

K48563

CAPITOL SERVICES d/b/a
PARALEGAL & ATTORNEY SERVICE BUREAU, INC.

(Requestor's Name)

1406 Hays Street, Suite 2

(Address)

Tallahassee, FL 32301 (904) 656-3992

(City, State, Zip)

(Phone #)

OFFICE USE ONLY

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CORPORATION NAME(S) & DOCUMENT NUMBER(S) (if known):

1. Natural Health Trends, Corp ~~448563~~ 448563
(Corporation Name) (Document #)

2. _____
(Corporation Name) (Document #)

3. _____
(Corporation Name) (Document #)

4. _____
(Corporation Name) (Document #)

☒ Walk in

☒ Pick up time 7/13

☒ Certified Copy

☐ Mail out

☐ Will wait

☐ Photocopy

☐ Certificate of Status

NEW FILINGS

Profit

NonProfit

Limited Liability

Domestication

Other

AMENDMENTS

☒ Amendment

Resignation of R.A., Officer/Director

Change of Registered Agent

Dissolution/Withdrawal

Merger

OTHER FILINGS

Annual Report

Fictitious Name

Name Reservation

**REGISTRATION/
QUALIFICATION**

Foreign

Limited Partnership

Reinstatement

Trademark

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 JUL 13 PM 2:27

Amend
SB *7/13/98*

**ARTICLES OF AMENDMENT OF
ARTICLES OF INCORPORATION**

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

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OF

NATURAL HEALTH TRENDS CORP.

Pursuant to the provisions of section 607.1006, Florida Statutes, Natural Health Trends Corp. (the "Corporation") adopts the following articles of amendment to its articles of incorporation:

- I. ARTICLE IV is hereby amended by adding the following as Part F.

**PART F
Series D Preferred Stock**

Seventy-Five (75) of the 1,500,000 authorized shares of Preferred Stock of the Corporation shall be designated Series D Preferred Stock (the "Series D Preferred Stock") and shall possess the rights and privileges set forth below:

A. Par Value, Stated Value, Purchase Price and Certificates.

1. Each share of Series D Preferred Stock shall have a par value of \$.001, and a stated value (face amount) of One Thousand Dollars (\$1,000) (the "Stated Value").

2. The Series D Preferred Stock shall be offered at a purchase price of One Thousand Dollars (\$1,000) per share.

3. Certificates representing the shares of Series D Preferred Stock purchased shall be issued by the Corporation to the purchasers immediately upon acceptance of the subscriptions to purchase such shares.

B. Dividends.

Holders of the shares of Series D Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available therefor cash dividends at the rate of 8% of the Stated Value per annum, payable upon the redemption or conversion of the shares of Series D Preferred Stock.

C. Liquidation Preference.

1. In the event of any liquidation, dissolution or winding-up of the Corporation, either voluntary or involuntary (a "Liquidation"), the Holders of shares of the Series D Preferred Stock then issued and outstanding shall be entitled to be paid out of the assets of the

Corporation available for distribution to its shareholders, whether from capital, surplus or earnings, before any payment shall be made to the Holders of shares of the Common Stock or upon any other series of Preferred Stock of the Corporation junior to the Series D Preferred Stock, an amount per share equal to the sum of (i) the Stated Value and (ii) an amount equal to eight percent (8%) of the Stated Value multiplied by the fraction $N/365$, where N equals the number of days elapsed since full payment for the shares of Series D Preferred Stock. If, upon any Liquidation of the Corporation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the Holders of shares of the Series D Preferred Stock and the Holders of any other series of Preferred Stock with a liquidation preference equal to the liquidation preference of the Series D Preferred Stock the full amounts to which they shall respectively be entitled, the Holders of shares of the Series D Preferred Stock and the Holders of any other series of Preferred Stock with a liquidation preference equal to the liquidation preference of the Series D Preferred Stock shall receive all the assets of the Corporation available for distribution and each such Holder of the Series D Preferred Stock and the Holders of any other series of Preferred Stock with a liquidation preference equal to the liquidation preference of the Series D Preferred Stock shall share ratably in any distribution in accordance with the amounts due such shareholders. After payment shall have been made to the Holders of shares of the Series D Preferred Stock of the full amount to which they shall be entitled, as aforesaid, the Holders of shares of the Series D Preferred Stock shall be entitled to no further distributions thereon and the Holders of shares of the Common Stock and of shares of any other series of stock of the Corporation shall be entitled to share, according to their respective rights and preferences, in all remaining assets of the Corporation available for distribution to its shareholders.

2. A merger or consolidation of the Corporation with or into any other corporation, or a sale, lease, exchange, or transfer of all or any part of the assets of the Corporation which shall not in fact result in the liquidation (in whole or in part) of the Corporation and the distribution of its assets to its shareholders shall not be deemed to be a voluntary or involuntary liquidation (in whole or in part), dissolution, or winding-up of the Corporation.

D. Conversion of Series D Preferred Stock.

The holders of Series D Preferred Stock shall have the following conversion rights:

1. Right to Convert. Each share of Series D Preferred Stock shall be convertible, on the Conversion Dates and at the Conversion Prices set forth below, into fully paid and nonassessable shares of Common Stock (sometimes referred to herein as "Conversion Shares").

2. Mechanics of Conversion. Each Holder of Series D Preferred Stock who desires to convert the same into shares of Common Stock shall provide notice (the "Conversion Notice") via telecopy (or an original) to the Corporation. The certificate or certificates representing the shares of Series D Preferred Stock for which conversion is elected, shall accompany the Conversion Notice. The date upon which a Conversion Notice accompanied by the certificate representing the shares of Series D Preferred Stock is received by the Corporation shall be a "Notice Date."

The Corporation shall use all reasonable efforts to issue and deliver within five (5) business days after the Notice Date, to such Holder of Series D Preferred Stock at the address of the Holder on the stock books of the Corporation, a certificate or certificates for the number of shares of Common Stock to which the Holder shall be entitled.

3. Lost or Stolen Certificates. Upon receipt by the Corporation of evidence of the loss, destruction, theft or mutilation of any Series D Preferred Stock certificates (the "Certificates") and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Corporation, and upon surrender and cancellation of the Certificates, if mutilated, the Corporation shall execute and deliver new Certificates of like tenor and date. However, the Corporation shall not be obligated to re-issue such lost or stolen Certificates if the Holder thereof contemporaneously requests the Corporation to convert such shares of Series D Preferred Stock into shares of Common Stock, in which event the Corporation shall be entitled to rely on an affidavit of loss, destruction or theft of the Certificate or, in the case of mutilation, tender of the mutilated certificate, and shall issue the Conversion Shares.

4. Conversion Period. Except as otherwise provided herein, commencing sixty (60) days from the date of issuance of the shares of Series D Preferred Stock, the Series D Preferred Stock is convertible into shares of Common Stock at any time.

5. Conversion Formula/Conversion Price. Each share of Series D Preferred Stock shall be convertible into the number of Conversion Shares based upon a conversion price (the "Conversion Price") equal to 70% of the average Closing Bid Price of the Common Stock for the five (5) trading days immediately preceding the Notice Date. For purposes hereof, the term "Closing Bid Price" shall mean the closing bid price on the NASDAQ SmallCap Stock Market ("NASDAQ") as reported by Bloomberg, LP, or if no longer traded thereon, the closing bid price on the principal national securities exchange on which the Common Stock is so traded.

6. Automatic Conversion. Except as otherwise provided herein each share of Series D Preferred Stock outstanding thirty-six (36) months from the date of issuance automatically shall be converted into Common Stock based upon the Conversion Price then in effect, and such date shall be deemed to be the Notice Date with respect to such conversion.

7. No Fractional Shares. If any conversion of the Series D Preferred Stock would create a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon conversion, if the aggregate, shall be the next higher number of shares.

8. Limitation on the Issuance of shares of Common Stock. In no event shall the Corporation be required to issue more than 20% shares of Common Stock outstanding on the date of issuance of the shares of Series D Preferred Stock upon the conversion of the shares of Series D Preferred Stock unless the stockholders of the Corporation approve the issuance of additional shares of Common Stock upon the conversion of the shares of Series D Preferred Stock or The NASDAQ Stock Market, Inc. ("NASDAQ") waives the requirements of Market Place Rule

4460(i)(1)(D). The Corporation agrees to take such corporate action as may be necessary to obtain the approval of the stockholders to issue additional shares of Common Stock upon the conversion of the shares of Series D Preferred Stock.

9. Mandatory Redemption. At any time commencing on the earlier of (i) ninety (90) days from the date of issuance of the shares of Series D Preferred Stock or (ii) upon the sale of the Corporation's vocational schools located in Pompano Beach, Miami and Altamonte Springs, Florida, the Corporation upon receipt of a redemption notice from the holder of shares of Series D Preferred Stock shall redeem the shares of Series D Preferred Stock at a redemption price equal to:

(a) if the redemption notice is submitted to the Corporation within thirty (30) days from the date of issuance of the shares of Series D Preferred Stock, 120% of the Stated Value plus the accrued dividends thereon;

(b) if the redemption notice is submitted to the Corporation more than thirty (30) days after the date of issuance of the shares of Series D Preferred Stock an amount equal to the Stated Value plus the accrued dividends thereon multiplied by the following:

the lower of (i) 140% or (ii) $120\% + \frac{20\% \times n}{30}$

n= the number of days that have elapsed since the issuance of the shares of Preferred Stock minus 30.

10. Limitation on Conversion. Except in the case of the provisions contained in Section 6, in no event shall the Holder be entitled to convert any shares of Series D Preferred Stock in excess of that number of shares of Series D Preferred Stock upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the shares of Series D Preferred Stock), and (2) the number of shares of Common Stock issuable upon the conversion of the shares of Series D Preferred Stock with respect to which the determination of this provision is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.9% of the outstanding shares of Common Stock of the Corporation. For purposes of this provision, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13 D-G thereunder, except as otherwise provided in clause (1) above.

11. Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series D Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of Series D Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the

conversion of all then outstanding shares of the Series D Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

E. Voting. Except as otherwise provided below or by the Florida Statutes, the Holders of the Series D Preferred Stock shall have no voting power whatsoever, and no Holder of Series D Preferred Stock shall vote or otherwise participate in any proceeding in which action shall be taken by the Corporation or the shareholders thereof or be entitled to notification as to any meeting of the Board of Directors or the shareholders.

F. Protective Provisions. So long as shares of Series D Preferred Stock are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the Holders of at least seventy-five percent (75%) of the then outstanding shares of Series D Preferred Stock:

1. alter or change the rights, preferences or privileges of the Series D Preferred Stock so as to affect adversely the Series D Preferred Stock;

2. do any act or thing not authorized or contemplated by this Article IV which would result in taxation of the Holders of shares of the Series D Preferred Stock under Section 305 of the Internal Revenue Code of 1986, as amended (or any comparable provision of the Internal Revenue Code as hereafter from time to time amended); or

3. enter into a merger in which the Corporation is not the surviving corporation; provided, however, that the provisions of this subparagraph (3) shall not be applicable to any such merger if the authorized capital stock of the surviving corporation immediately after such merger shall include only classes or series of stock for which no such consent or vote would have been required pursuant to this section if such class or series had been authorized by the Corporation immediately prior to such merger or which have the same rights, preferences and limitations and authorized amount as a class or series of stock of the Corporation authorized (with such consent or vote of the Series D Preferred Stock) prior to such merger and continuing as an authorized class or series at the time thereof.

G. Status of Converted Stock. In the event any shares of Series D Preferred Stock shall be converted as contemplated by this Article IV, the shares so converted shall be canceled, shall return to the status of authorized but unissued Preferred Stock of no designated class or series, and shall not be issuable by the Corporation as Series D Preferred Stock.

H. Taxes. All shares of Common Stock issued upon conversion of Series D Preferred Stock will be validly issued, fully paid and nonassessable. The Corporation shall pay any and all documentary stamp or similar issue or transfer taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series D Preferred Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other

than that in which the Series D Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such transfer 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 or that no such tax is payable. The Corporation shall adjust the amount of dividends paid or accrued so as to indemnify the Holders of Series D Preferred Stock against any withholding or similar tax in respect of such dividends.

II. These Articles of Amendment of Articles of Incorporation were adopted by the Board of Directors without shareholder action and shareholder action was not required on July 13, 1998.

IN WITNESS WHEREOF, the undersigned have subscribed this document on the date set forth below and do hereby affirm, under the penalties of perjury, that the statements contained therein have been examined by the undersigned and are true and correct.

Dated this July 13, 1998.

NATURAL HEALTH TRENDS CORP.

By: _____



Name: Neal R. Heller

Title: President