

J 51673

Florida Department of State

Division of Corporations

Public Access System

Sandra B. Morham, Secretary of State

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

(((H98000023130 1)))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations

Fax Number : (850) 922-4000

From:

Account Name : ATLAS, PEARLMAN, TROP & BORKSON, P.A.

Account Number : 076247002423

Phone : (954) 763-1200

Fax Number : (954) 766-7800

EFFECTIVE DATE

12-21-98

FILED
98 DEC 14 PM 12:24
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

BASIC AMENDMENT

PROGRESSIVE GENERAL CORPORATION

Certificate of Status	0
Certified Copy	1
Page Count	05
Estimated Charge	\$43.75

Electronic Filing Menu

Corporate Filing

Public Access Help

Name Change

Amendment

11:43 AM

Friday, December 11, 1998

PAGE 1 / 7

DEC-14-98 10:35 FROM: AtlasPearlmanTrop&Borkson ID: 9547667800

12-14-98 DC

Division of Corporations

Florida Department of State

Division of Corporations

Public Access System

Sandra B. Morham, Secretary of State

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax and it number (shown below) on the top and bottom of all pages of the document.

(((H98000023130 1)))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850) 922-4000

From:

Account Name : ATLAS, PEARLMAN, TROP & BORKSON, P.A.
Account Number : 076247002423
Phone : (954) 763-1200
Fax Number : (954) 766-7800

BASIC AMENDMENT

PROGRESSIVE GENERAL CORPORATION

Certificate of Status	0
Certified Copy	1
Page Count	05
Estimated Charge	\$43.75

Electronic Filing Menu

Corporate Filing

Public Access Help

Friday, December 11, 1998

11:43 AM



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

December 11, 1998

PROGRESSIVE GENERAL CORPORATION
200 E ROBINSON ST
SUITE 450
ORLANDO, FL 32801

SUBJECT: PROGRESSIVE GENERAL CORPORATION
REF: J51673

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

We received 3 pages of your document. Please re-fax document.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6906.

Darlene Connell
Corporate Specialist

FAX And. #: H98000023130
Letter Number: 398A00058619

EFFECTIVE DATE
12-21-98

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
PROGRESSIVE GENERAL CORPORATION

FILED
98 DEC 14 PM 12:24
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1006 of the Business Corporation Act of the State of Florida, the undersigned, being the President of Progressive General Corporation, a corporation organized and existing under and by virtue of the Business Corporation Act of the State of Florida ("Corporation"), bearing document number J51673, does hereby certify:

FIRST: That pursuant to written consent of all of the Board of Directors and majority consent of the Shareholders of the Corporation, dated December 11, 1998, the Board of Directors and Shareholders approved the Amendment to the Corporation's Articles of Incorporation as follows:

Articles I and IV of the Corporation's Articles of Incorporation shall be deleted in their entirety and replaced with the following:

*ARTICLE I
CORPORATE NAME

The name of the Corporation shall be Crys*Tel Telecommunications.com, Inc.

ARTICLE IV
SHARES

The maximum number of shares that this Corporation shall be authorized to issue and have outstanding at any one time shall be 50,000,000 shares of common stock, par value \$.001 per share and 10,000,000 shares of Preferred Stock, par value \$.001 per share. Series of the Preferred Stock may be created and issued from time to time, with such designations, preferences, conversion rights, cumulative, relative, participating, optional or other rights, including voting rights, qualifications, limitations or restrictions thereof as shall be stated and expressed in the resolution or resolutions providing for the creation and issuance of such series of Preferred Stock as adopted by the Board of Directors pursuant to the authority in this paragraph given.

Matthew W. Miller, Esq., Florida Bar No. 0121398
Atlas, Pearlman, Trop & Borkson, P.A.
200 East Las Olas Blvd., Suite 1900
Fort Lauderdale, Florida 33301
(954) 763-1200

98/6096.100/130603.1

H98000023130 1

Upon ten (10) days from the date of filing of these Articles of Amendment with the Secretary of State of the State of Florida, every one issued and outstanding share of the Corporation's previously outstanding Common Stock, par value \$.001 per share (the "Old Common Stock") shall thereby and thereupon be reclassified and converted into six validly issued, fully paid and non-assessable shares of Common Stock (the "New Common Stock"). Each certificate that theretofore represented shares of the Old Common Stock shall thereafter represent the number of shares of New Common Stock into which the shares of Old Common Stock represented by such certificate were reclassified and converted hereby; provided, however, that each person holding of record a stock certificate or certificates that represented shares of the Old Common Stock shall receive, upon surrender of stock certificate or certificates, a new certificate or certificates evidencing and representing the number of shares of the New Common Stock to which such person is entitled, except that no fractional shares resulting from the combination shall be issued, any such fractional shares to be converted to the right of the holder thereof to receive one share of New Common Stock."

Series A Convertible Preferred Stock

The Board of Directors of the Corporation desires, pursuant to its authority as aforesaid, to determine and fix the rights, preferences, privileges and restrictions relating to a class of said Preferred Stock to be designated as follows:

1. Designation and Amount. The shares of such series shall be designated as the Series A Convertible Preferred Stock (the "Series A Convertible Preferred Stock") and shall have a stated value of \$.001 (the "Stated Value") per share, and the number of shares constituting such series shall be 7,500,000.

2. Dividends. The holders of the Series A Convertible Preferred Stock of the Corporation are not entitled to receive dividends.

3. Preference.

(a) In the event of any liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or involuntary, except as set forth in subparagraph (b) below, the holders of the Series A Convertible Preferred Stock shall be entitled, before any assets of the Corporation shall be distributed among or paid over to the holders of the Common Stock, to be paid \$.001 per share. After payment to the holders of the Series A Convertible Preferred Stock as set forth in the previous sentence and as provided in subparagraph (b) below, any additional amount available for distribution to the shareholders of the Corporation shall, subject to subparagraph (b) below, be shared by the holders of the Series A Convertible Preferred Stock and the Common Stock on a share-for-share basis (with each share of Series A Convertible Preferred Stock being deemed to be equal to the number of shares of Common Stock (including fractions of a share) into which such Series A Convertible Preferred Stock is

convertible immediately prior to the close of business on the business day fixed for such distribution.

(b) 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 such holders of at least the amounts provided in subparagraph (a) above, the entire assets shall be distributed pro rata among the holders of the Series A Convertible Preferred Stock based upon their respective liquidation preferences as set forth in subparagraph (a) above. The amounts distributable to the holders of Series A Convertible Preferred Stock under subparagraph (a) above shall be adjusted appropriately for subdivisions (by stock splits, stock dividends or otherwise), combinations (by reverse stock splits or otherwise) or other recapitalizations of the Series A Convertible Preferred Stock.

(c) Written notices of such liquidation, dissolution or winding up, stating a payment date and the place where said payments shall be made, shall be given not less than twenty (20) days prior to the payment date stated therein.

(d) The sale or transfer by the Corporation of all or substantially all of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of the provisions of this paragraph 3, unless the holders of a majority of the shares of Series A Convertible Preferred Stock shall, prior to the effective date of such sale or transfer, consent in writing or by vote at a meeting to such transaction.

4. Voting Rights. Upon issuance, and subject to increase and additional rights as provided below, holders of the Series A Convertible Preferred Stock shall be entitled to vote with the holders of the Common Stock as a single class on all matters presented for a vote to the shareholders of the Company. The number of votes per share of the Series A Convertible Preferred Stock which can be cast shall be adjusted at such time or times as the conversion price is adjusted so that the number of votes per share of this series of Series A Convertible Preferred Stock which may be cast shall always be equal to the full number of shares of Common Stock into which each share of Series A Convertible Preferred Stock may be converted when voting with the holders of Common Stock as a single class.

5. Conversion.

(a) For every \$1.00 of net earnings of the Corporation at the end of each fiscal year, one share of Series A Convertible Preferred Stock shall be automatically converted (the "Conversion") into one (1) share of Common Stock of the Company; provided however, in the event net earnings in any one year is negative, such negative net earnings shall reduce future years net earnings and no conversion shall be permitted

until such time as the sum of all such years is positive, and only to the extent the sum exceeds \$0.

(b) All shares of Common Stock acquired by conversion of Series A Convertible Preferred Stock ("Conversion Shares"), upon issuance, will be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the Series A Convertible Preferred Stock which is being converted;

(c) So long as any shares of Series A Convertible Preferred Stock are outstanding, the Corporation will use its best efforts to have at all times authorized, and reserved (free from pre-emptive rights) for the purpose of issue or transfer upon exercise of the rights evidenced by the Series A Convertible Preferred Stock, a sufficient number of shares of its Common Stock to provide therefor;

(d) No fractional shares of Common Stock shall be issued upon conversion of the Series A Convertible Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Convertible Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

6. Redemption. The shares of Series A Convertible Preferred Stock will not be redeemable for a period of five (5) years from the date hereof, at which time the Series A Convertible Preferred Stock shall be redeemed by the Company for \$.001 per share.

7. Consolidation, Merger, Exchange, etc. In case the Corporation shall enter into any consolidation, merger, combination, statutory share exchange or other transaction in which the Common Shares are exchanged for or changed into other stock or securities, money and/or any other property, then in any such case the Series A Convertible Preferred Stock shall at the same time be similarly exchanged or changed into preferred shares of the surviving entity providing the holders of such preferred shares with (to the extent possible) the same relative rights and preferences as the Series A Convertible Preferred Stock.

8. Stock Dividends; Stock Splits, etc. If, prior to the date on which all shares of Series A Convertible Preferred Stock are converted, the Corporation shall (i) pay a dividend in shares of Common Stock, (ii) subdivide its outstanding Common Stock, or (iii) combine its outstanding Common Stock into a smaller number of shares of Common Shares, the Conversion Price in effect on the opening of business on the record date for

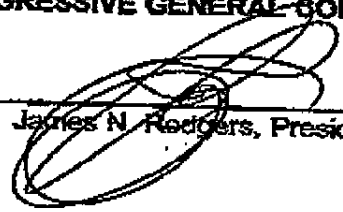
determining shareholders entitled to participate in such transaction shall thereupon be adjusted, or, if necessary, the right to convert shall be amended, such that the number of shares of Common Stock receivable upon conversion of the shares of Series A Convertible Preferred Stock immediately prior thereto shall be adjusted so that the holders of the Series A Convertible Preferred Stock shall be entitled to receive, upon the conversion of such shares of Series A Convertible Preferred Stock, the kind and number of shares of Common Stock or other securities of the Corporation which it would have owned or would have been entitled to receive after the happening of any of the events described above had the Series A Convertible Preferred Stock been converted immediately prior to the happening of such event or any record date with respect thereto. Any adjustment made pursuant to this Paragraph 8 shall become effective immediately after the effective date of such event and such adjustment shall be retroactive to the record date, if any, for such event."

SECOND: The foregoing amendment was adopted by the Board of Directors of the Corporation pursuant to a Written Consent of All of the Board of Directors of the Corporation and by a majority of the Shareholders of the Common Stock of the Corporation dated December 11, 1998, acting by Written Consent pursuant to Sections 607.0821 and 607.0704 of the Florida Business Corporation Act. Therefore, the number of votes cast for the amendment to the Corporation's Articles of Incorporation was sufficient for approval.

THIRD: The Articles of Amendment shall be effective as of 7:00 a.m. E.S.T. on December 21, 1998.

IN WITNESS WHEREOF, the undersigned, being the President of this Corporation, has executed these Articles of Amendment as of December 11, 1998.

PROGRESSIVE GENERAL CORPORATION

By: 
James N. Rodgers, President