

Division of Corporations

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DIVISION OF CORPORATIONS

MERGER OR SHARE EXCHANGE

DILIGENCE, INC.

Certificate of Status	0
Certified Copy	1
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ARTICLES OF MERGERMERGINGDILIGENCE-BDA, L.L.C.

(a Florida limited liability company)

WITH AND INTODILIGENCE, INC.

(a Delaware corporation)

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Pursuant to the provisions of Section 608.4382 of the Florida Limited Liability Company Act, the undersigned companies, Diligence, Inc., a Delaware corporation (the "Surviving Corporation"), which is the surviving corporation in the merger described herein, and Diligence-BDA, L.L.C., a Florida limited liability company (the "Merged Company"), which is the merged corporation in the merger described herein, do hereby certify as follows:

FIRST: The Plan of Merger of the Merged Company with and into the Surviving Corporation is attached hereto as Exhibit A, Agreement and Plan of Merger, and incorporated herein by reference.

SECOND: The Plan of Merger was approved by the Merged Company in accordance with the applicable provisions of the Florida Limited Liability Company Act.

THIRD: The Plan of Merger was approved by the Surviving Corporation in accordance with the General Corporation Law of the State of Delaware.

FOURTH: The address of the principal office of the Surviving Corporation under the laws of the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

FIFTH: The Surviving Corporation is deemed to have appointed the Secretary of State of Florida as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of the Merged Company.

SIXTH: The Surviving Corporation has agreed to promptly pay to the dissenting members of the Merged Company the amount, if any, to which they are entitled under §608.4384 of the Florida Limited Liability Company Act.

SEVENTH: The effective date of the merger shall be February 24, 2005 at 10:00 a.m. Eastern Time.

[Signature appears on following page.]

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IN WITNESS WHEREOF, the undersigned officers of the Surviving Corporation and the Merged Company have executed these Articles of Merger as of February 24, 2005.

DILIGENCE, INC., a Delaware corporation

By: 
Nicholas Day, President

DILIGENCE-BDA, L.L.C., a Florida limited liability company

By: 
Nicholas Day, Manager

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EXHIBIT A
AGREEMENT AND PLAN OF MERGER
OF

DILIGENCE-BDA, L.L.C.
(a Florida limited liability company)

and

DILIGENCE, INC.
(a Delaware corporation)

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of February 24, 2005, is entered into by and between **DILIGENCE-BDA, L.L.C.**, a Florida limited liability company ("**Diligence, LLC**"), and **DILIGENCE, INC.**, a Delaware corporation ("**Diligence, Inc.**"). **Diligence, LLC** and **Diligence, Inc.** are sometimes referred to herein as the "**Constituent Entities**."

RECITALS

A. **Diligence, LLC** is a limited liability company duly organized and existing under the laws of the State of Florida. As of the date of this Agreement, the interests (as such term is defined by the Limited Liability Company Operating Agreement of **Diligence, LLC**) outstanding to the members of **Diligence, LLC** are set forth on Exhibit A attached hereto.

B. **Diligence, Inc.** is a corporation duly organized and existing under the laws of the State of Delaware and is authorized to issue Twenty-five Million (25,000,000) shares, par value \$0.001 per share, of common stock (the "Common Stock") and Twelve Million Four Hundred Eighty Thousand (12,480,000) shares, par value \$0.001 per share, of Preferred Stock of which Four Hundred Eighty Thousand (480,000) shares have been designated as "Series A Convertible Preferred Stock" and Twelve Million (12,000,000) shares have been designated as "Series B Convertible Preferred Stock". As of the date of this Agreement, **Diligence, Inc.** has no shares of Common Stock issued and outstanding, Four Hundred Eighty Thousand (480,000) shares of Series A Convertible Preferred Stock issued and outstanding and no shares of Series B Convertible Preferred Stock issued and outstanding.

C. The members of **Diligence, LLC** have determined that it is advisable and in the best interests of **Diligence, LLC** and its members that **Diligence, LLC** merge with and into **Diligence, Inc.** upon the terms and conditions herein provided.

D. The Board of Directors of **Diligence, Inc.** has approved this Agreement and the Merger (as defined in Section 1.1 below) by unanimous written consent and has directed that this Agreement be executed by the undersigned officer of **Diligence, Inc.** The Board of Managers and members of **Diligence, LLC** have approved this Agreement and the Merger by unanimous

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written consent and have directed that this Agreement be executed by the undersigned manager of Diligence, LLC.

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, Diligence, LLC and Diligence, Inc. hereby agree, subject to the terms and conditions hereinafter set forth, as follows:

AGREEMENT

I. MERGER

1.1 Merger. In accordance with the provisions of this Agreement, the Delaware General Corporation Law and the Florida Professional Service Corporation and Limited Liability Company Act, Diligence, LLC shall be merged with and into Diligence, Inc. (the "Merger"), the separate existence of Diligence, LLC shall cease and Diligence, Inc. shall be, and is sometimes referred to in this Agreement as, the "Surviving Entity," and the name of the Surviving Entity shall remain unchanged.

1.2 Filing and Effectiveness. The Merger shall become effective when the following actions shall have been completed.

(a) All of the conditions precedent to the consummation of the Merger specified in this Agreement shall have been satisfied or duly waived by the party entitled to satisfaction thereof;

(b) An executed Certificate of Merger, substantially in the form attached hereto as Exhibit B, meeting the requirements of the Delaware General Corporation Law, shall have been filed with the Secretary of the State of Delaware; and

(c) Executed Articles of Merger, substantially in the form attached hereto as Exhibit C, meeting the requirements of the Florida Professional Service Corporation and Limited Liability Company Act, shall have been filed with the Department of State of the State of Florida.

The date and time when the Merger shall become effective shall be referred to herein as the "Effective Date of the Merger."

1.3 Effect of the Merger

(a) Upon the Effective Date of the Merger, the separate existence of Diligence, LLC shall cease and Diligence, Inc., as the Surviving Entity, (i) shall continue to possess all of its assets, rights, powers and property as constituted immediately prior to the Effective Date of the Merger, (ii) shall be subject to all actions previously taken by it and by Diligence, LLC, (iii) shall succeed, without other transfer or assignment, to all of the assets, rights, powers and property of Diligence, LLC, (iv) shall continue to be subject to all of the debts, liabilities and obligations of Diligence, Inc. as constituted immediately prior to the Effective Date of the Merger, and (v) shall succeed, without other transfer or delegation, to all of the debts, liabilities and obligations of Diligence, LLC in the same manner as if Diligence, Inc.

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had itself incurred them, all as more fully provided under the applicable provisions of the Delaware General Corporation Law and the Florida Professional Service Corporation and Limited Liability Company Act.

(b) The manner of converting or canceling Diligence, LLC's outstanding interests shall be as follows: each one percent (1%) of the percentage interests of Diligence, LLC outstanding immediately prior to the Effective Date shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive Fifty-six Thousand (56,000) shares of Common Stock of Diligence, Inc.

II. CHARTER DOCUMENTS, DIRECTORS AND OFFICERS

2.1 Certificate of Incorporation. The Certificate of Incorporation of Diligence, Inc. as in effect immediately prior to the Effective Date of the Merger shall continue in full force and effect as the Certificate of Incorporation of the Surviving Entity until duly amended in accordance with the provisions thereof and applicable law.

2.2 Bylaws. The Bylaws of Diligence, Inc. as in effect immediately prior to the Effective Date of the Merger shall continue in full force and effect as the Bylaws of the Surviving Entity until duly amended in accordance with the provisions thereof and applicable law.

2.3 Directors and Officers. The directors and officers of Diligence, Inc. immediately prior to the Effective Date of the Merger shall continue to be the directors and officers of the Surviving Entity until their successors shall have been duly elected and qualified or their earlier resignation or removal in accordance with applicable law, the Certificate of Incorporation of the Surviving Entity and the Bylaws of the Surviving Entity.

III. GENERAL

3.1 Abandonment. At any time prior to the appropriate filings with the Secretary of State of the State of Delaware and the Department of State of the State of Florida, this Agreement and Plan of Merger and the merger specified herein may be terminated by the vote of either the Board of Directors of the Surviving Entity or the Board of Managers of Diligence, LLC.

3.2 Covenant of Diligence, Inc. Diligence, Inc. covenants and agrees that it will, on or before the Effective Date of the Merger, take all such actions as may be required by the applicable provisions of the Delaware General Corporation Law.

3.3 Further Assurances. From time to time, before, on and after the Effective Date of the Merger, as and when required by Diligence, Inc. or by its successors or assigns, there shall be executed and delivered on behalf of Diligence, LLC such deeds and other instruments and there shall be taken or caused to be taken by Diligence, LLC such further and other actions as shall be necessary or appropriate in order to vest or perfect in or conform of record or otherwise by Diligence, Inc. the title to and possession of all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of Diligence, LLC and otherwise to carry out the purposes of this Agreement; and Diligence, LLC authorizes the directors and officers of

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Diligence, Inc., in the name and on behalf of Diligence, LLC or otherwise, to execute and deliver any and all such deeds and other instruments.

3.3 Entire Agreement; Assignment. This Agreement, together with the attached exhibits, constitute the entire agreement of the parties with respect to the subject matter hereof, which may not be amended or modified, or any provision thereof waived, except in a writing signed by the parties to this Agreement.

3.4 Headings. Headings of articles, sections and paragraphs of this Agreement are inserted for convenience of reference only and shall not affect the interpretation or be deemed to constitute a part of this Agreement.

3.5 Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart shall be deemed to be an original instrument, but all counterparts together shall constitute but one agreement.

3.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard its principles relating to conflicts of law or choice of law, and, to the extent applicable, the Florida Professional Service Corporation and Limited Liability Company Act.

[Signatures appear on following page.]

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IN WITNESS WHEREOF, this Agreement and Plan of Merger, having first been approved by the unanimous written consent of the Board of Managers and members of Diligence, LLC, and by the unanimous written consent of the Board of Directors of Diligence, Inc., is hereby executed on behalf of each of such Constituent Entity and attested to by their duly authorized representatives.

DILIGENCE-BDA, L.L.C.,
a Florida limited liability company

By: 
Nicholas Day, Manager

DILIGENCE, INC.,
a Delaware corporation

By: 
Nicholas Day, President

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EXHIBIT A

MEMBERS AND OUTSTANDING PERCENTAGE INTERESTS

<u>Members</u>	<u>Interest</u>
Richard Burt	36%
Nicholas Day	36%
Edward Matthias	5%
Information Security Investments Co.	23%

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EXHIBIT B

CERTIFICATE OF MERGER

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CERTIFICATE OF MERGERFORMERGER OFDILIGENCE-BDA, L.L.C.

(a Florida limited liability company)

INTODILIGENCE, INC.

(a Delaware corporation)

The undersigned corporation, DILIGENCE, INC., a Delaware corporation, and the surviving corporation in the merger described herein, hereby states as follows:

1. The name and state of domicile of each of the constituent entities are as follows:

<u>Name of Entity</u>	<u>State of Domicile</u>
Diligence-BDA, L.L.C.	Florida
Diligence, Inc.	Delaware

2. An Agreement and Plan of Merger has been approved, adopted, certified, executed and acknowledged by each of the constituent entities in accordance with Section 264 of the General Corporation Law of the State of Delaware.

3. The name of the surviving corporation is Diligence, Inc., a Delaware corporation.

4. The Certificate of Incorporation of the surviving corporation shall be the Certificate of Incorporation.

5. The executed Agreement and Plan of Merger is on file at the principal place of business of the surviving corporation, which is: 1275 Pennsylvania Avenue, N.W., 10th Floor, Washington, DC 20004.

6. A copy of the Agreement and Plan of Merger will be furnished by the surviving corporation, on request and without cost, to any stockholder or member of any of the constituent companies.

[Signature appears on following page.]

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IN WITNESS WHEREOF, Diligence, Inc., a Delaware corporation, has caused this Certificate of Merger to be executed by its duly authorized President as of the 24th day of February, 2005.

DILIGENCE, INC.,
a Delaware corporation

By: 
Nicholas Day, President

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EXHIBIT C

ARTICLES OF MERGER

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ARTICLES OF MERGER**MERGING****DILIGENCE-BDA, L.L.C.**

(a Florida limited liability company)

WITH AND INTO**DILIGENCE, INC.**

(a Delaware corporation)

Pursuant to the provisions of Section 608.4382 of the Florida Limited Liability Company Act, the undersigned companies, Diligence, Inc., a Delaware corporation (the "Surviving Corporation"), which is the surviving corporation in the merger described herein, and Diligence-BDA, L.L.C., a Florida limited liability company (the "Merged Company"), which is the merged corporation in the merger described herein, do hereby certify as follows:

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THIRD: The Plan of Merger was approved by the Surviving Corporation in accordance with the General Corporation Law of the State of Delaware.

FOURTH: The address of the principal office of the Surviving Corporation under the laws of the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

FIFTH: The Surviving Corporation is deemed to have appointed the Secretary of State of Florida as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of the Merged Company.

SIXTH: The Surviving Corporation has agreed to promptly pay to the dissenting members of the Merged Company the amount, if any, to which they are entitled under §608.4384 of the Florida Limited Liability Company Act.

SEVENTH: The effective date of the merger shall be February 24, 2005 at 10:00 a.m. Eastern Time.

[Signature appears on following page.]

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IN WITNESS WHEREOF, the undersigned officers of the Surviving Corporation and the Merged Company have executed these Articles of Merger as of February 24, 2005.

DILIGENCE, INC., a Delaware corporation

By: 
Nicholas Day, President

DILIGENCE-BDA, L.L.C., a Florida limited liability company

By: 
Nicholas Day, Manager

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