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ARTICLES OF AMENDMENT
TO
RESTATED ARTICLES OF INCORPORATION
OF
PAYROLL TRANSFERS, INC.

Pursuant to Section 607.1006
of the Florida Business Corporation Act

PAYROLL TRANSFERS, INC., a corporation duly organized under the laws of the State of Florida (hereinafter called the "Corporation"), does hereby amend the Restated Articles of Incorporation filed in the office of the Secretary of State on November 7, 1996 (as amended on December 31, 1997), as set forth below. The Amendment set forth below was adopted by the Board of Directors of the Corporation on July 22, 1998, and approved by the shareholders of the Corporation on July 22, 1998, and the number of votes cast by the shareholders in favor of the Amendment was sufficient for such approval.

Paragraph 3 of said Restated Articles of Incorporation is hereby deleted in its entirety and replaced with the following:

"3. Authorized Shares.

3.1 The total number of shares of all classes of stock which the Corporation shall have authority to issue is 15,500, of which (i) 7,500 shares shall be common stock having a par value of \$1.00 per share (the "Common Stock"), (ii) 5,000 shares shall be 8% cumulative convertible preferred stock having a par value of \$1.00 per share, the rights and preferences of which are set forth in Article 3.2 below (the "Preferred Stock"), and (iii) 3,000 shares shall be 13% junior cumulative convertible preferred stock having a par value of \$1.00 per share, the rights and preferences of which are set forth in Article 3.3 below (the "Junior Preferred Stock").

3.2 The Preferred Stock shall have the rights and preferences set forth in this Article 3.2. All capitalized terms set forth in this Article 3.2 shall, unless otherwise specified herein, have the meanings set forth in Section 8 of this Article 3.2. All references in this Article 3.2 to a particular "Section" shall, unless otherwise specified, be a reference to a section of this Article 3.2.

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Fax Audit Number: H98000013716

Section 1. Designation and Number.

(a) There shall be hereby established a class of preferred stock designated as "8% Cumulative Convertible Preferred Stock."

(b) The Preferred Stock shall, with respect to rights on liquidation, dissolution or winding up, rank prior to the Common Stock.

Section 2. Dividends and Distributions.

(a) The holders of shares of Preferred Stock shall be entitled, when, as and if declared by the Board of Directors, out of the assets of the Corporation legally available therefor, to receive cumulative dividends at an annual rate on the Liquidation Preference thereof equal to 8%, calculated on the basis of a 360-day year consisting of twelve 30-day months, accruing semi-annually and payable only on the Maturity Date in the manner specified in Section 4(b).

(b) The holders of shares of Preferred Stock shall not be entitled to receive any dividends or other distributions except as provided in Section 2(a), and holders of Common Stock shall be entitled to receive dividends from time to time as determined by the Corporation's Board of Directors, notwithstanding that the holders of Preferred Stock have not received any dividend payments.

Section 3. Voting Rights.

Except as required by applicable law, the holders of shares of Preferred Stock shall not have any voting rights.

Section 4. Redemption.

(a) At any time prior to the Maturity Date (such date, the "Optional Redemption Date"), the Corporation may, at its sole option, upon not less than ten (10) nor more than sixty (60) days prior written notice to the holder of the Preferred Stock, redeem, out of funds legally available therefor, all or any part of the outstanding shares of Preferred Stock at a redemption price per share equal to the sum of (i) 100% of the Liquidation Preference plus (ii) all accrued and unpaid dividends per share on the Preferred Stock as of the Optional Redemption Date.

(b) On the Maturity Date, each outstanding share of Preferred Stock shall automatically, with no further action required to

be taken by the Corporation or the holder thereof, be redeemed (unless otherwise prevented by law), at a redemption price per share equal to the sum of (i) 100% of the Liquidation Preference plus (ii) all accrued and unpaid dividends per share on the Preferred Stock as of the Maturity Date; provided, that in the event of a redemption pursuant to Section 4(b), the Corporation may, at its sole option, pay the portion of the Redemption Price (as defined below) allocable to the accrued and unpaid dividends as specified above, in shares of Common Stock in lieu of cash, by delivering to the holders of shares of Preferred Stock a number of shares of Common Stock equal to the quotient (rounded to the nearest whole share) of (A) the aggregate amount of all accrued and unpaid dividends divided by (B) the Current Market Price per share of Common Stock. The total sum payable per share of Preferred Stock to be redeemed (the "Redeemed Shares") on the Maturity Date is hereinafter referred to as the "Redemption Price," and the payment to be made on the Maturity Date for the Redeemed Shares is hereinafter referred to as the "Redemption Payment." Upon notice from the Corporation, each holder of Preferred Stock so redeemed shall promptly surrender to the Corporation, at the principal office of the Corporation, certificates representing the shares so redeemed, duly endorsed in blank or accompanied by proper instruments of transfer.

(c) When any share of Preferred Stock has been redeemed pursuant to (a) or (b) above, all rights of any holder of such shares of Preferred Stock shall cease and terminate; and such Redeemed Shares shall no longer be deemed to be outstanding, whether or not the certificates representing such shares have been received by the Corporation; provided, however, that if the Corporation defaults in the payment of the Redemption Payment, the rights of the holders of Preferred Stock shall continue until the Corporation cures such default.

(d) If the funds of the Corporation available for redemption of the Preferred Stock by law or otherwise on the Optional Redemption Date or the Maturity Date are insufficient to redeem the Redeemed Shares on such date, the holders of Redeemed Shares shall share ratably in any funds available by law for redemption of such shares according to the respective amounts which would be payable with respect to the number of shares owned by them if the shares to be so redeemed on the Optional Redemption Date or the Maturity Date were redeemed in full. The Corporation shall in good faith use all reasonable efforts as expeditiously as possible to eliminate, or obtain an exception, waiver or exemption from, any and all restrictions under applicable law that prevented the Corporation from paying the Redemption Price and redeeming all of the shares of Preferred Stock to be redeemed hereunder. At any time

thereafter when additional funds of the Corporation are available by law for the redemption of shares of Preferred Stock, such funds will be used, at the end of the next succeeding fiscal quarter, to redeem the balance of such shares, or such portion thereof for which funds are available, on the basis set forth above. In the event that the Corporation fails to redeem shares of Preferred Stock for which redemption is required, then during the period from the Optional Redemption Date or the Maturity Date through the date on which such shares that the Corporation failed to redeem on the Optional Redemption Date or the Maturity Date are actually redeemed, dividends on such shares shall continue to accrue and be cumulative as specified in Section 2(a).

Section 5. Reacquired Shares.

Any shares of Preferred Stock converted, exchanged, redeemed, purchased or otherwise acquired by the Corporation or any of its Subsidiaries or other Affiliates in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares of Preferred Stock shall upon their cancellation become authorized but unissued shares of preferred stock, \$1.00 par value, of the Corporation and, upon the filing of an appropriate certificate with the Secretary of State of the State of Florida, may be reissued as part of another series of preferred stock, par value \$1.00 per share.

Section 6. Liquidation, Dissolution or Winding Up.

(a) If the Corporation shall commence a voluntary case under the United States bankruptcy laws or any applicable bankruptcy, insolvency or similar law of any other country, or consent to the entry of an order for relief in an involuntary case under any such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due, or if a decree or order for relief in respect of the Corporation shall be entered by a court having jurisdiction in the premises in an involuntary case under the United States bankruptcy laws or any applicable bankruptcy, insolvency or similar law of any other country, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and on account of any such event the Corporation shall liquidate, dissolve or wind up, or if the Corporation shall otherwise liquidate, dissolve or wind up, no distribution shall be made (i) to the holders

of shares of Junior Stock unless, prior thereto, the holders of shares of Preferred Stock, subject to Section 7, shall have received the Liquidation Preference, plus all accrued and unpaid dividends, whether or not declared or currently payable, to the date of distribution, with respect to each share, or (ii) to the holders of shares of Parity Stock, except distributions made ratably on the Preferred Stock and all other Parity Stock in proportion to the total amounts to which the holders of all shares of the Preferred Stock and other Parity Stock are entitled upon such liquidation, dissolution or winding up.

(b) Neither the consolidation nor the merger of the Corporation with or into any other Person nor the sale or other distribution to another Person of all or substantially all the assets, property or business of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

Section 7. Conversion.

(a) Following the expiration or termination of any waiting periods under the HSR Act, if applicable, including any extensions thereof, (i) any holder of Preferred Stock shall have the right, at its option, at any time and from time to time from the Issue Date until August 8, 2001, to convert, subject to the terms and provisions of this Section 7, any or all of such holder's shares of Preferred Stock and (ii) the Corporation, upon the occurrence of any Conversion Event, may elect with no further action required to be taken by the holder thereof to cause the conversion, subject to the terms and provisions of this Section 7, of all the outstanding shares of Preferred Stock into Common Stock. In each such case, the shares of Preferred Stock shall be converted into such number of fully paid and non-assessable shares of Common Stock as is equal, subject to Section 7(g), to the product of the number of shares of Preferred Stock being so converted multiplied by the quotient of (A) the Liquidation Preference divided by (B) the Conversion Price (as defined below) then in effect, except that with respect to any share which shall be called for exchange or redemption, such right shall terminate at the close of business on the date of exchange or redemption for such shares, unless in any such case the Corporation shall default in performance or payment due upon exchange or redemption thereof. The Conversion Price shall be \$74,560.01, subject to adjustment as set forth in Section 7(c).

The conversion right of a holder of Preferred Stock shall be exercised by the holder by the surrender of the shares to be converted to the Corporation at any time during usual business hours at its principal place of business to be maintained by it, accompanied by

written notice that the holder elects to convert such shares and specifying the name or names (with address) in which a certificate or certificates for shares of Common Stock are to be issued and (if so required by the Corporation) by a written instrument or instruments of transfer in form reasonably satisfactory to the Corporation duly executed by the holder or its duly authorized legal representative and transfer tax stamps or funds therefor, if required pursuant to Section 7(i). Any conversion by the Company shall be automatic and shall not require the holder of Preferred Stock to take any action to be effective. Immediately upon the conversion by the holder or the Company of the shares of Preferred Stock, each holder of Preferred Stock shall be deemed to be the holder of record of Common Stock issuable upon conversion of such holder's Preferred Stock notwithstanding that the share register of the Corporation shall then be closed or that certificates representing such Common Stock shall not then be actually delivered to such person. Upon notice from the Corporation, each holder of Preferred Stock so converted shall promptly surrender to the Corporation, at any place where the Corporation shall maintain a transfer agent for its Preferred Stock, certificates representing the shares so converted, duly endorsed in blank or accompanied by proper instruments of transfer. On the date of any voluntary or automatic conversion, all rights with respect to the shares of Preferred Stock so converted, including the rights, if any, to receive notices, will terminate, except only the rights of holders thereof to (i) receive certificates for the number of shares of Common Stock into which such shares of Preferred Stock have been converted, (ii) the payment of any accrued but unpaid dividends thereon as provided in Section 2 above and (iii) exercise the rights to which they are entitled as holders of Common Stock.

If the last day for the exercise of the conversion right shall not be a Business Day, then such conversion right may be exercised on the next preceding Business Day.

(b) When shares of Preferred Stock are converted pursuant to this Section 7, all dividends accrued and unpaid (whether or not declared or currently payable) on the Preferred Stock so converted to the date of conversion shall not be payable and shall be eliminated; provided, that if the Corporation elects to convert shares of Preferred Stock upon the occurrence of a Conversion Event, the Corporation shall pay to each holder of Preferred Stock its pro rata share of an amount equal to the positive difference, if any, between (i) the aggregate amount of unpaid and accrued dividends on such shares of Preferred Stock as of such conversion date minus (ii) the positive difference, if any, between (A) the aggregate Current Market Price for all of the issued and outstanding shares of Common Stock as of such conversion date minus (B) \$105,438,402. Any amount payable

under this subsection 7(b) may, at the Corporation's option, be paid in cash or in a number of shares of Common Stock equal to the quotient of (i) the amount payable to the holders of Preferred Stock hereunder, divided by (ii) the Current Market Price for such shares of Common Stock as of such conversion date.

(c) The Conversion Price shall be subject to adjustment as follows:

(i) In case the Corporation shall at any time or from time to time (A) pay a dividend or make a distribution on the outstanding shares of Common Stock in capital stock (which, for purposes of this Section 7(c) shall include, without limitation, any dividends or distributions in the form of options, warrants or other rights to acquire capital stock) of the Corporation, (B) subdivide the outstanding shares of Common Stock into a larger number of shares, (C) combine the outstanding shares of Common Stock into a smaller number of shares, (D) issue any shares of its capital stock in a reclassification of the Common Stock or (E) pay a dividend or make distribution on the outstanding shares of Common Stock in shares of its capital stock pursuant to a shareholder rights plan, "poison pill" or similar arrangement, then, and in each such case, the Conversion Price in effect immediately prior to such event shall be adjusted (and any other appropriate actions shall be taken by the Corporation) so that the holder of any share of Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock or other securities of the Corporation that such holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such share of Preferred Stock been converted immediately prior to the occurrence of such event. An adjustment made pursuant to this Section 7(c)(i) shall become effective retroactively (x) in the case of any such dividend or distribution, to a date immediately following the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or distribution or (y) in the case of any such subdivision, combination or reclassification, to the close of business on the date upon which such corporate action becomes effective.

(ii) In case the Corporation shall at any time or from time to time issue or sell shares of Common Stock (or securities convertible into or exchangeable for shares of Common Stock, or any options, warrants or other rights to acquire shares of Common Stock) to holders of its Common Stock at a price per share less than the Current Market Price per share of Common Stock then in effect at the record date referred to in the following sentence (treating the price per share of any security convertible or exchangeable or exercisable

into Common Stock as equal to (A) the sum of the price for such security convertible, exchangeable or exercisable into Common Stock plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such security into Common Stock divided by (B) the number of shares of Common Stock initially underlying such convertible, exchangeable or exercisable security), other than (x) issuances or sales for which an adjustment is made pursuant to another paragraph of this Section 7(c) or (y) issuances of shares of Common Stock or securities exercisable or convertible into Common Stock pursuant to mergers, acquisitions, consolidations, exchanges, reorganizations or combinations or bona fide stock incentive plans for employees, directors and consultants of the Corporation, then, and in each such case, the Conversion Price then in effect shall be adjusted by dividing the Conversion Price in effect on the day immediately prior to such record date by a fraction (I) the numerator of which shall be the sum of the number of shares of Common Stock outstanding on such record date plus the number of additional shares of Common Stock issued or to be issued (or the maximum number into which such convertible or exchangeable securities initially may convert or exchange or for which such options, warrants or other rights initially may be exercised) and (II) the denominator of which shall be the sum of the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate consideration for the total number of such additional shares of Common Stock so issued (or into which such convertible or exchangeable securities may convert or exchange or for which such options, warrants or other rights may be exercised plus the aggregate amount of any additional consideration initially payable upon conversion, exchange or exercise of such security) would purchase at the Current Market Price per share of Common Stock on such record date; provided, that if the holders of Preferred Stock are offered the opportunity to participate in any such offering on a pro rata basis with the holders of Common Stock and decline to participate, no adjustment shall be made pursuant to this Section 7(c)(ii). Such adjustment shall be made whenever such shares, securities, options, warrants or other rights are issued, and shall become effective retroactively to a date immediately following the close of business on the record date for the determination of shareholders entitled to receive such shares, securities, options, warrants or other rights; provided, however, that the determination as to whether an adjustment is required to be made pursuant to this Section 7(c)(ii) shall only be made upon the issuance of such shares of such convertible or exchangeable securities, options, warrants or other rights, and not upon the issuance of the security into which such convertible or exchangeable security converts or exchanges, or the security underlying such option, warrants or other right; provided, further, that if any convertible or

exchangeable securities, options, warrants or other rights (or any portions thereof) which shall have given rise to an adjustment pursuant to this Section 7(c)(ii) shall have expired or terminated without the exercise thereof and/or if by reason of the terms of such convertible or exchangeable securities, options, warrants or other rights there shall have been an increase or increases, with the passage of time or otherwise, in the price payable upon the exercise or conversion thereof, then the Conversion Price hereunder shall be readjusted (but to no greater extent than originally adjusted) on the basis of (i) eliminating from the computation any additional shares of Common Stock corresponding to such convertible or exchangeable securities, options, warrants or other rights as shall have expired or terminated, (ii) treating the additional shares of Common Stock, if any, actually issued or issuable pursuant to the previous exercise of such convertible or exchangeable securities, options, warrants or other rights as having been issued for the consideration actually received and receivable therefor and (iii) treating any of such convertible or exchangeable securities, options, warrants or other rights which remain outstanding as being subject to exercise or conversion on the basis of such exercise or conversion price as shall be in effect at the time.

(iii) In case the Corporation shall at any time or from time to time distribute to all holders of shares of its Common Stock (including any such distribution made in connection with a consolidation or merger in which the Corporation is the resulting or surviving corporation and the Common Stock is not changed or exchanged) cash, evidences of indebtedness of the Corporation or another issuer, securities of the Corporation or another issuer or other assets (excluding (A) regular dividends or distribution payable out of the Corporation's current earnings and (B) dividends payable in shares of Common Stock for which adjustment is made under Section 7(c)(i)) or rights or warrants to subscribe for or purchase securities of the Corporation (excluding those referred to in Section 7(c)(ii)), then, and in each such case, the Conversion Price then in effect shall be adjusted by dividing the Conversion Price in effect immediately prior to the date of such distribution by a fraction (x) the numerator of which shall be the Current Market Price of the Common Stock on the record date referred to below and (y) the denominator of which shall be such Current Market Price of the Common Stock less the then Fair Market Value (as determined by the Board of Directors of the Corporation) of the portion of the cash, evidences of indebtedness, securities or other assets so distributed or of such subscription rights or warrants applicable to one share of Common Stock (but such denominator not to be less than one); provided, however, that no adjustment shall be made with respect to any distribution of rights to purchase securities of the Corporation if the holder of shares of

Preferred Stock would otherwise be entitled to receive such rights upon conversion at any time of shares of Preferred Stock into Common Stock unless such rights are subsequently redeemed by the Corporation, in which case such redemption shall be treated for purposes of this Section 7(c)(iii) as a dividend on the Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective retroactively to a date immediately following the close of business on the record date for the determination of shareholders entitled to receive such distribution.

(iv) In the case the Corporation at any time or from time to time shall take any action affecting its Common Stock (it being understood that the issuance or sale of shares of Common Stock (or securities convertible into or exchangeable for shares of Common Stock, or any options, warrants or other rights to acquire shares of Common Stock) to any Person at a price per share less than the Conversion Price then in effect shall not be deemed such an action), other than an action described in any of Section 7(c)(i) through Section 7(c)(iii), inclusive, or Section 7(g), then, the Conversion Price shall be adjusted in such manner and at such time as the Board of Directors of the Corporation in good faith determines to be equitable in the circumstances (such determination to be evidenced in a resolution, a certified copy of which shall be mailed to the holders of the Preferred Stock).

(v) Notwithstanding anything herein to the contrary, no adjustment under this Section 7(c) need be made to the Conversion Price unless such adjustment would require an increase or decrease of at least 1% of the Conversion Price then in effect. Any lesser adjustment shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least 1% of such Conversion Price.

(d) If the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, and shall thereafter and before the distribution to stockholders thereof legally abandon its plan to pay or deliver such dividend or distribution, then thereafter no adjustment in the Conversion Price then in effect shall be required by reason of the taking of such record.

(e) Upon any increase or decrease in the Conversion Price, then, and in each such case, the Corporation promptly shall deliver a notice to each registered holder of Preferred Stock signed by an authorized officer of the Corporation, setting forth in reasonable

detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Conversion Price then in effect following such adjustment.

(f) No fractional shares or scrip representing fractional shares shall be issued upon the conversion of any shares of Preferred Stock. If more than one share of Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate Liquidation Preference of the shares of Preferred Stock so surrendered. If the conversion of any share or shares of Preferred Stock results in a fraction, an amount equal to such fraction multiplied by the Current Market Price of the Common Stock on the Business Day preceding the day of conversion shall be paid to such holder in cash by the Corporation.

(g) In case of any capital reorganization or reclassification or other change of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value), or in case of any consolidation or merger of the Corporation with or into another Person (other than a consolidation or merger in which the Corporation is the resulting or surviving Person and which does not result in any reclassification or change of outstanding Common Stock), or in case of any sale or other disposition to another Person of all or substantially all of the assets of the Corporation (any of the foregoing, a "Transaction"), the holder of each share of Preferred Stock then outstanding shall have the right thereafter to convert such share of Preferred Stock into the kind and amount of shares of stock or other securities (of the Corporation or another issuer) or property or cash receivable upon such Transaction by a holder of the number of shares of Common Stock into which such share of Preferred Stock could have been converted immediately prior to such Transaction. The provisions of this Section 7(g) and any equivalent thereof in any such certificate similarly shall apply to successive Transactions. The provisions of this Section 7(g) shall be the sole right of holders of Preferred Stock in connection with any Transaction and such holders shall have no separate vote thereon.

(h) The Corporation shall at all times reserve and keep available for issuance upon the conversion of the Preferred Stock, such number of its authorized but unissued shares of Common Stock as will from time to time be sufficient to permit the conversion of all outstanding shares of Preferred Stock, and shall take all action required to increase the authorized number of shares of Common Stock if at any time there shall be insufficient authorized but unissued shares of Common Stock to permit such reservation or to permit the conversion of all outstanding shares of Preferred Stock.

(i) The issuance or delivery of certificates for Common Stock upon the conversion of shares of Preferred Stock shall be made without charge to the converting holder of shares of Preferred Stock of such certificates or for any tax in respect of the issuance or delivery of such certificates or the securities represented thereby, and such certificates shall be issued or delivered in the respective names of, or in such names as may be directed by, the holders of the shares of Preferred Stock converted; provided, however, 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 such certificate in a name other than that of the holder of the shares of Preferred Stock converted, and the Corporation shall not be required to issue or deliver such certificate unless or until the Person or Persons requesting the issuance or delivery thereof shall have paid to the Corporation the amount of such tax or shall have established to the reasonable satisfaction of the Corporation that such tax has been paid.

Section 8. Definitions.

As used herein, the following terms shall have the meanings indicated:

"Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

"Business Day" shall mean any day other than a Saturday, or Sunday or other day on which commercial banks in the City of New York are authorized or required by law or executive order to close.

"Conversion Event" shall mean (i) the consummation of an initial public offering of the Common Stock, pursuant to which the aggregate Market Price of all issued and outstanding shares of Common Stock immediately following the consummation of such offering is equal to \$105,438,402 or greater; (ii) the date on which Common Stock has an aggregate market capitalization of \$105,438,402 or greater, determined based upon the average of any consecutive ten-day closing prices as reported by the principal national securities exchange where the Common Stock is listed or as reported by NASDAQ; or (iii) the date upon which (A) the Corporation sells all or substantially all of its assets, (B) any Person (other than FW PTI, L.P., Insurance Partners, L.P., Insurance Partners Offshore (Bermuda), L.P., Zurich Centre Investments Limited and Odyssey Partners, L.P. or any of their respective affiliates) controls equity securities of the Corporation representing 50% or more of the combined voting power of the Corporation's outstanding shares of

capital stock or if any such Person is entitled to elect a majority of the members of the board of directors of the Corporation or (C) the Corporation consummates any merger or consolidation and as a result of any such transaction the holders of outstanding shares of capital stock of the Corporation immediately prior to such consolidation or merger are not entitled to receive in the transaction shares representing 50% or more of the combined voting power of the outstanding shares of capital stock of the resulting or surviving corporation and, in the case of (A), (B) or (C), the valuation of the Common Stock of the Corporation on such date is equal to \$105,438,402 or greater.

"Current Market Price" per share shall mean, on any date specified herein for the determination thereof, (a) the average daily Market Price of the Common Stock for those days during the period of 30 days, ending on such date, on which the national securities exchanges were open for trading, and (b) if the Common Stock is not then listed or admitted to trading on any national securities exchange or quoted in the over-counter market, the Market Price on such date.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission thereunder.

"Fair Market Value" shall mean the amount which a willing buyer would pay a willing seller in an arm's-length transaction.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Issue Date" shall mean the first date on which shares of Preferred Stock are issued.

"Junior Stock" shall mean any capital stock of the Corporation ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Preferred Stock.

"Liquidation Preference" with respect to a share of Preferred Stock shall mean \$74,560.01.

"Market Price" shall mean, per share of Common Stock, on any date specified herein: (a) the closing price per share of the Common Stock on such date published in The Wall Street Journal or, if no such closing price on such date is published in The Wall Street Journal, the average of the closing bid and asked prices on such date, as officially reported on the principal national securities exchange on

which the Common Stock is then listed or admitted to trading; or (b) if the Common Stock is not then listed or admitted to trading on any national securities exchange but is designated as a national market system security by the NASD, the last trading price of the Common Stock on such date; or (c) if there shall have been no trading on such date or if the Common Stock is not so designated, the average of the reported closing bid and asked prices of the Common Stock, on such date as shown by NASDAQ and reported by any member firm of the New York Stock Exchange selected by the Corporation; or (d) if none of (a), (b) or (c) is applicable, a market price per share determined at the Corporation's expense by a nationally recognized appraiser chosen by the holders of a majority of the shares of Preferred Stock approved by Corporation, which approval shall not be unreasonably withheld. If no such appraiser is so chosen more than 20 Business Days after notice of the necessity of such calculation shall have been delivered by the Corporation to the holders of Preferred Stock, then the appraiser shall be chosen by the Corporation.

"Maturity Date" shall mean August 8, 2004.

"NASD" shall mean the National Association of Securities Dealers, Inc.

"NASDAQ" shall mean the National Market System of National Association of Securities Dealers, Inc. Automated Quotations System.

"Parity Stock" shall mean any capital stock of the Corporation, including the Preferred Stock, ranking on a parity (either up to dividends or upon liquidation, dissolution or winding up) with the Preferred Stock.

"Person" shall mean any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Subsidiary" of any Person shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such person.

3.3 The Junior Preferred Stock shall have the rights and preferences set forth in this Article 3.3. All capitalized terms used in this Article 3.3 but not defined in this Article 3.3 shall have the meanings set forth in Article 3.2 above. All references in this Article 3.3 to a particular "Section" shall, unless otherwise specified, be a reference to a section in this Article 3.3.

Section 1. Designation and Number.

(a) There shall be hereby established a class of preferred stock designated as "13% Junior Cumulative Convertible Preferred Stock."

(b) The Junior Preferred Stock shall, with respect to rights on liquidation, dissolution or winding up, rank prior to the Common Stock, but junior to the Preferred Stock.

Section 2. Dividends and Distributions.

(a) The holders of shares of Junior Preferred Stock shall be entitled, when, as and if declared by the Board of Directors, out of the assets of the Corporation legally available therefor, to receive cumulative dividends at an annual rate equal to 13% of the sum of (i) the Junior Liquidation Preference thereof, plus (ii) all accrued and unpaid dividends, compounded semi-annually and calculated on the basis of a 360-day year consisting of twelve 30-day months.

(b) The holders of shares of Junior Preferred Stock shall not be entitled to receive any dividends or other distributions except as provided in Section 2(a), and holders of Common Stock shall be entitled to receive dividends from time to time as determined by the Corporation's Board of Directors, notwithstanding that the holders of Junior Preferred Stock have not received any dividend payments. The Junior Preferred Stock shall not be paid any dividends until all accrued and unpaid dividends on the Preferred Stock have been paid in full.

Section 3. Voting Rights.

Except as required by applicable law, the holders of shares of Junior Preferred Stock shall not have any voting rights.

Section 4. Intentionally omitted.

Section 5. Reacquired Shares.

Any shares of Junior Preferred Stock converted, exchanged, purchased or otherwise acquired by the Corporation or any of its Subsidiaries or other Affiliates in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares of Junior Preferred Stock shall upon their cancellation become authorized but unissued shares of Junior Preferred Stock.

Section 6. Liquidation, Dissolution or Winding Up.

(a) If the Corporation shall commence a voluntary case under the United States bankruptcy laws or any applicable bankruptcy, insolvency or similar law of any other country, or consent to the entry of an order for relief in an involuntary case under any such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts generally as they become due, or if a decree or order for relief in respect of the Corporation shall be entered by a court having jurisdiction in the premises in an involuntary case under the United States bankruptcy laws or any applicable bankruptcy, insolvency or similar law of any other country, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and on account of any such event the Corporation shall liquidate, dissolve or wind up, or if the Corporation shall otherwise liquidate, dissolve or wind up, no distribution shall be made (i) to the holders of shares of Subordinate Stock unless, prior thereto, the holders of shares of Junior Preferred Stock, subject to Section 7, shall have received the Junior Liquidation Preference, plus all accrued and unpaid dividends, whether or not declared or currently payable, to the date of distribution, with respect to each share, or (ii) to the holders of shares of Equivalent Stock, except distributions made ratably on the Junior Preferred Stock and all other Equivalent Stock in proportion to the total amounts to which the holders of all shares of the Junior Preferred Stock and other Equivalent Stock are entitled upon such liquidation, dissolution or winding up.

(b) Neither the consolidation nor the merger of the Corporation with or into any other Person nor the sale or other distribution to another Person of all or substantially all the assets, property or business of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

Section 7. Conversion.

(a) Following the expiration or termination of any waiting periods under the HSR Act, if applicable, including any extensions thereof, any holder of Junior Preferred Stock shall have the right, at its option, at any time prior to July 24, 1999, to convert, subject to the terms and provisions of this Section 7, up to fifty percent (50%) of the number of shares of Junior Preferred Stock that were issued to

the holder on the Issuance Date; provided, however, that in the event that a Change in Control occurs prior to July 24, 1999, then such holder may convert all or any part of such holder's shares of Junior Preferred Stock (subject to the terms and provisions of this Section 7). Following the expiration or termination of any waiting periods under the HSR Act, if applicable, including any extensions thereof, any holder of Junior Preferred Stock shall have the right, at its option, at any time on or after July 24, 1999, to convert, subject to the terms and provisions of this Section 7, all or any part of such holder's shares of Junior Preferred Stock. In addition, the Corporation shall have the right to require the holders of the Junior Preferred Stock to convert all, but not less than all, of their shares of Junior Preferred Stock upon the consummation of an initial public offering of common stock of the Corporation. In the event of a conversion pursuant to this Section 7, the shares of Junior Preferred Stock being converted shall be converted into such number of fully paid and non-assessable shares of Common Stock as is equal, subject to Section 7(g), to the product of the number of shares of Junior Preferred Stock being so converted multiplied by the quotient of (A) the Junior Liquidation Preference divided by (B) the Junior Conversion Price (as defined below) then in effect, except that with respect to any share which shall be called for exchange or redemption (if such exchange or redemption is permitted), such right shall terminate at the close of business on the date of exchange or redemption for such shares, unless in any such case the Corporation shall default in performance or payment due upon exchange or redemption thereof. The Junior Conversion Price shall be \$32,993, subject to adjustment as set forth in Section 7(c).

The conversion right of a holder of Junior Preferred Stock shall be exercised by the holder by the surrender of the shares to be converted to the Corporation at any time during usual business hours at its principal place of business to be maintained by it, accompanied by written notice that the holder elects to convert such shares and specifying the name or names (with address) in which a certificate or certificates for shares of Common Stock are to be issued and (if so required by the Corporation) by a written instrument or instruments of transfer in form reasonably satisfactory to the Corporation duly executed by the holder or its duly authorized legal representative and transfer tax stamps or funds therefor, if required pursuant to Section 7(i). Immediately upon the conversion by the holder of the shares of Junior Preferred Stock, each holder of Junior Preferred Stock shall be deemed to be the holder of record of Common Stock issuable upon conversion of such holder's Junior Preferred Stock notwithstanding that the share register of the Corporation shall then be closed or that certificates representing such Common Stock shall not then be actually delivered to such person. Upon notice from the Corporation, each holder of Junior Preferred Stock so converted shall promptly

surrender to the Corporation, at any place where the Corporation shall maintain a transfer agent for its Junior Preferred Stock, certificates representing the shares so converted, duly endorsed in blank or accompanied by proper instruments of transfer. On the date of any conversion, all rights with respect to the shares of Junior Preferred Stock so converted, including the rights, if any, to receive notices, will terminate, except only the rights of holders thereof to (i) receive certificates for the number of shares of Common Stock into which such shares of Junior Preferred Stock have been converted and (ii) exercise the rights to which they are entitled as holders of Common Stock.

(b) When shares of Junior Preferred Stock are converted pursuant to this Section 7, all dividends accrued and unpaid (whether or not declared or currently payable) on the Junior Preferred Stock so converted to the date of conversion shall not be payable and shall be eliminated.

(c) The Junior Conversion Price shall be subject to adjustment as follows:

(i) In case the Corporation shall at any time or from time to time (A) pay a dividend or make a distribution on the outstanding shares of Common Stock in capital stock (which, for purposes of this Section 7(c) shall include, without limitation, any dividends or distributions in the form of options, warrants or other rights to acquire capital stock) of the Corporation, (B) subdivide the outstanding shares of Common Stock into a larger number of shares, (C) combine the outstanding shares of Common Stock into a smaller number of shares, (D) issue any shares of its capital stock in a reclassification of the Common Stock or (E) pay a dividend or make distribution on the outstanding shares of Common Stock in shares of its capital stock pursuant to a shareholder rights plan, "poison pill" or similar arrangement, then, and in each such case, the Junior Conversion Price in effect immediately prior to such event shall be adjusted (and any other appropriate actions shall be taken by the Corporation) so that the holder of any share of Junior Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock or other securities of the Corporation that such holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such share of Junior Preferred Stock been converted immediately prior to the occurrence of such event. An adjustment made pursuant to this Section 7(c)(i) shall become effective retroactively (x) in the case of any such dividend or distribution, to a date immediately following the close of business on the record date for the determination of holders of Common Stock entitled to receive

such dividend or distribution or (y) in the case of any such subdivision, combination or reclassification, to the close of business on the date upon which such corporate action becomes effective.

(ii) In case the Corporation shall at any time or from time to time issue or sell shares of Common Stock (or securities convertible into or exchangeable for shares of Common Stock, or any options, warrants or other rights to acquire shares of Common Stock) at a price per share less than the Current Market Price per share of Common Stock then in effect at the record date referred to in the following sentence (treating the price per share of any security convertible or exchangeable or exercisable into Common Stock as equal to (A) the sum of the price for such security convertible, exchangeable or exercisable into Common Stock plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such security into Common Stock divided by (B) the number of shares of Common Stock initially underlying such convertible, exchangeable or exercisable security), other than (x) issuances or sales for which an adjustment is made pursuant to another paragraph of this Section 7(c) or (y) issuances of shares of Common Stock or securities exercisable or convertible into Common Stock pursuant to mergers, acquisitions, consolidations, exchanges, reorganizations or combinations or bona fide stock incentive plans for employees, directors and consultants of the Corporation), then, and in each such case, the Junior Conversion Price then in effect shall be adjusted by dividing the Junior Conversion Price in effect on the day immediately prior to such record date by a fraction (I) the numerator of which shall be the sum of the number of shares of Common Stock outstanding on such record date plus the number of additional shares of Common Stock issued or to be issued (or the maximum number into which such convertible or exchangeable securities initially may convert or exchange or for which such options, warrants or other rights initially may be exercised) and (II) the denominator of which shall be the sum of the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate consideration for the total number of such additional shares of Common Stock so issued (or into which such convertible or exchangeable securities may convert or exchange or for which such options, warrants or other rights may be exercised plus the aggregate amount of any additional consideration initially payable upon conversion, exchange or exercise of such security) would purchase at the Current Market Price per share of Common Stock on such record date; provided, that if the holders of Junior Preferred Stock are offered the opportunity to participate in any such offering on a pro rata basis with the holders of Common Stock and decline to participate, no adjustment shall be made pursuant to this Section

7(c)(ii). Such adjustment shall be made whenever such shares, securities, options, warrants or other rights are issued, and shall become effective retroactively to a date immediately following the close of business on the record date for the determination of shareholders entitled to receive such shares, securities, options, warrants or other rights; provided, however, that the determination as to whether an adjustment is required to be made pursuant to this Section 7(c)(ii) shall only be made upon the issuance of such shares of such convertible or exchangeable securities, options, warrants or other rights, and not upon the issuance of the security into which such convertible or exchangeable security converts or exchanges, or the security underlying such option, warrants or other right; provided, further, that if any convertible or exchangeable securities, options, warrants or other rights (or any portions thereof) which shall have given rise to an adjustment pursuant to this Section 7(c)(ii) shall have expired or terminated without the exercise thereof and/or if by reason of the terms of such convertible or exchangeable securities, options, warrants or other rights there shall have been an increase or increases, with the passage of time or otherwise, in the price payable upon the exercise or conversion thereof, then the Junior Conversion Price hereunder shall be readjusted (but to no greater extent than originally adjusted) on the basis of (i) eliminating from the computation any additional shares of Common Stock corresponding to such convertible or exchangeable securities, options, warrants or other rights as shall have expired or terminated, (ii) treating the additional shares of Common Stock, if any, actually issued or issuable pursuant to the previous exercise of such convertible or exchangeable securities, options, warrants or other rights as having been issued for the consideration actually received and receivable therefor and (iii) treating any of such convertible or exchangeable securities, options, warrants or other rights which remain outstanding as being subject to exercise or conversion on the basis of such exercise or conversion price as shall be in effect at the time.

(iii) In case the Corporation shall at any time or from time to time distribute to all holders of shares of its Common Stock (including any such distribution made in connection with a consolidation or merger in which the Corporation is the resulting or surviving corporation and the Common Stock is not changed or exchanged) cash, evidences of indebtedness of the Corporation or another issuer, securities of the Corporation or another issuer or other assets (excluding (A) regular dividends or distribution payable out of the Corporation's current earnings and (B) dividends payable in shares of Common Stock for which adjustment is made under Section 7(c)(i) or rights or warrants to subscribe for or purchase securities of the Corporation (excluding those referred to in Section 7(c)(ii)), then, and in each such case, the Junior Conversion Price then in effect shall

be adjusted by dividing the Junior Conversion Price in effect immediately prior to the date of such distribution by a fraction (x) the numerator of which shall be the Current Market Price of the Common Stock on the record date referred to below and (y) the denominator of which shall be such Current Market Price of the Common Stock less the then Fair Market Value (as determined by the Board of Directors of the Corporation) of the portion of the cash, evidences of indebtedness, securities or other assets so distributed or of such subscription rights or warrants applicable to one share of Common Stock (but such denominator not to be less than one); provided, however, that no adjustment shall be made with respect to any distribution of rights to purchase securities of the Corporation if the holder of shares of Junior Preferred Stock would otherwise be entitled to receive such rights upon conversion at any time of shares of Junior Preferred Stock into Common Stock unless such rights are subsequently redeemed by the Corporation, in which case such redemption shall be treated for purposes of this Section 7(c)(iii) as a dividend on the Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective retroactively to a date immediately following the close of business on the record date for the determination of shareholders entitled to receive such distribution.

(iv) In the case the Corporation at any time or from time to time shall take any action affecting its Common Stock (it being understood that the issuance or sale of shares of Common Stock (or securities convertible into or exchangeable for shares of Common Stock, or any options, warrants or other rights to acquire shares of Common Stock) to any Person at a price per share less than the Junior Conversion Price then in effect shall not be deemed such an action), other than an action described in any of Section 7(c)(i) through Section 7(c)(iii), inclusive, or Section 7(g), then, the Junior Conversion Price shall be adjusted in such manner and at such time as the Board of Directors of the Corporation in good faith determines to be equitable in the circumstances (such determination to be evidenced in a resolution, a certified copy of which shall be mailed to the holders of the Junior Preferred Stock).

(v) Notwithstanding anything herein to the contrary, no adjustment under this Section 7(c) need be made to the Junior Conversion Price unless such adjustment would require an increase or decrease of at least 1% of the Junior Conversion Price then in effect. Any lesser adjustment shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least 1% of such Junior Conversion Price.

(d) If the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, and shall thereafter and before the distribution to stockholders thereof legally abandon its plan to pay or deliver such dividend or distribution, then thereafter no adjustment in the Junior Conversion Price then in effect shall be required by reason of the taking of such record.

(e) Upon any increase or decrease in the Junior Conversion Price, then, and in each such case, the Corporation promptly shall deliver a notice to each registered holder of Junior Preferred Stock signed by an authorized officer of the Corporation, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Junior Conversion Price then in effect following such adjustment.

(f) If more than one share of Junior Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate Junior Liquidation Preference of the shares of Junior Preferred Stock so surrendered.

(g) In case of any capital reorganization or reclassification or other change of outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value), or in case of any consolidation or merger of the Corporation with or into another Person (other than a consolidation or merger in which the Corporation is the resulting or surviving Person and which does not result in any reclassification or change of outstanding Common Stock), or in case of any sale or other disposition to another Person of all or substantially all of the assets of the Corporation (any of the foregoing, a "Transaction"), the holder of each share of Junior Preferred Stock then outstanding shall have the right thereafter to convert such share of Junior Preferred Stock into the kind and amount of shares of stock or other securities (of the Corporation or another issuer) or property or cash receivable upon such Transaction by a holder of the number of shares of Common Stock into which such share of Junior Preferred Stock could have been converted immediately prior to such Transaction. The provisions of this Section 7(g) and any equivalent thereof in any such certificate similarly shall apply to successive Transactions. The provisions of this Section 7(g) shall be the sole right of holders of Junior Preferred Stock in connection with any Transaction and such holders shall have no separate vote thereon.

(h) The Corporation shall at all times reserve and keep available for issuance upon the conversion of the Junior Preferred Stock, such number of its authorized but unissued shares of Common Stock as will from time to time be sufficient to permit the conversion of all outstanding shares of Junior Preferred Stock, and shall take all action required to increase the authorized number of shares of Common Stock if at any time there shall be insufficient authorized but unissued shares of Common Stock to permit such reservation or to permit the conversion of all outstanding shares of Junior Preferred Stock.

(i) The issuance or delivery of certificates for Common Stock upon the conversion of shares of Junior Preferred Stock shall be made without charge to the converting holder of shares of Junior Preferred Stock of such certificates or for any tax in respect of the issuance or delivery of such certificates or the securities represented thereby, and such certificates shall be issued or delivered in the respective names of, or in such names as may be directed by, the holders of the shares of Junior Preferred Stock converted; provided, however, 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 such certificate in a name other than that of the holder of the shares of Junior Preferred Stock converted, and the Corporation shall not be required to issue or deliver such certificate unless or until the Person or Persons requesting the issuance or delivery thereof shall have paid to the Corporation the amount of such tax or shall have established to the reasonable satisfaction of the Corporation that such tax has been paid.

Section 8. Definitions.

As used in this Article 3.3, the following terms shall have the meanings indicated:

"Change in Control" shall mean the occurrence of any of the following events: (i) any person, partnership, joint venture, corporation, or other entity, or two or more of the foregoing acting as a "person" within the meaning of Section 13(d)(3) of the Exchange Act, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation; or (ii) all or substantially all of the business or assets of the Corporation are disposed of pursuant to a merger, consolidation, or other transaction in which the Corporation is not the surviving corporation, or the Corporation combines with another company and is the surviving corporation (unless the shareholders of the Corporation immediately following such merger, consolidation, combination, or other transaction beneficially own,

directly or indirectly, more than fifty (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company).

"Equivalent Stock" shall mean any capital stock of the Corporation, including the Junior Preferred Stock, ranking on a parity (either up to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock.


"Issuance Date" shall mean the date on which a holder of Junior Preferred Stock initially acquired shares of Junior Preferred Stock.

"Junior Liquidation Preference" with respect to a share of Junior Preferred Stock shall mean \$32,993.00.

"Subordinate Stock" shall mean any capital stock of the Corporation ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock."

IN WITNESS WHEREOF, Payroll Transfers, Inc. has caused these Articles of Amendment to be executed effective as of July 24, 1998.

PAYROLL TRANSFERS, INC.

By: 
Elliot S. Cooperstone, Executive Vice
President