

460217

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**ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF  
MGT OF AMERICA, INC.**

Pursuant to the provisions of Section 607.1006, Florida Statutes, **MGT of America, Inc.**, a Florida corporation (the "Corporation"), adopts the following amendments to its Articles of Incorporation:

**ARTICLE I**  
**Name**

The name of the Corporation is MGT of America, Inc. and its Document Number is 460217.

**ARTICLE II**  
**Amendment**

Article III of the Articles of Incorporation is deleted in its entirety and replaced with the following:

**"ARTICLE III**

There shall be two classes of common stock and two classes of preferred stock authorized for this corporation. All shares in the corporation, regardless of class, shall have no par value. The classes of stock are described as follows:

**CLASS A COMMON:** Class A Common shares shall be voting shares with unlimited voting rights, and with all other rights and privileges previously established by the Board of Directors for Class A Common shares pursuant to these Articles. All Class A Common shares issued and outstanding as of the date of this amendment shall remain outstanding. The maximum authorized number of Class A Common shares that may be issued and outstanding at any time is five hundred thousand (500,000) shares. That certain Management Agreement originally dated March 25, 1995, as subsequently modified and amended September 23, 2004, and May 22, 2014 ("Management Agreement") establishes certain rights, obligations, and privileges of Class A Common shareholders.

**CLASS C COMMON:** Class C Common shares shall have all the rights and privileges of Class A Common shares except that Class C Common shareholders shall have only limited voting rights. Class C Common shareholders are authorized to vote only with respect to the following matters: (1) any amendment to the share valuation formula established by the Management Agreement; and (2) any proposed sale of this corporation to a third party as defined in the Management Agreement. Class C Common shares may be issued only to Class A Common shareholders upon their death or permanent disability, or upon their retirement, resignation or other termination of employment by this corporation, and, further, may be issued only in accordance with the Management Agreement. The maximum authorized number of

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Class A Common shares that may be outstanding at any time shall be five hundred thousand (500,000) shares, less the number of Class A Common shares outstanding at the same time. The Management Agreement further establishes certain rights, obligations, and privileges of Class C Common shareholders.

**CLASS A PRIME PLUS 3 PERCENT PREFERRED:** The Board of Directors may authorize the issuance of up to one hundred thousand (100,000) shares of stock designated as "Class A Prime Plus 3 Percent Preferred Stock." The Class A Prime Plus 3 Percent Preferred Stock shall pay a dividend measured by the prime interest rate plus three percent per annum, payable monthly, which shall be cumulative and payable before any dividends shall be paid with respect to the Corporation's common stock. For this purpose the prime rate shall be as published in the *Wall Street Journal*, and shall be adjusted monthly. Class A Prime Plus 3 Percent Preferred Stock shall have a preference ahead of all classes of common stock in the distribution of the corporation's assets in connection with the liquidation of the company, or in the event of a sale or public offering of the company as defined in the Management Agreement. Class A Prime Plus 3 Percent Preferred Stock shall have no voting rights. Class A Prime Plus 3 Percent Preferred Stock may be offered as authorized by the Board of Directors to any owner of the corporation's common stock of any class, provided such common shareholder also holds any outstanding promissory note issued by the corporation. The issue price shall be one thousand dollars (\$1,000.00) per share, and the Board may authorize the issuance of Class A Prime Plus 3 Percent Preferred Stock in such numbers, including fractional shares, as necessary to secure the cancellation and surrender to the corporation of such promissory note(s). Class A Prime Plus 3 Percent Preferred Stock shall be redeemable by the corporation at the issue price plus any accrued but unpaid dividends, at any time, and in any number of shares, upon notice to the holder of such shares. The corporation's right of redemption and the non-voting nature of Class A Prime Plus 3 Percent Preferred Stock shall be noted conspicuously, and the other rights and preferences of such shares shall be summarized by reference to these Articles, on each certificate evidencing such shares.

**CLASS B FIVE PERCENT CONVERTIBLE PREFERRED:** The Board of Directors may authorize the issuance of up to sixty-five thousand three hundred eighty-four (65,384) shares of stock designated as "Class B Five Percent Convertible Preferred Stock." Class B Five Percent Convertible Preferred Stock may be issued in fractional shares, and shall have the following characteristics: (1) no par value, (2) issue price of \$12.00 per share, susceptible to being issued in fractional shares, (3) annual cash dividend equal to five percent of Agreed Value, cumulative, payable monthly, with dividend priority equal to that of existing Class A Prime Plus 3 Percent Preferred shares, (4) Agreed Value, only as between Holders and MGT and for no other purpose, equal to the issue price plus a four percent annual increase in value, compounded annually after being issued, on each anniversary date of issue, (5) no voting rights except as provided below in Conversion Right, and (6) priority in liquidation equal to that of outstanding Class A Prime Plus Three Percent Preferred shares, with the Holders' only claim against the assets of MGT, with respect to Class B Five Percent Convertible Preferred shares, being the Agreed Value of such shares that remain outstanding at the time of MGT's insolvency or liquidation, whichever occurs first, plus any accrued but unpaid dividends. Holders of Class C Five Percent Convertible Preferred shares shall have no other right to receive the Agreed Value except in accordance with Paragraph 4 of the Purchase and Sale Agreement dated as of May 1,

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2014, among the Corporation and Kenneth and Jean Boutwell, Kent and Flora Caruthers, and Stephen and Joyce Humphrey ("Purchase and Sale Agreement"). In the event MGT fails to pay in full the monthly dividend with respect to the Class B Five Percent Convertible Preferred stock within 15 days of the due date, MGT shall pay, in addition to the monthly dividend, a late fee of 10 percent of the unpaid amount of such monthly dividend. **Conversion Right.** Upon any default by MGT in payment of any two cumulative monthly dividends with respect to Class B Five Percent Convertible Preferred, or upon default by MGT in payment of any two cumulative monthly payments of the cash purchase price as provided in Section 2(c) of the Purchase and Sale Agreement, Holders shall have the option, exercisable upon delivery of written notice to MGT signed by owners of a majority in interest of the then-outstanding Class B Five Percent Convertible Preferred shares, to convert such shares into Voting Class B Five Percent Convertible Preferred shares. Upon such default and exercise of this conversion option by Holders, each outstanding share of Class B Convertible Five Percent Preferred stock shall thereafter be afforded the same voting rights as three shares of Class A Common stock. All other rights, obligations, and privileges of such shares, including without limitation the right to receive dividends and MGT's right to redeem such shares, shall remain in effect. The corporation's right of redemption and the convertible nature of Class B Five Percent Convertible Preferred Stock shall be noted conspicuously, and the other rights and preferences of such shares shall be summarized by reference to the Articles creating the shares, on each certificate evidencing such shares. The holders of Class B Five Percent Convertible Preferred Stock shall be entitled to notice, in the same manner as holders of Class A Common shares, of all shareholder meetings or written consents with respect to which they would, after exercise of their conversion rights, be entitled to vote.

All Classes of Preferred Stock shall have equal priority in liquidation and in the payment of dividends, which shall be paid when due under the terms thereof and these Articles, subject only to the provisions of Section 607.06401, Florida Statutes.

This corporation is authorized to issue common shares of any class, as compensation to employees or as dividends to shareholders, upon such terms and the Board of Directors may determine consistently with these Articles, provided (1) that the maximum, authorized numbers of common shares of each class as established in these Articles is not exceeded.

Approval by the Shareholders entitled to vote shall be required before the Corporation may issue shares, in a single transaction or in a series of related transactions, that would constitute a controlling interest in the Corporation. To the extent permitted by law, the Board of Directors may determine the rights, obligations, privileges, preferences, limitations, and relative rights of any class of stock, or of any series within a class, not in conflict with these Articles of Incorporation. The Board of Directors has ratified the Management Agreement.

On each matter to be submitted to a vote of the shareholders, voting of the shareholders entitled to vote on such matter shall be per capita; provided, however, that any shareholder entitled to vote may, at any time before the adjournment of such meeting, request that a vote on such matter be taken on the basis that each outstanding share entitled to vote shall be entitled to one vote."

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This amendment does not provide for an exchange, reclassification, or cancellation of issued shares.

**ARTICLE III**  
**Date of Adoption**

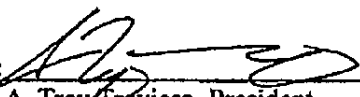
This amendment was adopted on the 11<sup>th</sup> day of December, 2015.

**ARTICLE IV**  
**Manner of Adoption**

This amendment was duly approved by the shareholders of the Corporation and the number of votes cast for the amendment by the shareholders was sufficient for approval.

Dated this 18<sup>th</sup> day of December, 2015.

**MGT OF AMERICA, INC.**

By:   
A. Trev Traviesa, President

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