the Company since 2001. Upon the death of Mr. Kirschner on February 21, 2023, the vesting of these 11,724 shares was accelerated, with such shares having an aggregate value on such date of \$7,000.

In August 2023 and August 2022, 35,172 shares and 52,856 shares, respectively, that had been granted to the Company's directors vested, having an aggregate value of \$168,000 and \$331,000, respectively. The remaining shares set forth above will vest over the periods indicated, assuming continued service.

Non-vested Stock Granted to Employees: The following shares of non-vested stock were granted to certain of the Company's employees:

Number of Shares	Fair Value per Share	Grant Date	Vesting Date
26,000	\$4.77	August 14, 2023	August 14, 2024
40,000	5.85	March 21, 2023	March 21, 2025
25,000	7.98	June 9, 2021	June 9, 2022
10,000	7.60	February 22, 2021	February 22, 2023
20,000	4.92	June 10, 2020	June 10, 2022

These shares vest on the dates indicated, assuming continued service. In June 2022, 45,000 shares that had been granted to certain of the Company's employees vested, having an aggregate value on their respective vesting dates of \$293,000.

Performance Award Shares: On March 1, 2022, performance awards were granted to certain of the Company’s executive officers, consisting of 187,500 shares, of which: (a) 75,000 shares shall be earned if the closing price per share of the Company’s common stock equals or exceeds \$8.00 on ten trading days within any period of twenty consecutive trading days prior to March 1, 2027; and (b) 112,500 shares shall be earned if the closing price per share of the Company’s common stock equals or exceeds \$9.00 on ten trading days within any period of twenty consecutive trading days prior to March 1, 2027. Upon the achievement of each applicable stock hurdle described above: (i) one-third of the shares that are earned shall vest on the date on which the shares are earned; (ii) one-third of the shares that are earned shall vest on the first anniversary of the date on which the shares are earned; and (iii) one-third shall vest on the second anniversary of the date on which the shares are earned. All shares that are non-earned or non-vested will be forfeited upon the termination of service. The Company, with the assistance of an independent third party, determined that the grant date fair value of the awards amounted to \$732,000.

During the three- and six-month periods ended October 1, 2023 and October 2, 2022, the Company recorded compensation expense associated with stock grants, which is included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of income, as follows (in thousands):

Stock Granted in Fiscal Year	Three-Month Periods Ended		Six-Month Periods Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
2021	\$ -	\$ -	\$ -	\$ 67
2022	55	19	110	359
2023	49	134	137	52
2024	69	52	69	-
Total stock grant compensation	\$ 173	\$ 205	\$ 316	\$ 478

As of October 1, 2023, total unrecognized compensation expense related to the Company’s non-vested stock grants amounted to \$662,000, which will be recognized over the respective vesting terms associated with each block of non-vested stock indicated above, such grants having an aggregate weighted-average vesting term of 9.0 months. The amount of future compensation expense related to the Company’s non-vested stock grants could be affected by any future non-vested stock grants and by the separation from the Company of any individual who has non-vested stock grants as of such individual’s separation date.

Note 13 – Subsequent Events

The Company has evaluated all other events which have occurred between October 1, 2023 and the date that the accompanying unaudited condensed consolidated financial statements were issued, and has determined that there are no other material subsequent events that require disclosure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING INFORMATION

Certain of the statements made in this Quarterly Report on Form 10-Q (this "Quarterly Report") within this Item 2. and elsewhere, including information incorporated herein by reference to other documents, are "forward-looking statements" within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations, projections, estimates and assumptions. Words such as "expects," "believes," "anticipates," "estimates," "predicts," "forecasts," "plans," "projects," "targets," "should," "potential," "continue," "aims," "intends," "may," "will," "could," "would" and variations of such words and similar expressions may identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those suggested by the forward-looking statements. These risks include, among others, general economic conditions, including changes in interest rates, in the overall level of consumer spending and in the price of oil, cotton and other raw materials used in the Company's products, changing competition, changes in the retail environment, the Company's ability to successfully integrate newly acquired businesses, the level and pricing of future orders from the Company's customers, the Company's dependence upon third-party suppliers, including some located in foreign countries with unstable political situations, the Company's ability to successfully implement new information technologies, customer acceptance of both new designs and newly-introduced product lines, actions of competitors that may impact the Company's business, disruptions to transportation systems or shipping lanes used by the Company or its suppliers, and the Company's dependence upon licenses from third parties. Reference is also made to the Company's periodic filings with the SEC for additional factors that may impact the Company's results of operations and financial condition. The Company does not undertake to update the forward-looking statements contained herein to conform to actual results or changes in the Company's expectations, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

The Company was originally formed as a Georgia corporation in 1957 and was reincorporated as a Delaware corporation in 2003. The Company operates indirectly through its four wholly-owned subsidiaries, NoJo Baby & Kids, Inc., Sassy Baby, Inc., Manhattan Group, LLC and Manhattan Toy Europe Limited in the infant, toddler and juvenile products segment within the consumer products industry. The infant, toddler and juvenile products segment consists of infant and toddler bedding and blankets, bibs, disposables, toys and feeding products.

The Company's products are marketed under Company-owned trademarks, under trademarks licensed from others and as private label goods. Sales of the Company's products are made directly to retailers, such as mass merchants, large chain stores, juvenile specialty stores, value channel stores, grocery and drug stores, restaurants, wholesale clubs and internet-based retailers.

The infant, toddler and juvenile consumer products industry is highly competitive. The Company competes with a variety of distributors and manufacturers (both branded and private label), including large infant, toddler and juvenile product companies and specialty infant, toddler and juvenile product manufacturers, on the basis of quality, design, price, brand name recognition, service and packaging. The Company's ability to compete depends principally on styling, price, service to the retailer and continued high regard for the Company's products and trade names.

Foreign and domestic contract manufacturers produce most of the Company's products, with the largest concentration being in China. The Company makes sourcing decisions based on quality, timeliness of delivery and price, including the impact of ocean freight and duties. Although the Company maintains relationships with a limited number of suppliers, the Company believes that its products may be readily manufactured by several alternative sources in quantities sufficient to meet the Company's requirements.

The Company's products are warehoused and distributed domestically from leased facilities located in Compton, California and Eden Valley, Minnesota and internationally from third-party logistics warehouses in Belgium and England.

A summary of certain factors that management considers important in reviewing the Company's results of operations, financial position, liquidity and capital resources is set forth below, which should be read in conjunction with the accompanying condensed consolidated financial statements and related notes included in the preceding sections of this Quarterly Report.

RESULTS OF OPERATIONS

The following table contains the results of operations for the three- and six-month periods ended October 1, 2023 and October 2, 2022 and the dollar and percentage changes for those periods (in thousands, except percentages):

	Three-Month Periods Ended		Change		Six-Month Periods Ended		Change	
	October 1, 2023	October 2, 2022	\$	%	October 1, 2023	October 2, 2022	\$	%
Net sales by category:								
Bedding, blankets and accessories	\$ 9,776	\$ 9,503	\$ 273	2.9%	\$ 15,349	\$ 17,001	\$ (1,652)	-9.7%
Bibs, toys and disposable products	14,353	9,223	5,130	55.6%	25,903	17,435	8,468	48.6%
Total net sales	24,129	18,726	5,403	28.9%	41,252	34,436	6,816	19.8%
Cost of products sold	17,533	13,280	4,253	32.0%	29,914	23,837	6,077	25.5%
Gross profit	6,596	5,446	1,150	21.1%	11,338	10,599	739	7.0%
% of net sales	27.3%	29.1%			27.5%	30.8%		
Marketing and administrative expenses	4,036	2,736	1,300	47.5%	8,082	6,149	1,933	31.4%
% of net sales	16.7%	14.6%			19.6%	17.9%		
Interest (expense) income - net	(164)	4	(168)	-4200.0%	(352)	1	(353)	-35300.0%
Other (expense) income - net	(24)	(3)	(21)	700.0%	(26)	160	(186)	-116.3%
Income tax expense	550	671	(121)	-18.0%	690	1,137	(447)	-39.3%
Net income	1,822	2,040	(218)	-10.7%	2,188	3,474	(1,286)	-37.0%
% of net sales	7.6%	10.9%			5.3%	10.1%		

Net Sales: Sales increased to \$24.1 million for the three months ended October 1, 2023, compared with \$18.7 million for the three months ended October 2, 2022, an increase of \$5.4 million, or 28.9%. Sales of bedding, blankets and accessories increased by \$273,000, and sales of bibs, toys and disposable products increased by \$5.1 million. Sales increased due to the Manhattan Acquisition, which generated net sales of \$4.8 million of developmental toy, feeding and baby care products during the three-month period ended October 1, 2023.

Sales increased to \$41.3 million for the six months ended October 1, 2023, compared with \$34.4 million for the six months ended October 2, 2022, an increase of \$6.8 million, or 19.8%. Sales of bibs, toys and disposable products increased by \$8.5 million due to the Manhattan Acquisition. These increases were offset by lower sales of bedding, blankets and accessories, which decreased by \$1.7 million, due to the continued impact of retailers that have been managing inventory levels, consumers that have lowered their spending due to inflationary pressures and continued overall softness in the infant and toddler bedding and blankets market. Also, sales declined in the current year due to the recent bankruptcy of a retail customer.

Gross Profit: Gross profit increased in amount by \$1.2 million due to the Manhattan Acquisition, but decreased from 29.1% of net sales for the three-month period ended October 2, 2022 to 27.3% of net sales for the three-month period ended October 1, 2023.

Gross profit increased in amount by \$739,000, but decreased from 30.8% of net sales for the six-month period ended October 2, 2022 to 27.5% of net sales for the six-month period ended October 1, 2023. The Manhattan Acquisition contributed \$2.3 million to the increase, which was partially offset by an increase in operating lease costs in the current year period, including \$311,000 in operating lease costs of Manhattan. These increased operating lease costs also led to the decline in the gross profit percentage.

Marketing and Administrative Expenses: Marketing and administrative expenses increased by \$1.3 million, and increased from 14.6% of net sales for the three-month period ended October 2, 2022 to 16.7% of net sales for the three-month period ended October 1, 2023. The increases in the current-year period consisted primarily of \$896,000 for charges incurred by Manhattan and MTE.

Marketing and administrative expenses increased by \$1.9 million, and increased from 17.9% of net sales for the six months ended October 2, 2022 to 19.6% of net sales for the six months ended October 1, 2023. The increases in the current-year period were the result of \$2.0 million for charges incurred by Manhattan and MTE.

Income Tax Expense: The Company's provision for income taxes is based upon an estimated annual effective tax rate ("ETR") from continuing operations of 21.6% for the six-month period ended October 1, 2023, as compared with an estimated annual ETR from continuing operations of 23.5% for the six-month period ended October 2, 2022.

As a result of the consideration of the relevant information regarding the state portion of its income tax provision, the Company recorded discrete reserves for unrecognized tax liabilities of \$20,000 and \$27,000 during the three months ended October 1, 2023 and October 2, 2022, respectively, and \$25,000 and \$46,000 during the six months ended October 1, 2023 and October 2, 2022, respectively, in the unaudited condensed consolidated statements of income. The Company also recorded discrete income tax charges of \$16,000 and \$5,000 for the three-month periods ended October 1, 2023 and October 2, 2022, respectively, and \$43,000 and \$6,000 during the six-month periods ended October 1, 2023 and October 2, 2022, respectively, to reflect the net effects of the excess tax benefits and tax shortfalls arising from the exercise and expiration of stock options and the vesting of non-vested stock.

The ETR on continuing operations and the discrete income tax charges and benefits set forth above resulted in an overall provision for income taxes of 24.0% and 24.7% for the six-month periods ended October 1, 2023 and October 2, 2022, respectively.

Although the Company does not anticipate a material change to the ETR from continuing operations for the remainder of fiscal year 2024, several factors could impact the ETR, including variations from the Company's estimates of the amount and source of its pre-tax income, and the actual ETR for the year could differ materially from the Company's estimates.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities increased from \$2.7 million for the six-month period ended October 2, 2022 to \$4.7 million for the six-month period ended October 1, 2023. The increase in the current year was partially the result of an increase in inventory in the current year that was \$5.6 million lower than the increase in the prior year. This increase was partially offset by a decrease in accounts receivable in the current year that was \$3.1 million lower than the decrease in the prior year.

Net cash used in investing activities decreased from \$191,000 in the prior year to \$51,000 in the current year. In the current year period, the Company received \$488,000 from the settlement of the Aggregate Adjustment from the Manhattan Acquisition, which was offset by an increase in the current year of \$312,000 in capital expenditures for property, plant and equipment.

Net cash used in financing activities, which were primarily associated with net repayments under the revolving line of credit, increased by \$2.8 million from the prior year to the current year.

As of October 1, 2023, the balance on the revolving line of credit was \$9.8 million, there was no letter of credit outstanding and \$20.2 million was available under the revolving line of credit based on the Company's eligible accounts receivable and inventory balances.

To reduce its exposure to credit losses and to enhance the predictability of its cash flow, the Company assigns the majority of its trade accounts receivable to CIT under factoring agreements. Under the terms of the factoring agreements, CIT remits customer payments to the Company as such payments are received by CIT. As such, the Company does not take advances on the factoring agreements.

CIT bears credit losses with respect to assigned accounts receivable from approved shipments, while the Company bears the responsibility for adjustments from customers related to returns, allowances, claims and discounts. CIT may at any time terminate or limit its approval of shipments to a particular customer. If such a termination or limitation occurs, then the Company either assumes (and may seek to mitigate) the credit risk for shipments to the customer after the date of such termination or limitation or discontinues shipments to the customer. Factoring fees, which are included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of income, amounted to \$92,000 and \$79,000 for the three-month periods ended October 1, 2023 and October 2, 2022, respectively, and amounted to \$159,000 and \$147,000 for the six-month periods ended October 1, 2023 and October 2, 2022, respectively.

The Company's future performance is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors beyond its control. Based upon the current level of operations, the Company believes that its cash flow from operations and funds available under the revolving line of credit will be adequate to meet its liquidity needs.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of market risks that could affect the Company, refer to the risk factors disclosed in Item 1A. of Part 1 of the Company's Annual Report on Form 10-K for the year ended April 2, 2023.

INTEREST RATE RISK

As of October 1, 2023, the Company had \$9.8 million of indebtedness that bears interest at a variable rate, comprised of borrowings under the revolving line of credit. Based upon this level of outstanding debt, the Company's annual net income would decrease by approximately \$77,000 for each increase of one percentage point in the interest rate applicable to the debt.

COMMODITY RATE RISK

The Company sources its products primarily from foreign contract manufacturers, with the largest concentration being in China. The Company's exposure to commodity price risk primarily relates to changes in the prices in China of cotton, oil and labor, which are the principal inputs used in a substantial number of the Company's products. In addition, although the Company pays its Chinese suppliers in U.S. dollars, a strengthening of the rate of the Chinese currency versus the U.S. dollar could result in an increase in the cost of the Company's finished goods. There is no assurance that the Company could timely respond to such increases by proportionately increasing the prices at which its products are sold to the Company's customers.

MARKET CONCENTRATION RISK

The Company's financial results are closely tied to sales to its top two customers, which represented approximately 71% of the Company's gross sales in fiscal year 2023. In addition, 40% of the Company's gross sales in fiscal year 2023 consisted of licensed products, which included 29% of sales associated with the Company's license agreements with affiliated companies of the Walt Disney Company. The Company's results could be materially impacted by the loss of one or more of these licenses.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report, as required by paragraph (b) of Rules 13a-15 or 15d-15 of the Exchange Act. Based on such evaluation, such officers have concluded that, as of the end of the period covered by this Quarterly Report, the Company's disclosure controls and procedures are effective.

During the three-month period ended October 1, 2023, there were no changes in the Company's internal control over financial reporting ("ICFR") identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 of the Exchange Act that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is, from time to time, involved in various legal and regulatory proceedings relating to claims arising in the ordinary course of its business. Neither the Company nor any of its subsidiaries is a party to any such proceeding the outcome of which, individually or in the aggregate, is expected to have a material adverse effect on the Company's financial condition, results of operations or cash flow.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Item 1A of Part 1 of the Company's Annual Report on Form 10-K for the year ended April 2, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On November 14, 2023, the Board amended and restated the Company's Bylaws (as so amended and restated, the "Bylaws"), effective as of such date. The Board approved the Bylaws as part of a periodic review by the Board of the Company's corporate governance documents. Among other matters, the amendments included in the Bylaws:

- (i) make certain updates in connection with the SEC's rules relating to universal proxy cards (the "Universal Proxy Rules"), including: (a) requiring stockholders who intend to engage in a solicitation (as defined in Item 4 of Schedule 14A under the Exchange Act) with respect to a director nomination to represent that they intend to solicit the requisite holders required by the Universal Proxy Rules; (b) requiring stockholders who have delivered to the Company a notice with respect to a director nomination to provide reasonable evidence that they have complied with the Universal Proxy Rules no later than five business days prior to the date of the applicable meeting of the Company's stockholders; and (c) reserving white proxy cards for the exclusive use of the Board;
- (ii) modify the advance notice provisions that are applicable to director nominations and to other business proposed to be brought before a stockholder meeting by a stockholder, which are set forth in Section 2.13 of the Bylaws, to require that the proposing stockholder's notice to the Company Secretary include, among other things: (a) information regarding the proposing stockholder's entry into any derivative or hedging arrangements, instruments or agreements with respect to shares of the Company's capital stock; (b) an undertaking to deliver a director questionnaire and other information reasonably requested by the Company with respect to any director nominee proposed by the stockholder; and (c) if the proposing stockholder intends to engage in a solicitation, a statement disclosing the name of each participant in such solicitation; and
- (iii) update provisions regarding the manner in which a meeting of stockholders may be adjourned and eliminating the requirement that the list of stockholders entitled to vote at a stockholder meeting be available for review during such meeting, in each case to reflect amendments to the Delaware General Corporation Law.

In addition, Section 2.13 of the Bylaws provides that a stockholder's notice with respect to nominations of persons for election to the Board and the proposal of other business to be considered by stockholders must be received at the principal executive office of the Corporation not later than the close of business on the 120th calendar day, nor earlier than the close of business on the 150th calendar day, prior to the first anniversary of the date that the Company's proxy statement was mailed or given to stockholders in connection with the Company's previous year's annual meeting of stockholders; provided, however, that if no annual meeting was held in the previous year, if the date of the forthcoming annual meeting has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's proxy statement or if the forthcoming meeting is not an annual meeting, then such stockholder's notice must be received not later than the close of business on the 10th day following the earlier of: (i) the day on which notice of the date of the forthcoming meeting was mailed or given to stockholders; and (ii) the day on which public announcement of the date of the forthcoming meeting was made by the Company.

The amendments also include certain other ministerial, clarifying and conforming revisions.

The foregoing summary is qualified in its entirety by reference to the Amended and Restated Bylaws of the Company, effective November 14, 2023, a copy of which is attached hereto as Exhibit 3.3 and is incorporated by reference in this Item 5. A copy of the Amended and Restated Bylaws of the Company, effective November 14, 2023, marked to show the changes to the Bylaws of the Company that were in effect immediately prior to November 14, 2023, is attached hereto as Exhibit 3.4.

ITEM 6. EXHIBITS

Exhibits required to be filed by Item 601 of Regulation S-K are included as Exhibits to this Quarterly Report as follows:

Exhibit Number	Description of Exhibit
2.1	Letter Agreement dated as of July 28, 2023 between the Company and H Enterprises International, LLC (“HEI”), (3)
2.2	Letter Agreement dated as of September 15, 2023 between the Company and HEI. (3)
2.3	Letter Agreement dated September 29, 2023 between the Company and HEI. * (3)
3.1	Amended and Restated Certificate of Incorporation of the Company. (1)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company. (2)
3.3	Amended and Restated Bylaws of the Company, effective as of November 14, 2023. (3)
3.4	Amended and Restated Bylaws of the Company, effective as of November 14, 2023 (marked to show changes to the Bylaws of the Company that were in effect immediately prior to November 14, 2023). (3)
31.1	Rule 13a-14(a)/15d-14(a) Certification by the Company’s Chief Executive Officer. (3)
31.2	Rule 13a-14(a)/15d-14(a) Certification by the Company’s Chief Financial Officer. (3)
32.1	Section 1350 Certification by the Company’s Chief Executive Officer. (3)
32.2	Section 1350 Certification by the Company’s Chief Financial Officer. (3)
101	Interactive data files pursuant to Rule 405 of SEC Regulation S-T in connection with registrant’s Form 10-Q for the quarterly period ended October 1, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets; (ii) Unaudited Condensed Consolidated Statements of Income; (iii) Unaudited Condensed Consolidated Statements of Changes in Shareholders’ Equity; (iv) Unaudited Condensed Consolidated Statements of Cash Flows; and (v) Notes to Unaudited Condensed Consolidated Financial Statements.
104	Cover page Interactive Data File pursuant to Rule 406 of SEC Regulation S-T formatted in iXBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101.

* Certain schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the SEC a copy of any omitted schedules upon request; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

- (1) Incorporated herein by reference to Exhibit 3.1 to the registrant’s Quarterly Report on Form 10-Q for the quarter ended December 28, 2003.
- (2) Incorporated herein by reference to Exhibit 3.1 to the registrant’s Current Report on Form 8-K dated August 9, 2011.
- (3) Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN CRAFTS, INC.

/s/ Craig J. Demarest

CRAIG J. DEMAREST

Vice President and Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Date: November 15, 2023

Crown Crafts, Inc.
916 South Burnside Avenue
Gonzales, LA 70737
Attn: Olivia Elliott, Chief Executive Officer

Re: Equity Purchase Agreement, by and between H Enterprises International, LLC, a Delaware limited liability corporation (“Seller”), and Crown Crafts, Inc., a Delaware corporation (“Purchaser”), dated March 17, 2023 (the “Equity Purchase Agreement”). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Equity Purchase Agreement.

This letter, when countersigned by Purchaser, sets forth the agreement of Seller and Purchaser that, notwithstanding the dates set forth in Section 2.4(b) of the Equity Purchase Agreement, Seller shall have until September 15, 2023 to: (i) review the Closing Statement as to the calculation and amount of the Aggregate Adjustment, as set forth in Section 2.4(b) of the Equity Purchase Agreement; and (ii) deliver to Purchaser any Dispute Notice, if any, pursuant to Section 2.4(b). This letter shall constitute an amendment to the Equity Purchase Agreement, pursuant to Section 9.10.

This letter may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same document.

Very truly yours,

H Enterprises International, LLC

By: /s/ Mike Gorman
Name: Mike Gorman
Title: Secretary

Accepted and agreed as of July 28, 2023

Crown Crafts, Inc.

By: /s/ Olivia Elliott
Name: Olivia Elliott
Title: President and Chief Executive Officer

Crown Crafts, Inc.
916 South Burnside Avenue
Gonzales, LA 70737
Attn: Olivia Elliott, Chief Executive Officer

Re: Equity Purchase Agreement, by and between H Enterprises International, LLC, a Delaware limited liability corporation (“Seller”), and Crown Crafts, Inc., a Delaware corporation (“Purchaser”), dated March 17, 2023 (the “Equity Purchase Agreement”), as modified by that certain letter agreement between the parties as of July 28, 2023. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Equity Purchase Agreement.

This letter, when countersigned by Purchaser, sets forth the agreement of Seller and Purchaser that: (i) Seller shall have until September 29, 2023 to review the Closing Statement as to the calculation and amount of the Aggregate Adjustment, as set forth in Section 2.4(b) of the Equity Purchase Agreement and deliver to Purchaser any Dispute Notice, if any, pursuant to Section 2.4(b); and (ii) the Collection Period as defined in Section 2.7 is extended until October 15, 2023.

This letter shall constitute an amendment to the Equity Purchase Agreement, pursuant to Section 9.10.

This letter may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same document.

Very truly yours,

H Enterprises International, LLC

By: /s/ Donald H. Swan
Name: Donald H. Swan
Title: Chairman

Accepted and agreed as of September 15, 2023

Crown Crafts, Inc.

By: /s/ Craig J. Demarest
Name: Craig J. Demarest
Vice President and Chief Financial Officer

September 29, 2023

Crown Crafts, Inc.
 916 South Burnside Avenue
 Gonzales, LA 70737
 Attn: Olivia Elliott, Chief Executive Officer

Re: Equity Purchase Agreement, by and between H Enterprises International, LLC, a Delaware limited liability corporation (“Seller”), and Crown Crafts, Inc., a Delaware corporation (“Purchaser”), dated March 17, 2023 (the “Equity Purchase Agreement”). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Equity Purchase Agreement.

This letter, when countersigned by Purchaser, sets forth the agreement of Seller and Purchaser with respect to the foregoing:

Purchaser and Seller agree that the Aggregate Adjustment amount plus interest through the date hereof shall be \$509,177.21, as set forth in the attached Exhibit A, subject to the provisions of this letter agreement set forth below.

Purchaser and Seller agree that, while Purchaser and Seller have agreed to use the Accrued Sales Tax set forth on Exhibit A for purposes of resolving the Aggregate Adjustment, the use of such amount does not constitute Purchaser or Seller’s agreement as to the amount of the Pre-Closing Sales Tax Obligations. Purchaser and Seller agree that: (i) to the extent that the Accrued Sales Tax set forth on Exhibit A (the “Closing Accrued Sales Tax”) is less than the Pre-Closing Sales Tax Obligations, then Seller shall pay to Purchaser an amount equal to such shortfall; and (ii) to the extent that the Closing Accrued Sales Tax is greater than the Pre-Closing Sales Tax Obligations, then Purchaser will pay to Seller the amount of any such excess.

For purposes of this letter agreement, Pre-Closing Sales Tax Obligations shall include: (i) all sales and use Tax owed by the Company for any Pre-Closing Tax Period; plus (ii) all interest and penalties with respect thereto; plus (iii) all expenses incurred by the Company (including any accounting, third party vendor or similar fees) in connection with preparing and making any filings with any Taxing Authority in connection with any sales and use Taxes for Pre-Closing Tax Periods.

Purchaser and Seller further agree to cooperate with respect to the determination of any Pre-Closing Sales Tax Obligations. Purchaser does not waive any rights pursuant to the Equity Purchase Agreement with respect to Taxes for any Pre-Closing Tax Periods including under Article 7 and Article 8 thereof.

This letter may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same document.

Very truly yours,

H Enterprises International, LLC

By: /s/ Donald H. Swan
 Name: Donald H. Swan
 Title: Chairman

Crown Crafts, Inc.

By: /s/ Craig J. Demarest
 Name: Craig J. Demarest
 Title: Vice President and Chief Financial Officer

**AMENDED AND RESTATED
BYLAWS
OF
CROWN CRAFTS, INC.
Effective November 14, 2023**

**ARTICLE I
OFFICES**

Section 1.1 The Registered Office and Principal Executive Office. The registered office of Crown Crafts, Inc. (the "Corporation") in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the registered agent of the Corporation in said State shall be The Corporation Trust Company. The principal executive office of the Corporation shall be located at 916 South Burnside Avenue, Gonzales, Louisiana, or at such other place within or without the State of Delaware as may be fixed by the Board of Directors of the Corporation (the "Board of Directors").

Section 1.2 Other Offices. The Corporation may also maintain an office or offices at such other place or places as the Board of Directors may from time to time select.

**ARTICLE II
MEETINGS OF STOCKHOLDERS**

Section 2.1 Annual Meetings. The annual meeting of stockholders of the Corporation shall be held on such date and at such time as may be designated from time to time by the Board of Directors. At the annual meeting directors shall be elected and any other business may be properly brought before the meeting.

Section 2.2 Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board or the President and shall be called by the Secretary at the request in writing of (i) a majority of the Board of Directors or (ii) stockholders owning at least seventy-five percent (75%) of the issued and outstanding capital stock of the Corporation entitled to vote thereat. Any such request shall state the purpose or purposes of the proposed meeting. Notwithstanding any other provisions of these Bylaws or the Certificate of Incorporation, the provisions of this Section 2.2 may not be repealed or amended in any respect (including, without limitation, the amendment of the third sentence of this Section 2.2), nor may any provision of the Certificate of Incorporation or these Bylaws be adopted inconsistent with this Section 2.2, unless such action is approved by the affirmative vote of the holders of not less than seventy-five percent (75%) of the outstanding shares of capital stock of the Corporation entitled to vote in the election of directors.

Section 2.3 Place of Meeting. All meetings of stockholders shall be held at such places, if any, either within or without the State of Delaware, or by means of remote communication as may from time to time be designated in the respective notices or waivers or notice thereof.

Section 2.4 Notice of Annual Meetings. Except as otherwise provided herein or permitted by applicable law, the Secretary or Assistant Secretary shall give written notice of the annual meeting stating the place, if any, date and hour of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting.

Section 2.5 Notice of Special Meeting. Upon receipt of request for a special meeting of stockholders in writing from a person or persons entitled to call any such meeting, except as otherwise provided herein or permitted by applicable law, the Secretary forthwith shall cause written notice to be given to the stockholders entitled to vote at such meeting that a meeting will be held at the time requested by the person or persons requesting a meeting, which date shall be not less than thirty-five (35) nor more than sixty (60) days after the receipt by such officer of the request. Business conducted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 2.6 Voting Lists. The Corporation shall prepare a complete list of the stockholders entitled to vote at any meeting of stockholders (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares of capital stock of the Corporation registered in the name of each stockholder no later than the tenth (10th) day before each meeting of the stockholders. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of ten (10) days ending on the day before the meeting date: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list was provided with the notice of the meeting; or (ii) during ordinary business hours, at the principal place of business of the Corporation. Except as provided by applicable law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger and the list of stockholders or to vote in person or by proxy at any meeting of stockholders.

Section 2.7 Persons Entitled to Vote. Except as otherwise provided by law, and except when a record date has been fixed, only persons in whose names shares entitled to vote stand on the stock records of the Corporation at the close of business on the business day next preceding the day on which notice is given, shall be entitled to notice of a stockholders' meeting, or to vote at such meeting.

Section 2.8 Record Date. The Board of Directors may fix a time in the future as a record date for the determination of the stockholders entitled to notice of, and to vote at, any meeting of stockholders or entitled to receive any dividend or distribution, or to any change, conversion, or exchange of shares. The record date so fixed shall be not more than sixty (60) days nor less than ten (10) days prior to the date of the meeting or event for the purposes for which it is fixed. When a record date is so fixed, only stockholders of record on that date are entitled to notice of and to vote at the meeting or to receive the dividend, distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date.

Section 2.9 Quorum and Adjournments.

(a) The holders of a majority of the shares issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for all purposes, unless or except to the extent that the presence of a larger number may be required by law or the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the chairman of the meeting or the holders of a majority of shares of stock who are present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, except as indicated in the next paragraph. Except as otherwise provided by statute or in the Certificate of Incorporation, the affirmative vote of a majority of the shares represented at a meeting at which a quorum is present, shall be the act of the stockholders.

(b) Any meeting of the stockholders may be adjourned from time to time, to reconvene at the same, or some other place or solely by means of remote communications, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are: (i) announced at the meeting at which the adjournment is taken; or (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, then notice of the adjourned meeting in accordance with the requirements of Sections 2.5 and 2.6 of this Article II shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

Section 2.10 Order of Business. The order of business at each meeting of the stockholders shall be determined by the Chairman of the Board as the chairman of the meeting.

Section 2.11 Proxies and Voting.

(a) At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting.

(b) Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Board of Directors.

(c) Each stockholder shall have one vote for every share of stock entitled to vote which is registered in such stockholder's name on the record date for the meeting, except as otherwise provided herein or required by law or the Certificate of Incorporation.

(d) All elections shall be determined by a plurality of the votes cast, and except as otherwise provided herein or required by law or the Certificate of Incorporation, all other matters shall be determined by a majority of the votes cast.

Section 2.12 Inspectors. In advance of any meeting of the stockholders, the chairman of such meeting shall appoint at least one inspector of elections to act at the meeting and make a written report thereof. Each inspector so appointed shall first subscribe an oath on affirmation faithfully to execute the duties of an inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

Section 2.13 Stockholder Proposals and Director Nominees. Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at a meeting of stockholders only: (i) pursuant to the Corporation's notice of meeting; (ii) by or at the direction of the Board of Directors; or (iii) by any stockholder of the Corporation who is a stockholder of record at the time of giving notice provided for in this Section 2.13, is entitled to vote at the meeting and complies with the notice procedures and other provisions set forth in this Section 2.13.

(a) In addition to any other applicable requirements, for nominations of persons for election to the Board of Directors or other business to be properly brought before a meeting by a stockholder pursuant to this Section 2.13, timely notice of any nominations of persons for election to the Board of Directors or of any other business to be brought before a meeting of stockholders by a stockholder must be provided in writing to the Secretary. To be timely, a stockholder's notice given pursuant to this Section 2.13 must be received at the principal executive office of the Corporation (directed to the Secretary at the address, facsimile or electronic email address specified in the Corporation's most recent proxy statement) not later than the close of business on the 120th calendar day nor earlier than the close of business on the 150th calendar day prior to the first anniversary of the date that the Corporation's proxy statement was mailed or given to stockholders by or on behalf of the Corporation in connection with the previous year's annual meeting of stockholders of the Corporation; provided, however, that if no annual meeting of stockholders of the Corporation was held in the previous year, if the date of the forthcoming annual meeting of stockholders has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's proxy statement or if the forthcoming meeting is not an annual meeting of stockholders of the Corporation, then such stockholder's notice must be so received not later than the close of business on the 10th day following the earlier of: (i) the day on which notice of the date of the forthcoming meeting was mailed or given to stockholders by or on behalf of the Corporation; and (ii) the day on which public announcement of the date of the forthcoming meeting was made by or on behalf of the Corporation. For purposes of this Section 2.13, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In no event shall the public announcement of an adjournment or postponement of a meeting of stockholders of the Corporation commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(b) To be in proper form, a stockholder's notice to the Secretary shall set forth: (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of capital stock of the Corporation which then are beneficially owned by such person, (D) any other information relating to such person that is required by law or regulation to be disclosed in solicitations of proxies for the election of directors of the Corporation, (E) such person's written consent to being named as a nominee for election as a director (including, but not limited to, in any proxy statement and on any proxy card) and to serve as a director if elected and (F) an undertaking to provide to the Corporation a completed and signed director questionnaire (which questionnaire shall be provided by the Secretary) and such other information as the Corporation may reasonably request; (ii) as to any other business that the stockholder proposes to bring before the meeting, (A) a brief description of the business desired to be brought before the meeting, (B) the reasons for conducting such business at the meeting and (C) any material interest in such business of such stockholder and any other person on whose behalf the proposal is made; and (iii) as to the stockholder giving notice (A) the name and address of such stockholder, as they appear in the stock records of the Corporation, (B) the class and number of shares of capital stock of the Corporation which then are beneficially owned by such stockholder, (C) a description of all arrangements or understandings between such stockholder and each nominee for election as director and any other person or persons (naming such person or persons) relating to the nomination proposed to be made by such stockholder, as applicable, (D) whether and the extent to which any option, warrant, forward contract, swap, contract of sale or other derivative or similar instrument or agreement has been entered into by or on behalf of such stockholder, or any affiliates or associates of such stockholder, with respect to shares of capital stock of the Corporation, (E) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position and any borrowing or lending of shares of capital stock of the Corporation) has been made by or on behalf of such stockholder, or any affiliates or associates of such stockholder, with respect to capital stock of the Corporation, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such stockholder, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such stockholder, or any affiliates or associates of such stockholder, with respect to stock of the Corporation, (F) if such stockholder intends to engage in a solicitation with respect to this Section 2.13, a statement disclosing the name of each participant in such solicitation (as defined in Item 4 of Schedule 14A under the Exchange Act), and if involving a nomination, a representation that such stockholder intends to solicit holders of shares representing at least sixty-seven percent (67%) of the voting capital stock of the Corporation in support of director nominees other than persons nominated by or at the direction of the Board of Directors, (G) if such stockholder has delivered to the Corporation a notice relating to the nomination of one or more persons to the Board of Directors, no later than five business days prior to the date of the applicable meeting of stockholders or, if practicable, any adjournment, recess, rescheduling or postponement thereof (or if not practicable, on the first practicable date prior to the date to which such meeting has been adjourned, recessed, rescheduled or postponed), reasonable evidence that such stockholder has complied with the requirements of Rule 14a-19 of the Exchange Act ("Rule 14a-19"), and (H) any other information required by law or regulation to be provided by a stockholder intending to nominate a person for election as a director of the Corporation, as applicable. Without limiting the foregoing, the information required by this paragraph shall be updated by the stockholder not later than 10 days after the record date for the meeting to disclose such information as of the record date. At the request of the Board of Directors, any person nominated by or at the direction of the Board of Directors for election as a director of the Corporation shall furnish to the Secretary the information concerning such nominee which is required to be set forth in a stockholder's notice of a proposed nomination.

(c) No person shall be eligible for election as a director of the Corporation and no business shall be conducted at any meeting of the stockholders of the Corporation unless nominated or proposed, respectively, in compliance with the procedures set forth in this Section 2.13. The chairman of a meeting of stockholders of the Corporation shall, if the facts warrant, determine that business has not been properly brought before the meeting in accordance with the provisions of this Section 2.13, and if the chairman of the meeting should so determine, the chairman of the meeting shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. In addition, if the chairman of the meeting determines that a nomination of a director or directors was not made in accordance with the procedures specified in this Section 2.13, then the chairman of the meeting shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

(d) Notwithstanding the foregoing provisions of this Section 2.13, a stockholder shall also comply with all applicable requirements of the federal securities laws, including, without limitation, Rule 14a-19 and the rules and regulations thereunder with respect to the matters set forth in this Section 2.13; provided, however, that references in these Bylaws to the federal securities laws or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.13. Nothing herein shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Section 2.14 Action by Written Consent. Unless otherwise provided in the Certificate of Incorporation, any action which is required to be or may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice to stockholders and without a vote if consents in writing, setting forth the action so taken, shall have been signed by all of the stockholders of the Corporation.

**ARTICLE III
BOARD OF DIRECTORS**

Section 3.1 General Powers. The property, business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 3.2 Number, Election and Term. The number of directors which shall constitute the whole Board of Directors shall be not less than three (3) nor more than fifteen (15), the exact number thereof to be determined by resolution of the Board of Directors; provided, however, that the number of directors may be increased or decreased from time to time by the Board of Directors by amendment of this bylaw, but no decrease shall have the effect of shortening the term of an incumbent director. The directors shall be elected by plurality vote at the annual meeting of stockholders, except as hereinafter provided. Directors shall be natural persons who have attained the age of eighteen (18) years, but need not be residents of the State of Delaware or stockholders of the Corporation. The Board of Directors shall be divided into three (3) classes which shall be as nearly equal in number as is possible. At the first election of directors to such classified Board, each Class 1 director shall be elected to serve until the next ensuing annual meeting of stockholders, each Class 2 director shall be elected to serve until the second ensuing annual meeting of stockholders and each Class 3 director shall be elected to serve until the third ensuing annual meeting of stockholders, and in each case until his or her successor is elected and qualified or until his or her earlier death, resignation or removal from office. At each annual meeting of stockholders following the meeting at which the Board of Directors is initially classified, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to serve until the third ensuing annual meeting of stockholders. Notwithstanding any of the foregoing provisions of this Section 2, directors shall serve until their successors are elected and qualified or until their earlier death, resignation or removal from office.

In the event of any change in the authorized number of directors, the number of directors in each class shall be adjusted so that thereafter each of the three classes shall be composed, as nearly as may be possible, of one-third of the authorized number of directors; provided, that any change in the authorized number of directors shall not increase or shorten the term of any director, and any decease shall become effective only as and when the term or terms of office of the class or classes of directors affected thereby shall expire, or a vacancy or vacancies in such class or classes shall occur.

Section 3.3 Resignations. Any director may resign at any time by giving written notice of his or her resignation to the Chairman of the Board or the Secretary. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Chairman of the Board or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.4 Vacancies, etc. Vacancies and newly-created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director and the directors so chosen shall hold office until the next election of directors, and until their successors shall be elected and qualified. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3.5 Removal of Directors. At any stockholders' meeting with respect to which notice of such purpose has been given, any director may be removed from office for cause by the vote of stockholders representing seventy-five percent (75%) of the issued and outstanding capital stock entitled to vote for the election of directors, and his or her successor may be elected at the same or any subsequent meeting of stockholders; provided, that to the extent any vacancy created by such removal is not filled by such an election within sixty (60) days after such removal, the remaining directors shall, by majority vote, fill such vacancy. Notwithstanding any other provisions of these Bylaws or the Certificate of Incorporation, the provisions of this Section 3.5 may not be repealed or amended in any respect (including, without limitation, the amendment of the second sentence of this Section 3.5), nor may any provision of the Certificate of Incorporation or these Bylaws be adopted inconsistent with this Section 3.5, unless such action is approved by the affirmative vote of the holders of not less than seventy-five percent (75%) of the outstanding shares of capital stock of the Corporation entitled to vote in the election of directors.

**ARTICLE IV
MEETINGS OF THE BOARD OF DIRECTORS**

Section 4.1 Place of Meetings. The Board of Directors may hold meetings, both regular and special, either within or without the States of Delaware and Louisiana.

Section 4.2 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after, and at the same place, as the annual meeting of stockholders at which time the Board shall elect its officers. The Board of Directors may provide, by resolution, the time and place, within or without the States of Delaware and Louisiana, for the holding of additional regular meetings without other notice than such resolution.

Section 4.3 Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, the President or a majority of directors then in office upon forty-eight (48) hours' written notice by mail before the date of the meeting or twenty-four (24) hours' notice delivered personally or by telephone, facsimile, email or other means of electronic transmission to each director, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. Meetings may be held at any time without notice if all the directors are present or if all those not present waive such notice in accordance with Section 8.2 of these Bylaws.

Section 4.4 Quorum. At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 4.5 Meeting Participation by Conference Telephone. Any director may participate in a meeting of the Board or of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

Section 4.6 Action by Written Consent. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or of any such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 4.7 Compensation. The Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings if approved by a resolution adopted by a majority of the members of the Board of Directors.

**ARTICLE V
COMMITTEES OF DIRECTORS**

The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any committee, to the extent allowed by law and provided in the bylaw or resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required.

**ARTICLE VI
OFFICERS**

Section 6.1 Number and Qualifications. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chairman of the Board, a President, a Secretary, and a Chief Financial Officer or a Treasurer or both. The Board of Directors may also choose a Vice Chairman, one or more Senior Vice Presidents, and one or more Assistant Secretaries and Assistant Treasurers, each of whom shall hold office for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same person unless the Certificate of Incorporation or these Bylaws otherwise provide.

Section 6.2 Election and Term of Office. The principal officers of the Corporation shall be chosen annually by the Board. Each principal officer shall hold office until his or her successor shall have been duly chosen and shall qualify or until his or her earlier death or his or her earlier resignation or removal in the manner hereinafter provided.

Section 6.3 Other Officers and Agents. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 6.4 Removal of Officers. Any officer of the Corporation may be removed, either with or without cause, at any time, by resolution adopted by a majority of the whole Board or by any committee of officers upon whom such power of removal may be conferred by the Board.

Section 6.5 Resignations. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the Board or the Chairman of the Board or the Secretary. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Board or the Chairman of the Board or Secretary, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.6 Chairman of the Board. The Chairman of the Board shall, if present, preside at all meetings of the stockholders and of the Board of Directors. He or she may sign bonds, mortgages, certificates for shares and all other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Chairman of the Board shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation, and his or her decision as to any matter affecting the Corporation shall be final and binding between the officers of the Corporation subject only to actions of the Board of Directors. He or she may also delegate such of his or her duties to the President or such other officers as the Chairman of the Board from time to time deems appropriate.

Section 6.7 President. The President shall be the Chief Executive Officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He or she shall attend all meetings of the stockholders and of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried into effect. The President shall have and exercise such further powers and duties as may be specifically delegated to or vested in the President from time to time by these Bylaws, the Chairman of the Board or the Board of Directors. In the absence of the Chairman of the Board or in the event of his or her inability or refusal to act, or if the Board has not designated a Chairman, the President shall perform the duties of the Chairman of the Board, and when so acting, shall have all of the powers and be subject to all of the restrictions upon the Chairman of the Board. The President shall, at all times, have concurrent power with the Chairman of the Board to sign bonds, mortgages, certificates for shares and other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors, or by these Bylaws to some other officer or agent of the Corporation.

Section 6.8 Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties and have such other powers as the Board of Directors, the Chairman of the Board, or the President may from time to time prescribe.

Section 6.9 Chief Financial Officer. The Chief Financial Officer shall have general supervision, direction and control of the financial affairs of the Corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. In the absence of a named Treasurer, the Chief Financial Officer shall also have the powers and duties of the Treasurer as hereinafter set forth and shall be authorized and empowered to sign as Treasurer in any case where such officer's signature is required.

Section 6.10 Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

Section 6.11 Assistant Treasurer. The Assistant Treasurer shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Chairman of the Board or the Board of Directors may from time to time prescribe or perform such duties of the Treasurer as the Treasurer of this Corporation may delegate from time to time.

Section 6.12 Secretary. The Secretary (or Assistant Secretary if appropriately delegated) shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book for that purpose and shall perform like duties for the standing committee when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer. He or she shall have custody of the corporate seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or such Assistant Secretary. The Chairman of the Board or the Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature.

Section 6.13 Assistant Secretary. The Assistant Secretary, shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Chairman of the Board or the Board of Directors, or the Secretary may from time to time prescribe.

Section 6.14 Salaries. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

ARTICLE VII STOCK

Section 7.1 Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are represented by certificates, such certificates shall be in the form, other than bearer form, approved by the Board of Directors. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by the Chairman of the Board, the President or any Vice President, and by the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Section 7.2 Transfers of Stock. Stock of the Corporation shall be transferable in the manner prescribed by law, by the Certificate of Incorporation and in these Bylaws. Transfers of stock shall be made on the books of the Corporation only by the holder of record thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated shares, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from whom and to whom transferred. To the extent designated by the President or any Vice President, the Secretary or the Treasurer of the Corporation, the Corporation may recognize the transfer of fractional uncertificated shares, but shall not otherwise be required to recognize the transfer of fractional shares.

Section 7.3 Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

Section 7.4 Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate or uncertificated shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate or uncertificated shares.

ARTICLE VIII NOTICES

Section 8.1 Notices. Whenever notice, written or otherwise, is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice shall also be deemed given effectively if given in person or by telephone, facsimile, email or other means of electronic transmission, subject, in the case of notice to a stockholder, to any requirements of applicable law.

Section 8.2 Waiver of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member or a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

ARTICLE IX GENERAL PROVISIONS

Section 9.1 Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting or by any Committee of the Board of Directors having such authority at any meeting thereof, and may be paid in cash, in property, in shares of the capital stock or in any combination thereof. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 9.2 Disbursements. All notes, checks, drafts and orders for the payment of money issued by the Corporation shall be signed in the name of the Corporation by such officers or such other persons as the Board of Directors may from time to time designate.

Section 9.3 Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 9.4 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

**ARTICLE X
DIRECTORS' LIABILITY AND INDEMNIFICATION**

Section 10.1 Directors' Liability. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such a director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which such director derived an improper personal benefit. No amendment to or repeal of this Article X shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If the Delaware General Corporation Law is amended hereafter to further eliminate or limit the personal liability of directors, the liability of a director of this Corporation shall be limited or eliminated to the fullest extent permitted by the Delaware General Corporation Law, as amended.

Section 10.2 Right to Indemnification. Each person who was or is made a party to or is threatened to be made a party to or is involuntarily involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation, or is or was serving (during his or her tenure as a director and/or an officer) at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, whether the basis of such Proceeding is an alleged action or inaction in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law (or other applicable law), as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, taxes, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection with such Proceeding. Such director or officer shall have the right to be paid by the Corporation for expenses incurred in defending any such Proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law (or other applicable law) requires, the payment of such expenses in advance of the final disposition of any such Proceeding shall be made only upon receipt by the Corporation of an undertaking by or on behalf of such director or officer to repay all amounts so advanced if it should be determined ultimately that he or she is not entitled to be indemnified under this Article X or otherwise.

Section 10.3 Non-Exclusivity of Rights. The rights conferred by this Article X shall not be exclusive of any other right which any director, officer, representative, employee or other agent may have or hereafter acquire under the Delaware General Corporation Law or any other statute, or any provision contained in the Certificate of Incorporation or Bylaws, or any agreement, or pursuant to a vote of stockholders or disinterested directors, or otherwise.

Section 10.4 Insurance and Trust Fund. In furtherance and not in limitation of the powers conferred by statute:

(a) the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of law; and

(b) the Corporation may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar arrangements), as well as enter into contracts providing indemnification to the fullest extent permitted by law and including as part thereof provisions with respect to any or all of the foregoing, to ensure the payment of such amount as may become necessary to effect indemnification as provided therein, or elsewhere.

Section 10.5 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, including the right to be paid by the Corporation the expenses incurred in defending any Proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article X or otherwise with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 10.6 Survival of Rights. The rights set forth in this Article X are contract rights and survive any change to this Article X. Any repeal or modification of this Article X shall not change the rights of an officer or director to indemnification with respect to any action or omission occurring prior to such repeal or modification.

Section 10.7 Amendment. This Article X is also contained in Articles VIII and XI of the Certificate of Incorporation, and accordingly, may be altered, amended or repealed only to the extent and at the time the comparable Certificate Article is altered, amended or repealed. Any repeal or modification of this Article X shall not change the rights of an officer or director to indemnification with respect to any action or omission occurring prior to such repeal or modification.

ARTICLE XI AMENDMENTS

Except as otherwise specifically stated within an Article to be altered, amended or repealed, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting.

* * * * *

AMENDED AND RESTATED
BYLAWS
OF
CROWN CRAFTS, INC.
Effective November 14, 2023
~~AS AMENDED AND RESTATED~~
ARTICLE I
OFFICES

Section 1.1 The Registered Office and Principal Executive Office. The registered office of ~~the Crown Crafts, Inc. (the "Corporation")~~ in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the registered agent of the Corporation in said State shall be The Corporation Trust Company. The principal executive office of the Corporation shall be located at 916 South Burnside Avenue, Gonzales, Louisiana, or at such other place within or without the State of ~~Louisiana~~Delaware as may be fixed by the Board of Directors of the Corporation (the "Board of Directors").

Section 1.2 Other Offices. The Corporation may also maintain an office or offices at such other place or places as the Board of Directors may from time to time select.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.1 Annual Meetings. The annual meeting of stockholders of the Corporation shall be held on such date and at such time as may be designated from time to time by the Board of Directors. At the annual meeting directors shall be elected and any other business may be transacted as may be properly brought before the meeting.

Section 2.2 Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board or the President and shall be called by the Secretary at the request in writing of (i) a majority of the Board of Directors or (ii) stockholders owning at least seventy-five percent (75%) of the issued and outstanding capital stock of the Corporation entitled to vote thereat. Any such request shall state the purpose or purposes of the proposed meeting. Notwithstanding any other provisions of these Bylaws or the Certificate of Incorporation, the provisions of this Section 2.2 may not be repealed or amended in any respect (including, without limitation, the amendment of the third sentence of this Section 2.2), nor may any provision of the Certificate of Incorporation or these Bylaws be adopted inconsistent with this Section 2.2, unless such action is approved by the affirmative vote of the holders of not less than seventy-five percent (75%) of the outstanding shares of capital stock of the Corporation entitled to vote in the election of directors.

Section 2.3 Place of Meeting. All meetings of stockholders shall be held at such places, if any, either within or without the State of Delaware, or by means of remote communication as may from time to time be designated in the respective notices or waivers or notice thereof.

Section 2.4 Notice of Annual Meetings. Except as otherwise provided herein or permitted by applicable law, the Secretary or Assistant Secretary shall give written notice of the annual meeting stating the place, if any, date and hour of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting.

Section 2.5 Notice of Special Meeting. Upon receipt of request for a special meeting of stockholders in writing from a person or persons entitled to call any such meeting, except as otherwise provided herein or permitted by applicable law, the ~~officer receiving such notice~~ Secretary forthwith shall cause written notice to be given to the stockholders entitled to vote at such meeting that a meeting will be held at the time requested by the person or persons requesting a meeting, which date shall be not less than thirty-five (35) nor more than sixty (60) days after the receipt by such officer of the request. Business conducted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 2.6 Voting Lists. The ~~officer who has charge of the stock ledger of the~~ Corporation shall prepare ~~and make, at least ten (10) days before every meeting of stockholders,~~ a complete list of the stockholders entitled to vote at ~~the meeting~~ any meeting of stockholders (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares of capital stock of the Corporation registered in the name of each stockholder no later than the tenth (10th) day before each meeting of the stockholders. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, ~~during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified at the place where the meeting is to be held. The list shall also be produced and maintained at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder, for a period of ten (10) days ending on the day before the meeting date: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list was provided with the notice of the meeting; or (ii) during ordinary business hours, at the principal place of business of the Corporation. Except as provided by applicable law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger and the list of stockholders or to vote in person or by proxy at any meeting of stockholders.~~

Section 2.7 Persons Entitled to Vote. Except as otherwise provided by law, and except when a record date has been fixed, only persons in whose names shares entitled to vote stand on the stock records of the Corporation at the close of business on the business day next preceding the day on which notice is given, shall be entitled to notice of a stockholders' meeting, or to vote at such meeting.

Section 2.8 Record Date. The Board of Directors may fix a time in the future as a record date for the determination of the stockholders entitled to notice of, and to vote at, any meeting of stockholders or entitled to receive any dividend or distribution, or to any change, conversion, or exchange of shares. The record date so fixed shall be not more than sixty (60) days nor less than ten (10) days prior to the date of the meeting or event for the purposes for which it is fixed. When a record date is so fixed, only stockholders of record on that date are entitled to notice of and to vote at the meeting or to receive the dividend, distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date.

Section 2.9 Quorum and Adjournments.

(a) The holders of a majority of the shares issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for all purposes, unless or except to the extent that the presence of a larger number may be required by law or the Certificate of Incorporation ~~of the Corporation~~. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the chairman of the meeting or the holders of a majority of shares of stock who are present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, except as indicated in the next paragraph. Except as otherwise provided by statute or in the Certificate of Incorporation ~~of this Corporation~~, the affirmative vote of a majority of the shares represented at a meeting at which a quorum is present, shall be the act of the stockholders.

(b) Any meeting ~~is adjourned to another place, date or time, written~~ of the stockholders may be adjourned from time to time, to reconvene at the same, or some other place or solely by means of remote communications, and notice need not be given of ~~the~~ any such adjourned meeting if the time and place, date and time thereof are if any, thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are: (i) announced at the meeting at which the adjournment is taken; ~~provided, however, that if the date of any~~ or (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication. At the adjourned meeting is, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days - after the date for which the meeting was originally noticed, or if or if after the adjournment a new record date is fixed for the adjourned meeting, written then notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original in accordance with the requirements of Sections 2.5 and 2.6 of this Article II shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

Section 2.10 Order of Business. The order of business at each meeting of the stockholders shall be determined by the Chairman of the Board as the chairman of the meeting.

Section 2.11 Proxies and Voting.

(a) At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting.

(b) Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Board of Directors.

~~(c)~~ Each stockholder shall have one vote for every share of stock entitled to vote which is registered in such stockholder's name on the record date for the meeting, except as otherwise provided herein or required by law or the Certificate of Incorporation.

~~(d)~~ All elections shall be determined by a plurality of the votes cast, and except as otherwise provided herein or required by law or the Certificate of Incorporation, all other matters shall be determined by a majority of the votes cast.

Section 2.12 Inspectors. In advance of any meeting of the stockholders, the chairman of such meeting shall appoint at least one inspector of elections to act at the meeting and make a written report thereof. Each inspector so appointed shall first subscribe an oath on affirmation faithfully to execute the duties of an inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

Section 2.13 Stockholder Proposals and Director Nominees. Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders, ~~only such business shall be conducted as shall have been brought before the meeting (i) may be made at a meeting of stockholders only; (i) pursuant to the Corporation's notice of meeting; (ii) by or at the direction of the Board of Directors; or (iii) by any stockholder of the Corporation who is a stockholder of record at the time of giving notice provided for in this Section 2.13, is entitled to vote at the meeting and~~ complies with the notice procedures ~~set forth in this Section 2.13(a). For business to be properly brought before any meeting of the stockholders by a stockholder, the stockholder must have given notice thereof in writing to the Secretary of the Corporation not less than ninety (90) days in advance of such meeting or, if later, the seventh day following the first public announcement of the date of such meeting. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting: (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting; (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business; (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder; and (iv) any material interest of the stockholder in such business. In addition, the stockholder making such proposal shall promptly provide any other information reasonably requested by the Corporation. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any meeting of the stockholders except in accordance with the procedures set forth in this Section 2.13. The Chairman of any such meeting shall direct that any business not properly brought before the meeting shall not be considered. Notwithstanding the provisions of this Section 2.13(a), if the Corporation is subject to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, business consisting of a proposal properly included in the Corporation's proxy statement with respect to a meeting pursuant to such Rule may be transacted at a meeting, and other provisions set forth in this Section 2.13.~~

(a) In addition to any other applicable requirements, for nominations of persons for election to the Board of Directors or other business to be properly brought before a meeting by a stockholder pursuant to this Section 2.13, timely notice of any nominations of persons for election to the Board of Directors or of any other business to be brought before a meeting of stockholders by a stockholder must be provided in writing to the Secretary. To be timely, a stockholder's notice given pursuant to this Section 2.13 must be received at the principal executive office of the Corporation (directed to the Secretary at the address, facsimile or electronic email address specified in the Corporation's most recent proxy statement) not later than the close of business on the 120th calendar day nor earlier than the close of business on the 150th calendar day prior to the first anniversary of the date that the Corporation's proxy statement was mailed or given to stockholders by or on behalf of the Corporation in connection with the previous year's annual meeting of stockholders of the Corporation; provided, however, that if no annual meeting of stockholders of the Corporation was held in the previous year, if the date of the forthcoming annual meeting of stockholders has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's proxy statement or if the forthcoming meeting is not an annual meeting of stockholders of the Corporation, then such stockholder's notice must be so received not later than the close of business on the 10th day following the earlier of: (i) the day on which notice of the date of the forthcoming meeting was mailed or given to stockholders by or on behalf of the Corporation; and (ii) the day on which public announcement of the date of the forthcoming meeting was made by or on behalf of the Corporation. For purposes of this Section 2.13, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In no event shall the public announcement of an adjournment or postponement of a meeting of stockholders of the Corporation commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(b) ~~(b) Nominations for the election of directors may be made (i) by the Board of Directors or (ii) by any stockholder entitled to vote in the election of directors who complies with the notice procedures set forth in this Section 2.13(b). A stockholder may nominate a person for election as a director at a meeting only if written notice of such stockholder's intent to make such nomination has been given to the Secretary of the Corporation not later than ninety (90) days in advance of such meeting or, if later, the seventh day following the first public announcement of the date of such meeting. Each such notice shall set forth: (i) To be in proper form, a stockholder's notice to the Secretary shall set forth: (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of capital stock of the Corporation which then are beneficially owned by such person, (D) any other information relating to such person that is required by law or regulation to be disclosed in solicitations of proxies for the election of directors of the Corporation, (E) such person's written consent to being named as a nominee for election as a director (including, but not limited to, in any proxy statement and on any proxy card) and to serve as a director if elected and (F) an undertaking to provide to the Corporation a completed and signed director questionnaire (which questionnaire shall be provided by the Secretary) and such other information as the Corporation may reasonably request; (ii) as to any other business that the stockholder proposes to bring before the meeting, (A) a brief description of the business desired to be brought before the meeting, (B) the reasons for conducting such business at the meeting and (C) any material interest in such business of such stockholder and any other person on whose behalf the proposal is made; and (iii) as to the stockholder giving notice (A) the name and address of ~~the such~~ stockholder ~~who intends to make the nomination and of the person or persons to be nominated;~~ (ii) a representation that the stockholder is a holder of record of ~~as they appear in the stock records of the Corporation, (B) the class and number of shares of capital~~ stock of the Corporation ~~entitled to vote at such meeting and intends to appear in person or by proxy at the meeting and nominate the person or persons specified in the notice;~~ (iii) which then are beneficially owned by such stockholder, (C) a description of all arrangements or understandings between ~~the such~~ stockholder and each nominee ~~for election as director~~ and any other person or persons (naming such person or persons) ~~pursuant relating to which the nomination or nominations are to be made by the stockholder;~~ (iv) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the United States Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (v) the consent of each nominee to serve as a director of the Corporation if so elected. In addition, the stockholder making such nomination shall promptly provide any other information reasonably requested by the Corporation, proposed to be made by such stockholder, as applicable, (D) whether and the extent to which any option, warrant, forward contract, swap, contract of sale or other derivative or similar instrument or agreement has been entered into by or on behalf of such stockholder, or any affiliates or associates of such stockholder, with respect to shares of capital stock of the Corporation, (E) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position and any borrowing or lending of shares of capital stock of the Corporation) has been made by or on behalf of such stockholder, or any affiliates or associates of such stockholder, with respect to capital stock of the Corporation, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such stockholder, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such stockholder, or any affiliates or associates of such stockholder, with respect to stock of the Corporation, (F) if such stockholder intends to engage in a solicitation with respect to this Section 2.13, a statement disclosing the name of each participant in such solicitation (as defined in Item 4 of Schedule 14A under the Exchange Act), and if involving a nomination, a representation that such stockholder intends to solicit holders of shares representing at least sixty-seven percent (67%) of the voting capital stock of the Corporation in support of director nominees other than persons nominated by or at the direction of the Board of Directors, (G) if such stockholder has delivered to the Corporation a notice relating to the nomination of one or more persons to the Board of Directors, no later than five business days prior to the date of the applicable meeting of stockholders or, if practicable, any adjournment, recess, rescheduling or postponement thereof (or if not practicable, on the first practicable date prior to the date to which such meeting has been adjourned, recessed, rescheduled or postponed), reasonable evidence that such stockholder has complied with the requirements of Rule 14a-19 of the Exchange Act ("Rule 14a-19"), and (H) any other information required by law or regulation to be provided by a stockholder intending to nominate a person for election as a director of the Corporation, as applicable. Without limiting the foregoing, the information required by this paragraph shall be updated by the stockholder not later than 10 days after the record date for the meeting to disclose such information as of the record date. At the request of the Board of Directors, any person nominated by or at the direction of the Board of Directors for election as a director of the Corporation shall furnish to the Secretary the information concerning such nominee which is required to be set forth in a stockholder's notice of a proposed nomination.~~

(c) No person shall be eligible for election as a director of the Corporation and no business shall be conducted at any meeting of the stockholders of the Corporation unless nominated in accordance or proposed, respectively, in compliance with the procedures set forth in this Section 2.13(b). The ~~Chairman~~ chairman of ~~any~~ meeting of stockholders ~~shall direct that any~~ of the Corporation shall, if the facts warrant, determine that business has not been properly brought before the meeting in accordance with the provisions of this Section 2.13, and if the chairman of the meeting should so determine, the chairman of the meeting shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. In addition, if the chairman of the meeting determines that a nomination of a director or directors was not made in accordance with ~~these~~ the procedures specified in this Section 2.13, then the chairman of the meeting shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

(d) Notwithstanding the foregoing provisions of this Section 2.13, a stockholder shall also comply with all applicable requirements of the federal securities laws, including, without limitation, Rule 14a-19 and the rules and regulations thereunder with respect to the matters set forth in this Section 2.13; provided, however, that references in these Bylaws to the federal securities laws or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.13. Nothing herein shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Section 2.14 Action by Written Consent. Unless otherwise provided in the Certificate of Incorporation, any action which is required to be or may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice to stockholders and without a vote if consents in writing, setting forth the action so taken, shall have been signed by all of the stockholders of the Corporation.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 General Powers. The property, business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors ~~of the Corporation.~~

Section 3.2 Number, Election and Term. The number of directors which shall constitute the whole ~~board~~ Board of Directors shall be not less than three (3) nor more than fifteen (15), the exact number thereof to be determined by resolution of the Board of Directors; provided, however, that the number of directors may be increased or decreased from time to time by the Board of Directors by amendment of this bylaw, but no decrease shall have the effect of shortening the term of an incumbent director. The directors shall be elected by plurality vote at the annual meeting of stockholders, except as hereinafter provided. Directors shall be natural persons who have attained the age of eighteen (18) years, but need not be residents of the State of Delaware or stockholders of the Corporation. The Board of Directors ~~of the Corporation~~ shall be divided into three (3) classes which shall be as nearly equal in number as is possible. At the first election of directors to such classified Board, each Class 1 director shall be elected to serve until the next ensuing annual meeting of stockholders, each Class 2 director shall be elected to serve until the second ensuing annual meeting of stockholders and each Class 3 director shall be elected to serve until the third ensuing annual meeting of stockholders, and in each case until his or her successor is elected and qualified or until his or her earlier death, resignation or removal from office. At each annual meeting of stockholders following the meeting at which the Board of Directors is initially classified, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to serve until the third ensuing annual meeting of stockholders. Notwithstanding any of the foregoing provisions of this Section 2, directors shall serve until their successors are elected and qualified or until their earlier death, resignation or removal from office.

In the event of any change in the authorized number of directors, the number of directors in each class shall be adjusted so that thereafter each of the three classes shall be composed, as nearly as may be possible, of one-third of the authorized number of directors; provided, that any change in the authorized number of directors shall not increase or shorten the term of any director, and any decrease shall become effective only as and when the term or terms of office of the class or classes of directors affected thereby shall expire, or a vacancy or vacancies in such class or classes shall occur.

Section 3.3 Resignations. Any director may resign at any time by giving written notice of his or her resignation to the Chairman of the Board or the Secretary. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by such Chairman of the Board or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.4 Vacancies, etc. Vacancies and newly-created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director and the directors so chosen shall hold office until the next election of directors, and until their successors shall be elected and qualified. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3.5 Removal of Directors. At any stockholders' meeting with respect to which notice of such purpose has been given, any director may be removed from office for cause by the vote of stockholders representing seventy-five percent (75%) of the issued and outstanding capital stock entitled to vote for the election of directors, and his or her successor may be elected at the same or any subsequent meeting of stockholders; provided, that to the extent any vacancy created by such removal is not filled by such an election within sixty (60) days after such removal, the remaining directors shall, by majority vote, fill such vacancy. Notwithstanding any other provisions of these Bylaws or the Certificate of Incorporation, the provisions of this Section 3.5 may not be repealed or amended in any respect (including, without limitation, the amendment of the second sentence of this Section 3.5), nor may any provision of the Certificate of Incorporation or these Bylaws be adopted inconsistent with this Section 3.5, unless such action is approved by the affirmative vote of the holders of not less than seventy-five percent (75%) of the outstanding shares of capital stock of the Corporation entitled to vote in the election of directors.

ARTICLE IV MEETINGS OF THE BOARD OF DIRECTORS

Section 4.1 Place of Meetings. The Board of Directors ~~of the Corporation~~ may hold meetings, both regular and special, either within or without the States of Delaware and Louisiana.

Section 4.2 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after, and at the same place, as the annual meeting of stockholders at which time the Board shall elect its officers. The Board of Directors may provide, by resolution, the time and place, within or without the States of Delaware and Louisiana, for the holding of additional regular meetings without other notice than such resolution.

Section 4.3 Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, the President or a majority of directors then in office upon forty-eight (48) hours' written notice by mail before the date of the meeting or twenty-four (24) hours' notice delivered personally or by telephone, facsimile, email or other means of electronic transmission to each director, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. Meetings may be held at any time without notice if all the directors are present or if all those not present waive such notice in accordance with Section 8.2 of these Bylaws.

Section 4.4 Quorum. At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 4.5 Meeting Participation by Conference Telephone. Any director may participate in a meeting of the Board or of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

Section 4.6 Action by Written Consent. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or of any such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 4.7 Compensation. The Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings if approved by a resolution adopted by a majority of the members of the Board of Directors.

ARTICLE V COMMITTEES OF DIRECTORS

The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any committee, to the extent allowed by law and provided in the bylaw or resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required.

**ARTICLE VI
OFFICERS**

Section 6.1 Number and Qualifications. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chairman of the Board, a President, a Secretary, and a Chief Financial Officer or a Treasurer or both. The Board of Directors may also choose a Vice Chairman, one or more Senior Vice Presidents, and one or more Assistant Secretaries and Assistant Treasurers, each of whom shall hold office for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same person unless the Certificate of Incorporation or these Bylaws otherwise provide.

Section 6.2 Election and Term of Office. The principal officers of the Corporation shall be chosen annually by the Board. Each principal officer shall hold office until his or her successor shall have been duly chosen and shall qualify or until his or her earlier death or his or her earlier resignation or removal in the manner hereinafter provided.

Section 6.3 Other Officers and Agents. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 6.4 Removal of Officers. Any officer of the Corporation may be removed, either with or without cause, at any time, by resolution adopted by a majority of the whole Board or by any committee of officers upon whom such power of removal may be conferred by the Board.

Section 6.5 Resignations. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the Board or the Chairman of the Board or the Secretary. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Board or the Chairman of the Board or Secretary, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.6 Chairman of the Board. The Chairman of the Board shall, if present, preside at all meetings of the stockholders and of the Board of Directors. He or she may sign bonds, mortgages, certificates for shares and all other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Chairman of the Board shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation, and his or her decision as to any matter affecting the Corporation shall be final and binding between the officers of the Corporation subject only to actions of the Board of Directors. He or she may also delegate such of his or her duties to the President or such other officers as the Chairman of the Board from time to time deems appropriate.

Section 6.7 President. The President shall be the Chief Executive Officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He or she shall attend all meetings of the stockholders and of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried into effect. The President shall have and exercise such further powers and duties as may be specifically delegated to or vested in the President from time to time by these Bylaws, the Chairman of the Board or the Board of Directors. In the absence of the Chairman of the Board or in the event of his or her inability or refusal to act, or if the Board has not designated a Chairman, the President shall perform the duties of the Chairman of the Board, and when so acting, shall have all of the powers and be subject to all of the restrictions upon the Chairman of the Board. The President shall, at all times, have concurrent power with the Chairman of the Board to sign bonds, mortgages, certificates for shares and other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors, or by these Bylaws to some other officer or agent of the Corporation.

Section 6.8 Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties and have such other powers as the Board of Directors, the Chairman of the Board, or the President may from time to time prescribe.

Section 6.9 Chief Financial Officer. The Chief Financial Officer shall have general supervision, direction and control of the financial affairs of the Corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. In the absence of a named Treasurer, the Chief Financial Officer shall also have the powers and duties of the Treasurer as hereinafter set forth and shall be authorized and empowered to sign as Treasurer in any case where such officer's signature is required.

Section 6.10 Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

Section 6.11 Assistant Treasurer. The Assistant Treasurer shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the Chairman of the Board or the Board of Directors may from time to time prescribe or perform such duties of the Treasurer as the Treasurer of this Corporation may delegate from time to time.

Section 6.12 Secretary. The Secretary (or Assistant Secretary if appropriately delegated) shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book for that purpose and shall perform like duties for the standing committee when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer. He or she shall have custody of the corporate seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or such Assistant Secretary. The Chairman of the Board or the Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature.

Section 6.13 Assistant Secretary. The Assistant Secretary, shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Chairman of the Board or the Board of Directors, or the Secretary may from time to time prescribe.

Section 6.14 Salaries. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

ARTICLE VII STOCK

Section 7.1 Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any class or series shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are represented by certificates, such certificates shall be in the form, other than bearer form, approved by the Board of Directors. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by the Chairman of the Board, the President or any Vice President, and by the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Section 7.2 Transfers of Stock. Stock of the Corporation shall be transferable in the manner prescribed by law, by the Certificate of Incorporation and in these Bylaws. Transfers of stock shall be made on the books of the Corporation only by the holder of record thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated shares, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from whom and to whom transferred. To the extent designated by the President or any Vice President, the Secretary or the Treasurer of the Corporation, the Corporation may recognize the transfer of fractional uncertificated shares, but shall not otherwise be required to recognize the transfer of fractional shares.

Section 7.3 Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

Section 7.4 Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate or uncertificated shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate or uncertificated shares.

**ARTICLE VIII
NOTICES**

Section 8.1 Notices. Whenever notice, written or otherwise, is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice shall also be deemed given effectively if given in person or by telephone, facsimile, email or other means of electronic transmission, subject, in the case of notice to a stockholder, to any requirements of applicable law.

Section 8.2 Waiver of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member or a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

**ARTICLE IX
GENERAL PROVISIONS**

Section 9.1 Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting or by any Committee of the Board of Directors having such authority at any meeting thereof, and may be paid in cash, in property, in shares of the capital stock or in any combination thereof. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 9.2 Disbursements. All notes, checks, drafts and orders for the payment of money issued by the Corporation shall be signed in the name of the Corporation by such officers or such other persons as the Board of Directors may from time to time designate.

Section 9.3 Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 9.4 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

**ARTICLE X
DIRECTORS' LIABILITY AND INDEMNIFICATION**

Section 10.1 Directors' Liability. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such a director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which such director derived an improper personal benefit. No amendment to or repeal of this Article X shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If the Delaware General Corporation Law is amended hereafter to further eliminate or limit the personal liability of directors, the liability of a director of this Corporation shall be limited or eliminated to the fullest extent permitted by the Delaware General Corporation Law, as amended.

Section 10.2 Right to Indemnification. Each person who was or is made a party to or is threatened to be made a party to or is involuntarily involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation, or is or was serving (during his or her tenure as a director and/or an officer) at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, whether the basis of such Proceeding is an alleged action or inaction in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law (or other applicable law), as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, taxes, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection with such Proceeding. Such director or officer shall have the right to be paid by the Corporation for expenses incurred in defending any such Proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law (or other applicable law) requires, the payment of such expenses in advance of the final disposition of any such Proceeding shall be made only upon receipt by the Corporation of an undertaking by or on behalf of such director or officer to repay all amounts so advanced if it should be determined ultimately that he or she is not entitled to be indemnified under this Article X or otherwise.

Section 10.3 Non-Exclusivity of Rights. The rights conferred by this Article X shall not be exclusive of any other right which any director, officer, representative, employee or other agent may have or hereafter acquire under the Delaware General Corporation Law or any other statute, or any provision contained in the **Corporation's** Certificate of Incorporation or Bylaws, or any agreement, or pursuant to a vote of stockholders or disinterested directors, or otherwise.

Section 10.4 Insurance and Trust Fund. In furtherance and not in limitation of the powers conferred by statute:

(a) the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of law; and

(b) the Corporation may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar arrangements), as well as enter into contracts providing indemnification to the fullest extent permitted by law and including as part thereof provisions with respect to any or all of the foregoing, to ensure the payment of such amount as may become necessary to effect indemnification as provided therein, or elsewhere.

Section 10.5 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, including the right to be paid by the Corporation the expenses incurred in defending any Proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article X or otherwise with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 10.6 Survival of Rights. The rights set forth in this Article X are contract rights and survive any change to this Article X. Any repeal or modification of this Article X shall not change the rights of an officer or director to indemnification with respect to any action or omission occurring prior to such repeal or modification.

Section 10.7 Amendment. This Article X is also contained in Articles VIII and XI of the ~~Corporation's~~ Certificate of Incorporation, and accordingly, may be altered, amended or repealed only to the extent and at the time the comparable Certificate Article is altered, amended or repealed. Any repeal or modification of this Article X shall not change the rights of an officer or director to indemnification with respect to any action or omission occurring prior to such repeal or modification.

ARTICLE XI AMENDMENTS

Except as otherwise specifically stated within an Article to be altered, amended or repealed, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting.

* * * * *

CERTIFICATION

I, Olivia W. Elliott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Crafts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2023

/s/ Olivia W. Elliott
Olivia W. Elliott,
President and Chief Executive Officer,
Crown Crafts, Inc.

CERTIFICATION

I, Craig J. Demarest, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Crafts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2023

/s/ Craig J. Demarest

Craig J. Demarest,
Vice President and Chief Financial Officer,
Crown Crafts, Inc.

SECTION 1350 CERTIFICATION

I, Olivia W. Elliott, the President and Chief Executive Officer of Crown Crafts, Inc. (the "Company"), do hereby certify, in accordance with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended October 1, 2023 (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 15, 2023

/s/ Olivia W. Elliott
Olivia W. Elliott,
President and Chief Executive Officer,
Crown Crafts, Inc.

SECTION 1350 CERTIFICATION

I, Craig J. Demarest, a Vice President and the Chief Financial Officer of Crown Crafts, Inc. (the "Company"), do hereby certify, in accordance with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended October 1, 2023 (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 15, 2023

/s/ Craig J. Demarest

Craig J. Demarest,
Vice President and Chief Financial Officer,
Crown Crafts, Inc.