



G80932

December 29, 1998

**VIA OVERNIGHT MAIL**

Florida Department of Corporation  
Attn: Amendment Filing Section  
409 East Gaines Street  
Tallahassee, FL 32399

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-12/30/98--01067--012  
\*\*\*\*\*43.75 \*\*\*\*\*43.75

**RE: JWGenesis Financial Services, Inc.**  
Document Number G80932

Dear Sir/Madam:

Enclosed please find the Articles of Amendment to Restated Articles of Incorporation of JWGenesis Financial Services, Inc. I have enclosed a check in the amount of \$43.75 for the filing fee and return of certified copy of the Articles of Incorporation for JWGenesis Financial Services, Inc.

An expedited filing of this material is appreciated.

Sincerely,

Holly Smith  
Legal Assistant  
JWGenesis Financial Services, Inc.

FILED  
98 DEC 30 AM 11:55  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

/hs

(w/enclosure)

Amended -  
1-11-99  
CC

**ARTICLES OF AMENDMENT**  
**TO**  
**RESTATED ARTICLES OF INCORPORATION**  
**OF**  
**JWGENESIS FINANCIAL SERVICES, INC.**

FILED  
98 DEC 30 AM 11:55  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

In accordance with Sections 607.1006 and 607.0602 of the Florida Business Corporation Act, JWGenesis Financial Services, Inc. (the "Corporation") hereby delivers these articles of amendment to the Secretary of State for filing.

1.

The name of this corporation is JWGenesis Financial Services, Inc.

2.

Article III of the Corporation's Amended and Restated Articles of Incorporation is amended to add a Section 3.3 as follows:

**3.3    Series C Special Stock.** There is hereby established as a series of the Special Stock of the Corporation a series consisting of 25,000 shares designated as the "Series C Special Stock" (hereinafter referred to as the "Series C Stock"). Issued and outstanding shares of Series C Stock shall have a face value of \$100.00 per share (the "Face Value"), regardless of the amount paid or other consideration given in respect of the issuance thereof, and shall have the following rights, preferences, limitations, and other terms:

(a)    **Redemption.**

(i)    In accordance with the procedures set forth in Section 3.3(a)(iii), on each of March 15, 2000, 2001, and 2002 (each a "Redemption Date"), the Corporation shall redeem with funds of the Corporation legally available therefor, on a pro rata basis among the holders of records of issued and outstanding shares of Series C Stock ("Record Holders"), the number of whole shares (rounding to the nearest whole share) of Series C Stock issued and outstanding on such date having an aggregate Face Value equal to ten percent (10%) of Transferred Offices Net Income (as defined below) for the fiscal year ended on the immediately preceding December 31, at a redemption price (the "Redemption Price") of \$100.00 per share in cash.

(ii) Except as set forth in Section 3.3(a)(i), Record Holders of shares of Series C Stock shall have no right to require the Corporation to redeem or otherwise repurchase any such shares.

(iii) Not later than 30 days prior to each Redemption Date, the Corporation shall deliver to Record Holders of Series C Stock, at their respective addresses as they appear on the stock transfer books of the Corporation, a written notice of redemption setting forth the number of shares of Series C Stock being redeemed, if any, together with a calculation showing the basis upon which the number has been determined and showing that the redemption is pro rata with respect to Record Holders on the Redemption Record Date, and if shares of Series C Stock are to be redeemed, then also setting forth: (A) the Redemption Date; (B) the date fixed by the Corporation as the record date for the redemption (the "Redemption Record Date"), which date shall not be less than 15 days after the delivery of the notice; (C) the Transferred Offices Net Income for the fiscal year ended on the immediately preceding December 31; (D) the place or places where certificates representing redeemed shares are to be surrendered for payment of the Redemption Price; and (E) that, unless the Corporation defaults in making payment of the Redemption Price, the shares of Series C Stock called for redemption shall, after the Redemption Date, (1) no longer be deemed to be outstanding and (2) no longer have any other rights (except the right to Record Holders thereof as of the Redemption Record Date to receive payment of the Redemption Price).

(iv) On or before the Redemption Date, the Corporation shall pay the Redemption Price to Record Holders as of the Redemption Record Date, in cash, or shall deposit with an agent that is a bank or trust company having a combined capital and surplus of at least \$25,000,000 (the "Paying Agent"), monies sufficient to pay the Redemption Price for all shares to be redeemed on the Redemption Date. Any interest earned on funds so deposited with a Paying Agent shall be payable to the Corporation, and Record Holders of shares of Series C Stock shall have no rights with respect thereto.

(v) If notice of redemption has been given pursuant to Section 3.3(a)(iii) and if, on or before the Redemption Date, the Redemption Price has been paid to the Record Holders, or otherwise provided for in accordance with subparagraph (a)(iv), then from and after the Redemption Date, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, (A) all such shares shall no longer be deemed outstanding, and (B) all other rights with respect to such shares shall cease and terminate (except the right to receive the Redemption Price upon a surrender of the certificate(s) representing such shares). Upon surrender, in accordance with said notice, of the certificates for any shares so called for redemption (properly endorsed or assigned for transfer, if the Corporation shall so required and the notice shall so state), such shares shall be redeemed by the

Corporation at the Redemption Price. If less than all of the shares represented by a surrendered certificate are being redeemed by the Corporation, the Secretary of the Corporation shall cancel such certificate and reissue and deliver to the Record Holder of such certificate a new certificate representing the shares of Series C Stock not redeemed by the Corporation.

(vi) "Transferred Offices Net Income" shall be calculated as follows: By February 14, 2000, 2001, and 2002, the Corporation shall calculate the Transferred Office Revenue (as defined below) of each Transferred Office for the 12-month period ending on the immediately preceding December 31, which amounts shall be aggregated to derive "Transferred Offices Combined Revenue", which resulting amount shall then be reduced by (A) Transferred Office Expenses (as defined below) of each Transferred Office for the 12-month period ending on the immediately preceding December 31 and (B) 20% of Transferred Offices Combined Revenue to derive Transferred Offices Net Income. "Transferred Office Revenue" means, for a Transferred Office, commissions on agency trades, gross credits on principal trades, and \$7.00 of each \$15.00 postage and handling fee (excluding unrealized gains, amortization of negative goodwill, any other amount (not expressly included above) of postage and handling fees, miscellaneous fees, interest income, trails on money market funds, account maintenance fees and fees charged to customers for items such as transfers, reorgs, wires, and similar non-cash items) received as consideration for the provision of goods or services, as determined by the chief accounting officer of JWGenesis Financial Corp., the Corporation's parent, according to generally accepted accounting principles, consistently applied. "Transferred Office Expenses" means, for a Transferred Office, sales commission expense, commission overrides, payroll, bonuses, temporary help, floor brokerage and clearance, training expenses, advertising (including allocations of generic, retail-oriented advertising), travel and entertainment, telephone, quotation, postage, overnights, supplies, printing, office maintenance, repairs, equipment rent, depreciation and amortization, office rent, dues and subscriptions, legal, errors and bad debts, registration fees, and other direct expenses, as determined by the chief accounting officer of JWGenesis Financial Corp., the Corporation's parent, according to generally accepted accounting principles, consistently applied.

(vii) "Transferred Offices" shall mean the branch offices located in the following metro areas (or their successor offices located in such metro areas) whose business operations are being purchased by an affiliate of the Corporation pursuant to that certain Asset Purchase Agreement among GSG Securities, Inc., Chatfield Dean Holdings, Inc., and others, dated as of December 11, 1998: Chicago, Denver, New York City, Orlando, San Diego, and Tampa.

(viii) So long as any shares of Series C Stock are outstanding, no dividend or other distribution on any stock of the Corporation shall be declared or paid or set

aside for payment, nor shall any stock of the Corporation be redeemed, repurchased, or otherwise acquired for any consideration (or any monies paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation (except by conversion into or exchange for shares of Common Stock or other stock of the Corporation), unless no arrearage exists with respect to the payment of any Redemption Price due and payable on any outstanding shares of Series C Stock.

(ix) Subject to the foregoing provisions, dividends, whether payable in cash, stock, or otherwise as the Board of Directors may determine, may be declared and paid from time to time on Common Stock and on any other stock of the Corporation, out of funds of the Corporation legally available for such payment of dividends.

(b) **Dividends and Distributions.** Record Holders of shares of Series C Stock shall not be entitled to receive any dividends or other distributions on such shares, except for the redemption and liquidating distribution payments expressly provided for in Sections 3.3(a) and (d) hereof.

(c) **Conversion or Exchange.** Record Holders of shares of Series C Stock shall not have any rights to convert such shares into, or exchange such shares for, shares of any other stock of the Corporation.

(d) **Liquidation Rights.**

(i) Upon any voluntary dissolution, liquidation, or winding up of the Corporation, Record Holders of outstanding shares of Series C Stock shall be entitled to receive, for each share of Series C Stock then held, out of the assets of the Corporation legally available for distribution to shareholders, before any payment or distribution shall be made on the Common Stock or on any other stock of the Corporation, an amount equal to the Face Value of such shares. Written notice of any voluntary dissolution, liquidation, or winding up shall be given by certified mail, postage prepaid, not less than 30 days prior to the proposed effective date thereof, to Record Holders of Series C Stock, such notice to be addressed to each Record Holders at its address as the same appears on the stock transfer books of the Corporation.

(ii) Upon any involuntary dissolution, liquidation, or winding up of the Corporation, the Corporation shall distribute (as a liquidating distribution) to the Record Holders of outstanding shares of Series C Stock, on a pro rata basis among such holders, before any distribution or other payment in respect thereof is made on the Common Stock or any other stock of the Corporation, an amount equal to ten percent (10%) of Transferred Offices Net Income (as defined above) calculated for the portion of the Corporation's fiscal year already completed as of the effective date of such involuntary dissolution, liquidation, or winding up of the Corporation. Written notice of any such dissolution, liquidation, or winding upon shall be given by

certified mail, postage prepaid, to Record Holders of Series C Stock, such notice to be addressed to each Record Holders at its address as the same appears on the stock transfer books of the Corporation.

(iii) Neither a merger or consolidation of the Corporation into or with any other corporation or other business entity, nor a merger or consolidation of any other corporation or other business entity into or with the Corporation, shall be deemed to be a dissolution, liquidation, or winding up, voluntary or involuntary, for the purposes of this paragraph (d).

(iv) After payment to Record Holders of Series C Stock of the full amount provided for in Section 3.3(d)(i) or (ii), as the case may be, such Record Holders, as such, shall have no right or claim to any of the remaining assets of the Corporation.

(e) **Voting.** Except as may be required by the Florida Business Corporation Act with respect to some matter, shares of Series C Stock shall have no right to vote on any matter and shall not be entitled to receive notice of any meeting of shareholders.

(f) **Restrictions.** Notwithstanding any other provision hereof, no class or series of stock of the Corporation shall be established (and no additional shares of Series C Stock shall be designated) that ranks senior to or pari passu with the Series C Stock (i) as to the payment of any Redemption Price when and if the same becomes due as provided in Section 3.3(a)(iii) or (ii) as to the payment of the liquidation distribution provided in Section 3.3(d), if any share thereof is outstanding, unless such establishment or designation is approved by Record Holders of a majority of the outstanding shares of Series C Stock.

(g) **Reacquired Shares.** All shares of Series C Stock redeemed, repurchased, or otherwise acquired by the Corporation shall be retired and cancelled promptly after the redemption, repurchase, or other acquisition thereof; shall be restored to the status of authorized but unissued shares of Special Stock, without designation as to series; and may thereafter be designated and issued only as part of a new or other series of Special Stock in accordance with applicable law.

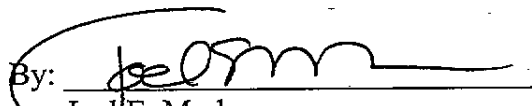
(h) **Expiration and Cancellation.** Except for the rights of Record Holders to receive payment of any Redemption Price otherwise due pursuant to Section 3.3(a) based on Transferred Offices Net Income for any of the three successive fiscal years of the Corporation ending on December 31, 2001, all shares of Series C Stock shall expire and be deemed to be cancelled, automatically and without any action on the part of the Corporation or any other party, as of 12:00 Midnight, Eastern Time, on April 30, 2002, and shall be restored to the status of authorized but unissued shares of Special Stock, without designation as to series, and may thereafter be designated and issued only as part of a new or other series of Special Stock in accordance with applicable law.

3.

This amendment was duly adopted on December 10, 1998 by the board of directors by unanimous written consent and does not require shareholder approval.

**IN WITNESS WHEREOF**, the Corporation has caused these Articles of Amendment to be executed by its duly authorized director and vice president on the 29 day of December, 1998.

JWGenesis Financial Services, Inc.

By:   
Joel E. Marks  
Director and Vice President