

TELESERVICES INTERNATIONAL GROUP INC.
100 SECOND AVENUE SOUTH, SUITE 1000
ST. PETERSBURG, FL 33701

J38644

April 16, 1997

Department of State
Division of Corporations
P.O. Box 6327
Tallahassee, Fl 32314

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*****43.75 *****43.75

Re: TeleServices International Group Inc./Document number is J38644

Dear Sir or Madam:

Enclosed for filing with your office is an originally executed and copy of our Articles of Amendment of Articles of Incorporation for the above referenced corporation. Enclosed is a check in the amount of \$43.75 in payment of the following fees:

1. Filing Fee	\$ 35.00
2. Certificate of Status	\$ 8.75
Total	\$ 43.75

Please forward stamped copy of the Articles of Amendment to my attention at the company office in the enclosed return envelope.

If you should have any questions, please call me at 813-895-4410. Thank you for your attention to this request.

Sincerely yours,

Michael J. Gordon

Michael J. Gordon
Corporate Administrator

AM
8/16/97

FILED
97 APR 18 PM 12:09
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF

TELESERVICES INTERNATIONAL GROUP INC.

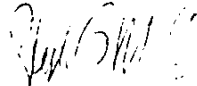
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant the provisions of Section 607.0602, Florida Statutes, this corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: Pursuant to Article IV of the Corporation's Articles of Incorporation, the Corporation does hereby designate 2,500,000 of the 10,000,000 authorized shares of \$.001 par value Preferred Stock as Series A Convertible Preferred Stock, in accordance with the attached "Designation of Rights and Preferences of Series A Convertible Preferred Stock of TeleServices International Group Inc."

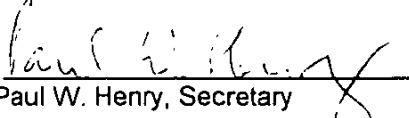
SECOND: This amendment was adopted on March 31, 1997, by resolution of the board of directors.

Signed this 31st day of March, 1997.

By: 

Steve McLean, Chief Executive Officer

ATTEST:


Paul W. Henry, Secretary

UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS
OF
TELESERVICES INTERNATIONAL GROUP INC.

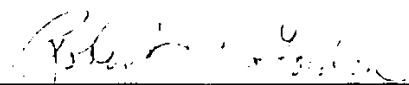
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March 31, 1997

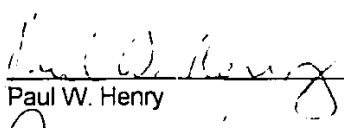
The undersigned, constituting all of the members of the Board of Directors of TeleServices International Group, Inc., a Florida corporation (the "Corporation"), in accordance with Section 607.0821 of the Florida Business Corporation Act, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent, which consent may be signed in one or more counterparts, each bearing a manual or facsimile signature by one or more directors, which together shall be deemed to constitute one instrument, as follows:

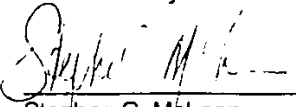
WHEREAS, the Corporation deems it advisable to designate 2,500,000 of the 10,000,000 authorized shares of Preferred Stock, \$.001 par value per share, as a separate series and entitle the series as "Series A Convertible Preferred Stock"; it is

RESOLVED that the Series A Convertible Preferred Stock contain all of the rights preferences, designations, and provisions for conversion and redemption as set forth in the "Designation of Rights and Preferences of Series A Convertible Preferred Stock of TeleServices International Group Inc." which is attached as an exhibit hereto; and it is further

RESOLVED, that the Corporation file Articles of Amendment to its Articles of Incorporation with the Secretary of State of Florida to include the Designation of Rights and Preferences of the Series A Convertible Preferred Stock.


Robert P. Gordon


Paul W. Henry


Stephen G. McLean

**DESIGNATION OF RIGHTS AND PREFERENCES OF
SERIES A CONVERTIBLE PREFERRED STOCK OF
TELESERVICES INTERNATIONAL GROUP INC.
MARCH 31, 1997**

TeleServices International Group Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), DOES HEREBY CERTIFY that pursuant to the authority contained in its Articles of Incorporation, as amended, and in accordance with the Florida Business Corporation Act, the Corporation's Board of Directors has duly adopted the following resolution creating a series of the class of its authorized Preferred Stock, designated as Series A Convertible Preferred Stock.

RESOLVED THAT:

Whereas, by virtue of the authority contained in its Articles of Incorporation, as amended, the Corporation has the authority to issue Ten Million (10,000,000) shares of \$.001 par value Preferred Stock, the designation and amount thereof and series, together with the preferences, rights, and restrictions thereof, to be determined by the Corporation's Board of Directors pursuant to the applicable laws of the State of Florida.

Now, therefore, the Corporation's Board of Directors hereby establishes a series of the class of Preferred Stock authorized to be issued by the Corporation as above stated, with the designations and amounts thereof, together with the preferences, conversion and other rights, and relative participating, optional and other special rights of each such series, and the qualifications, limitations or restrictions thereof, to be as follows:

1. *Designations and Amounts.* Two Million Five Hundred Thousand (2,500,000) shares of the Corporation's authorized Preferred Stock are designated as Series A Convertible Preferred Stock.

2. *Definitions.*

For the purposes of this Resolution the following definitions shall apply:

- (a) "Board" shall mean the Board of Directors of the Corporation.
- (b) "Corporation" shall mean TeleServices International Group Inc., a Florida corporation.
- (c) "Common Stock" shall refer to the Corporation's common stock, par value \$.0001 per share.
- (f) "Subsidiary" shall mean any corporation, over 50% of whose outstanding voting stock shall at the time be owned directly or indirectly by the Corporation or by one or more Subsidiaries.

3. *Dividends.* The holder of each issued and outstanding share of Series A Convertible Preferred Stock shall be entitled to receive distributions at the rate of ten percent (10%) simple interest per annum based on a \$3.50 per share stated value, payable in shares of restricted

Common Stock. Such dividend shall become due annually, in arrears, commencing December 31, 1997. Any dividends that the Corporation fails to declare and pay on the date due shall accumulate and accrue until later paid or upon conversion of the Series A Convertible Preferred Stock pursuant to the terms hereof. The number of shares of Common Stock to be issued shall be determined by dividing the dollar amount of the dividend as of the date declared or accrued by the market price per share of Common Stock for the "Trading Period" (as defined in paragraph 5(C)(iv)) prior to the date the dividend was declared or accrued. The Board, in its sole discretion, may elect to pay any dividend in cash rather than in shares of restricted Common Stock out of the Corporation's profits legally available for such purpose and approved by the Board for such purpose; and all dividends on the Series A Convertible Preferred Stock shall be paid before any other distributions shall be declared, paid or set aside upon the Common Stock or any other class of stock of the Corporation.

4. *Liquidation or Dissolution.* In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Corporation, the holders of the issued and outstanding Series A Convertible Preferred Stock shall be entitled to receive for each share of Series A Convertible Preferred Stock, before any distribution of the assets of the Corporation shall be made to the holders of any other capital stock, a dollar amount equal to the stated value of \$3.50 per share plus all accrued and unpaid distributions declared thereon, without interest. After such payment shall have been made in full to the holders of the issued and outstanding Series A Convertible Preferred Stock, or funds necessary for such payment shall have been set aside in trust for the account of the holders of the issued and outstanding Series A Convertible Preferred Stock so as to be and continue to be available therefor, then, before any further distribution of the assets of the Corporation shall be made, a dollar amount equal to that already distributed to the holders of the Series A Convertible Preferred Stock shall be distributed pro-rata to the holders of the other issued and outstanding capital stock of the Corporation, subject to the rights of any other class of capital stock set forth in the Articles of Incorporation of the Corporation or Amendments to the Articles of Incorporation filed by the Corporation. After such payment shall have been made in full to the holders of such other issued and outstanding capital stock, or funds necessary for such payment shall have been set aside in trust for the account of the holders of such other issued and outstanding capital stock so as to be and continue to be available therefor, the holders of the issued and outstanding Series A Convertible Preferred Stock shall be entitled to participate with the holders of all other classes of issued and outstanding capital stock in the final distribution of the remaining assets of the Corporation, and, subject to any rights of any other class of capital stock set forth in the Articles of Incorporation of the Corporation or any Amendments to the Articles of Incorporation filed by the Corporation, the remaining assets of the Corporation shall be divided and distributed ratably among the holders of both the Series A Convertible Preferred Stock and the other capital stock then issued and outstanding according to the proportion by which their respective record ownership of shares of the Series A Convertible Preferred Stock and such capital stock bears to the total number of shares of the Series A Convertible Preferred Stock and such capital stock then issued and outstanding. If, upon such liquidation, dissolution, or winding up, the assets of the Corporation distributable, as aforesaid, among the holders of the Series A Convertible Preferred Stock shall be insufficient to permit the payment to them of said amount, the entire assets shall be distributed ratably among the holders of the Series A Convertible Preferred Stock. A consolidation or merger of the Corporation, a share exchange, a sale, lease, exchange or transfer of all or substantially all of its assets as an entirety, or any purchase or redemption of stock of the Corporation of any class, shall not be regarded as a "liquidation, dissolution, or winding up of the affairs of the Corporation" within the meaning of this paragraph 4.

5. *Conversion Privilege.* Series A Convertible Preferred Stock shall be convertible into

restricted Common Stock as hereinafter provided and, when so converted, shall be canceled and retired and shall not be reissued as such:

(A) Any holder of the Series A Convertible Preferred Stock may at any time, in whole but not in part, convert such stock into the Common Stock of the Corporation, on presentation and surrender to the Corporation of the certificates of the Series A Convertible Preferred Stock to be so converted. In order to convert Series A Convertible Preferred Stock into Common Stock, the holder thereof shall on any business day surrender at the Corporation's principal office in St. Petersburg, Florida, the certificate or certificates representing all such shares, duly endorsed to the Corporation or in blank. Series A Convertible Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the day of such surrender for conversion, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable after the date of any conversion, the Corporation shall issue and deliver a certificate or certificates representing the number of shares of Common Stock issuable upon such conversion, together with cash in lieu of any fraction of a share, as provided in subparagraph (G) of paragraph 5, to the person or persons entitled to receive same.

(B) Each holder of Series A Convertible Preferred Stock shall have the right to convert such Series A Convertible Preferred Stock into Common Stock at the conversion rate, determined as hereinafter provided, in effect at the time of conversion. Unless such conversion rate shall be adjusted as hereinafter provided, the conversion rate shall be as follows:

(i) If the holder requests conversion within one year after the date the Series A Convertible Preferred Stock is issued to the holder, the conversion rate shall be one (1) share of Common Stock for each share of Series A Convertible Preferred Stock so converted.

(ii) If the holder requests conversion after one year but less than two years after the date the Series A Convertible Preferred Stock is issued to the holder, the conversion rate shall be one and one-tenth (1.1) shares of Common Stock for each share of Series A Convertible Preferred Stock so converted.

(iii) If the holder requests conversion after two years but less than three years after the date the Series A Convertible Preferred Stock is issued to the holder, the conversion rate shall be one and two-tenths (1.2) shares of Common Stock for each share of Series A Convertible Preferred Stock so converted.

(iv) If the holder requests conversion after three years but less than four years after the date the Series A Convertible Preferred Stock is issued to the holder, the conversion rate shall be one and three-tenths (1.3) shares of Common Stock for each share of Series A Convertible Preferred Stock so converted.

(v) If the holder requests conversion after four years but less than five years after the date the Series A Convertible Preferred Stock is issued to the holder, the conversion rate shall be one and four-tenths (1.4) shares of Common Stock for each share of Series A Convertible Preferred Stock so converted.

(vi) If the holder requests conversion after five years after the date the Series A Convertible Preferred Stock is issued to the holder, the conversion rate shall be one and five-tenths

(1.5) shares of Common Stock for each share of Series A Convertible Preferred Stock so converted.

(C) The conversion rate as hereinabove provided shall be subject to adjustment as follows:

(i) In case the Corporation shall (a) make a distribution in shares of its capital stock, (b) subdivide its outstanding shares of Common Stock into a greater number of shares, or (c) combine its outstanding shares of Common Stock into a smaller number of shares, the conversion rate in effect immediately prior thereto shall be adjusted so that the holder of a share of Series A Convertible Preferred Stock surrendered for conversion after the record date fixing stockholders to be affected by such event shall be entitled to receive, upon conversion, the number of shares of Common Stock which such holder would have owned or have been entitled to receive after the happening of such event had such share of Series A Convertible Preferred Stock been converted immediately prior to the record date in the case of such dividend or the effective date in the case of any such subdivision, combination or reclassification. An adjustment made pursuant to this subparagraph 5(C)(i) shall be made whenever any of such events shall happen, but shall become effective retroactively after such record date or such effective date, as the case may be, as to shares of Series A Convertible Preferred Stock converted between such record date or effective date and the date of happening of any such event.

(ii) In case the Corporation shall issue rights or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share, which, when added to the amount of consideration received or receivable by the Corporation for such right or warrant, is less than the current market price (as hereinafter defined) per share of Common Stock at the record date mentioned below, the conversion rate shall be adjusted so that thereafter, until further adjusted, each share of Series A Convertible Preferred Stock shall be convertible into that number of shares of Common Stock determined by multiplying the number of shares of Common Stock into which such share of Series A Convertible Preferred Stock was theretofore convertible by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock issuable upon the exercise of such rights or warrants, and the denominator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares which an amount equal to the sum of (a) the aggregate exercise price of the total number of shares of Common Stock issuable upon the exercise of such rights or warrants, plus (b) the aggregate amount of consideration, if any, received, or receivable by the Corporation for any such rights or warrants, would purchase at such current market price. Such adjustment shall be made whenever such rights or warrants are issued, but shall also be effective retroactively as to shares of Series A Convertible Preferred Stock converted between the record date for the determination of stockholders entitled to receive such rights or warrants and the date such rights or warrants are exercised.

(iii) In case the Corporation shall distribute to all holders of its Common Stock any one or more of the following: (a) evidence of its indebtedness, (b) assets (excluding cash distributions, distributions made out of current or retained earnings and distributions of the stock of any subsidiary), or (c) rights or warrants to subscribe for or purchase securities issued by, or property of, the Corporation (excluding those referred to in subparagraph 5(C)(ii) above), then in each such case the conversion rate shall be adjusted as provided below so that thereafter, until further adjusted, the number of shares of Common Stock into which each share of Series A Convertible Preferred Stock shall be convertible shall be determined by multiplying the number of

shares of Common Stock into which such share of Series A Convertible Preferred Stock was theretofore convertible by a fraction, the numerator of which shall be the current market price per share of Common Stock on the date of such distribution, and the denominator of which shall be such current market price per share of the Common Stock, less the then fair market value (as determined by the Board of the Corporation, whose determination shall be conclusive) of the portion of the assets or evidence of indebtedness so distributed or of such rights or warrants applicable to one share of the Common Stock. Such adjustment shall be made whenever any such distribution is made, but shall also be effective retroactively as to shares of Series A Convertible Preferred Stock converted between the record date for the determination of stockholders entitled to receive such distribution and the date such distribution is made.

(iv) For the purpose of any computation under subparagraphs 5(C)(ii) and (iii) above, the current market price per share of Common Stock at any date shall be (a) if the Common Stock is listed on any national securities exchange, the average of the daily closing prices for the 15 consecutive business days commencing 20 business days before the day in question (the "Trading Period"); (b) if the Common Stock is not listed on any national securities exchange but is quoted on the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") or the Electronic Bulletin Board, the average of the high and low bids as reported thereon for the Trading Period; and (c) if the Common Stock is neither listed on any national securities exchange nor quoted on NASDAQ or the Electronic Bulletin Board, the price shall be determined in any reasonable manner approved by the Board of Directors of the Company.

(v) No adjustment in the conversion rate shall be required unless such adjustment would require an increase or decrease of at least 5% in such rate; provided, however, that any adjustments which by reason of this subparagraph 5(C)(v) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(D) No adjustment of the conversion rate shall be made in any of the following cases:

(i) upon the grant or exercise of stock options or warrants outstanding on the date hereof or hereafter granted, or under any employee stock option plan now or hereafter authorized.

(ii) shares of Common Stock issued upon the conversion of Series A Convertible Preferred Stock;

(iii) shares issued in connection with the acquisition by the Corporation or by any subsidiary of the Corporation of 80% or more of the assets of another corporation, and shares issued in connection with the acquisition by the Corporation or by any subsidiary of the Corporation of 80% or more of the voting shares of another corporation (including shares issued in connection with such acquisition of voting shares of such other corporation subsequent to the acquisition of an aggregate of 80% of such voting shares), shares issued in a merger of the Corporation or a subsidiary of the Corporation with another corporation in which the Corporation or the Corporation's subsidiary is the surviving corporation, and shares issued upon the conversion of other securities issued in connection with any such acquisition or in any such merger;

(iv) shares issued by way of dividend or other distribution on Common Stock excluded from the calculation of the adjustment under this subparagraph 5(D) or on Common Stock resulting from any subdivision or combination of Common Stock so excluded; or

(E) Whenever the conversion rate is adjusted as herein provided, the Corporation shall prepare a certificate signed by the Treasurer of the Corporation setting forth the adjusted conversion rate and showing in reasonable detail the facts upon which such adjustment is based. As promptly as practicable, the Corporation shall cause a copy of the certificate referred to in this subparagraph 5(E) to be mailed to each holder of record of issued and outstanding Series A Convertible Preferred Stock at the address of such holder appearing on the Corporation's books.

(F) The Corporation shall pay all taxes that may be payable in respect of the issue or delivery of Common Stock on conversion of Series A Convertible Preferred Stock pursuant hereto, but shall not pay any tax which may be payable with respect to income or gains of the holder of any Series A Convertible Preferred Stock or Common Stock or any tax which may be payable in respect of any transfer involved in the issue and delivery of the Common Stock in a name other than that in which the Series A Convertible Preferred Stock so converted was registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established, to the satisfaction of the Corporation, that such tax has been paid.

(G) No fractional shares or scrip representing fractional shares shall be issued upon the conversion of any shares of Series A Convertible Preferred Stock. If the conversion shares of Series A Convertible Preferred Stock results in a fraction, the fraction shall be rounded up to the nearest whole share.

(H) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized Common Stock, for the purpose of effecting the conversion of the issued and outstanding Series A Convertible Preferred Stock, the full number of shares of Common Stock then deliverable in the event and upon the conversion of all of the Series A Convertible Preferred Stock then issued and outstanding.

(I) All shares of Common Stock issued or issuable upon conversion of the Series A Convertible Preferred Stock shall be restricted and bear a restrictive legend. Holders of the Series A Convertible Preferred Stock shall have no right to demand that the Series A Convertible Preferred Stock or the shares of Common Stock issuable upon conversion of the Series A Convertible Preferred Stock be registered under federal or state securities laws.

6. *Voting Rights.* The shares of the Series A Convertible Preferred Stock shall be non-voting, except as to matters which they are entitled to vote, as a class, under the laws of the State of Florida, or as provided below.

7. *Redemption by the Corporation.* The Corporation, at the option of the Board, may redeem, in whole or in part, the Series A Convertible Preferred Stock at any time outstanding after: 1) five (5) years after the date the Series A Convertible Preferred Stock was issued; or 2) the date on which the average of the daily closing price for any Trading Period (as defined in paragraph 5(C)(iv) above) is greater than \$6.50 per share. If the Corporation elects to exercise this redemption right, the Corporation shall give at least 30 days' prior written notice to the holders of record of the Series A Convertible Preferred Stock to be redeemed and by issuing to each holder of Series A Convertible Preferred Stock the number of shares of restricted Common Stock to which he or she would be entitled to receive upon conversion pursuant to paragraph 5, plus all accrued and unpaid distributions declared or accrued, at the date fixed for redemption, without interest, in additional shares of restricted Common Stock, or in cash, as determined by the Corporation

pursuant to paragraph 3, for the shares of Series A Convertible Preferred Stock so redeemed. The Board shall have full power and authority, subject to the limitations and provisions herein contained, to prescribe the manner in which and the terms and conditions upon which the Series A Convertible Preferred Stock shall be redeemed. In addition, on such date the holders of Series A Convertible Preferred Stock shall no longer be entitled to any distributions and shall not have any rights or interests as holders of said shares, except to receive the payment herein designated, without interest thereon, upon presentation and surrender of their certificates therefor.

8. *Anti-Dilution.* In the event of any change in the outstanding capital stock of the Corporation by reason of any reorganization, recapitalization, stock split, stock dividend, combination or exchange of shares, merger, consolidation, the shares of Series A Convertible Preferred Stock shall be appropriately adjusted if the stated value is affected. Any shares of Series A Convertible Preferred Stock or other securities received by the holders of the Series A Convertible Preferred Stock as a result of any such adjustment shall be subject to all of the terms and conditions of the Designation of Rights and Preferences of Series A Convertible Preferred Stock.

9. *No Preemptive Rights.* No holder of the Series A Convertible Preferred Stock shall be entitled, as of right, to purchase or subscribe for any part of the unissued capital stock of the Corporation or of any capital stock of the Corporation to be issued by reason of any increase of the authorized capital stock of the Corporation, or to purchase or subscribe for any bonds, certificates of indebtedness, debentures or other securities convertible into or carrying options or warrants to purchase stock or other securities of the Corporation or to purchase or subscribe for any stock of the Corporation purchased by the Corporation or by its nominee or nominees, or to have any other preemptive rights now or hereafter defined by the laws of the State of Florida.

10. *Changes In Terms of Series A Convertible Preferred Stock.* The terms of the Series A Convertible Preferred Stock may not be amended, altered or repealed, and no class of capital stock or securities convertible into capital stock shall be authorized which has superior rights to the Series A Convertible Preferred Stock as to distributions or liquidation, without the consent of the holders of at least 51% of the outstanding shares of Series A Convertible Preferred Stock, voting as a separate series.

11. *No Implied Limitations.* Except as otherwise provided by express provisions of this Designation of Rights and Preferences of Series A Convertible Preferred Stock, nothing herein shall limit, by inference or otherwise, the discretionary right of the Board to classify and reclassify and issue any shares of Preferred Stock and to fix or alter all terms thereof to the full extent provided in the Articles of Incorporation of the Corporation.

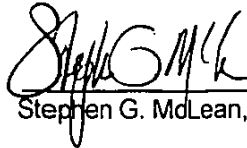
12. *General Provisions.* In addition to the above provisions with respect to the Series A Convertible Preferred Stock, such Series A Convertible Preferred Stock shall be subject to, and entitled to the benefits of, the provisions set forth in the Corporation's Articles of Incorporation with respect to Series A Convertible Preferred Stock generally.

13. *Notices.* All notices required or permitted to be given by the Corporation with respect to the Series A Convertible Preferred Stock shall be in writing, and if delivered by first class United States mail, postage prepaid, to the holders of the Series A Convertible Preferred Stock at their last addresses as they shall appear upon the books of the Corporation, shall be conclusively presumed to have been duly given, whether or not the stockholder actually receives such notice; provided,

however, that failure to duly give such notice by mail, or any defect in such notice, to the holders of any stock designated for redemption, shall not affect the validity of the proceedings for the redemption of any other shares of Series A Convertible Preferred Stock.

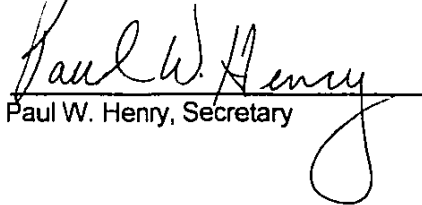
IN WITNESS WHEREOF, TeleServices International Group Inc. has caused this Designation of Rights and Preferences of Series A Convertible Preferred Stock to be duly executed by its Chief Executive Officer and attested by its Secretary this 31st day of March, 1997.

TELESERVICES INTERNATIONAL GROUP INC.



Stephen G. McLean, Chief Executive Officer

Attest



Paul W. Henry, Secretary