

P
000000003951
Florida Department of State

Division of Corporations

Public Access System

Katherine Harris, Secretary of State

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

(((H00000066727 9)))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850) 922-4000

From:

Account Name : ATLAS PEARLMAN, P.A. - mpm
Account Number : 076247002423
Phone : (954) 763-1200
Fax Number : (954) 766-7800

RECEIVED

00 DEC 27 PM 2:34

DIVISION OF CORPORATIONS

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

00 DEC 22 PM 2:53

FILED

BASIC AMENDMENT

THEFIRSTNEWS.COM CORPORATION

Certificate of Status	0
Certified Copy	1
Page Count	08
Estimated Charge	\$43.75

3617-01

DEC-27-2000 14:50

FROM-ATLAS PEARLMAN, PA

954-766-7800

T-299 P.004/012 F-825

MEMORY TRANSMISSION REPORT

TIME : DEC-22-2000 12:01
TEL NUMBER : 954-766-7800
NAME : ATLAS PEARLMAN, PA

FILE NUMBER : 767
DATE : DEC-22 11:56
TO : 8536#3617#00100#18509224000
DOCUMENT PAGES : 009
START TIME : DEC-22 11:56
END TIME : DEC-22 12:01
SENT PAGES : 009
STATUS : OK

FILE NUMBER : 767

Division of Corporations

*** SUCCESSFUL TX NOTICE ***

<http://corfas1.sos.state.fl.us/scripts/txnoticev1.cfm>

Florida Department of State Division of Corporations Public Access System Katherine Harris, Secretary of State

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax number (shown below) on the top and bottom of all pages of the document.

((0000000066727 9))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To: Division of Corporations
Fax Number : (850) 222-4000
From: Account Name : ATLAS PEARLMAN, P.A. *m pm*
Account Number : 075247082422
Phone : (954) 766-1200
Fax Number : (954) 766-7800

BASIC AMENDMENT

THEFIRSTNEWS.COM CORPORATION

Certificate of Stamps	0
Certified Copy	1
Page Count	08
Estimated Charge	\$43.75

3617-01

12/22/00 10:43 AM

DEC-27-2000 14:50

FROM-ATLAS PEARLMAN, PA

954-766-7800

T-299 P.003/012 F-825

ATLAS PEARLMAN

P.A.

ATTORNEYS AT LAW

Jan Douglas Atlas	William Nortman	Of Counsel
Alan H. Baseman	Jeffrey M. Ostrow	Jon A. Sale
Roxanne K. Beilly	Brian A. Pearlman	Benedict P. Kuchne
Elliot P. Borkson	Charles B. Pearlman	Dale Leubener TM
Deborah Ann Byles	Adam J. Reiss	Sergio Vivanco A. ²
Robin Corwin Campbell	Jonathan S. Robbins	
Rebecca G. DiStefano	James M. Schneider	² not admitted in Florida
Clini J. Gage	Wayne H. Schwartz	² admitted in Tennessee
April I. Halle	Douglas Paul Solomon	and Washington, D.C.
Michelle J. Hodkin	Samantha Nicole Tesser	
Kip O. Lussner	Michael L. Trop	
Eric Lee	Steven I. Weinberger	
Joel D. Mayersohn	Kenneth P. Wuzienberger	

December 27, 2000

VIA FACSIMILE

Ms. Karen Gibson
State of Florida
Division of Corporations
409 E. Gaines Street
Tallahassee, FL 32399

Re: Filing for TheFirstNews.com Corporation
REF: P00000003951
Fax Audit Number: H00000066727 9

Dear Ms. Gibson:

Attached, please find the Amendment for TheFirstNews.com Corporation which was submitted electronically and faxed on December 22, 2000, along with a copy of the fax transmission confirmation.

Please file as of December 22, 2000. If you have any questions, please contact me at (954) 766-7829.

Sincerely,



Myra Mahoney
Corporate Paralegal

Suite 1700, 350 East Las Olas Boulevard, Fort Lauderdale, Florida 33301
Telephone (954) 763-1200 / Facsimile (954) 766-7800 / E-mail ap@atlaslaw.com / Web site <http://www.atlaslaw.com>

FORT LAUDERDALE • MIAMI • BOCA RATON • NAPLES • SANTIAGO, CHILE
3617-0100 304043.1

DEC-27-2000 14:49

FROM-ATLAS PEARLMAN, PA

954-766-7800

T-299 P.002/012 F-825



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

December 27, 2000

THEFIRSTNEWS.COM CORPORATION
1291 S.W. 29TH AVENUE
POMPANO BEACH, FL 33069

SUBJECT: THEFIRSTNEWS.COM CORPORATION
REF: P00000003951

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

THE FORMAT OF THIS AMENDMENT IS THAT OF AN AMENDMENT FILED PURSUANT TO FL STATUTE 607.0202. PLEASE DELETE 607.1006 TO AVOID CONFUSION.

PLEASE ADD CHAIRMAN OR AN OFFICER'S TITLE TO THE SIGNOR'S TITLE.

The document must be signed by the chairman, any vice chairman of the board of directors, its president, or another of its officers.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6880.

Karen Gibson
Corporate Specialist

FAX Aud. #: H00000066727
Letter Number: 000A00064507

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

H00000066727 9

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
THEFIRSTNEWS.COM CORPORATION

00 DEC 22 PM 2:53
FILED
TALLAHASSEE, FLORIDA
SECRETARY OF STATE

TheFirstNews.com Corporation, a corporation organized and existing under the laws of the State of Florida (the "**Company**"), bearing Document No. P00000003951, DOES HEREBY CERTIFY:

FIRST: Pursuant to the authority contained in its Articles of Incorporation, and in accordance with Section 607.0602 of the Florida Business Corporation Act (the "Act"), the Board of Directors adopted the following Articles of Amendment pursuant to written consent dated December 7, 2000. Shareholder consent was not required to effectuate these Articles of Amendment. Therefore, the number of votes cast for the Amendment to the Corporation's Articles of Incorporation was sufficient for approval.

SECOND: Whereas, by virtue of the authority contained in its Articles of Incorporation, the Company has authority to issue Five Million (5,000,000) shares of \$.0001 par value preferred stock, the designation and amount thereof, together with the powers, preferences, rights, qualifications, limitations or restrictions thereof, to be determined by the Board of Directors pursuant to the applicable law of the State of Florida.

THIRD: Whereas, the Company's Board of Directors deems it to be in the best interest of the Company to designate a class of 480,000 shares of the Company's preferred stock so that it may be included in units to be sold by the Company in a private placement ("**Offering**"), each such unit consisting of 10,000 shares of the Company's common stock, par value \$.0001 ("**Common Stock**"), and 20,000 shares of the Company's newly designated preferred stock ("**Unit**").

ADAM J. REISS, ESQ., FLA BAR #0182702
Atlas Pearlman, P.A.
350 East Las Olas Boulevard, Suite 1700
Fort Lauderdale, Florida 33301
Phone No.: (954) 763-1200

H00000066727 9

3617-0100 301021.2

H00000066727 9

CLASS A 10% REDEEMABLE, CONVERTIBLE PREFERRED STOCK

1. **Designations and Amounts.** Four Hundred Eighty Thousand (480,000) shares of the Company's authorized preferred stock are designated as Class A 10% Redeemable, Convertible Preferred Stock, par value \$.0001 per share ("Preferred Stock").

2. **Dividends.**

(a) The holders of outstanding Preferred Stock shall be entitled to receive dividends at the annual rate of 10% based on the stated value of \$2.50 per share, when and if declared by the Board. Dividends shall be calculated from the date of the closing of the sale of the Units in the Offering ("**Original Issue Date**"), in each case annually on the anniversary of the Original Issue Date (the "**Dividend Payment Date**"). Dividends shall be payable to recordholders of shares of Preferred Stock as of the date five business days prior to the Dividend Payment Date (the "**Dividend Record Date**"). The right of the holder of shares of Preferred Stock as of the Dividend Record Date to the relevant dividend shall not be affected by the subsequent transfer or cancellation of such shares; such dividend being payable to the holder as of the Dividend Record Date notwithstanding such transfer or cancellation.

(b) Dividends on the shares of Preferred Stock shall be cumulative; therefore, if a full or partial dividend on the shares of Preferred Stock with respect to any dividend period is not declared by the Board of Directors of the Company (the "**Board**"), the Company shall be obligated to pay the full dividend on the shares of Preferred Stock with respect to such dividend period. Provided however that any unpaid dividends shall not bear interest.

3. **Liquidation Rights.**

Holders of shares of Preferred Stock have no preference on liquidation.

4. **Redemption.** The Company shall have the right to redeem each block of 20,000 shares of Preferred Stock included in each Unit, at any time from the date of issuance until 12 months thereafter, after providing the holder thereof with 10 days notice, for \$50,000 per 20,000 shares of Preferred Stock, plus accrued and unpaid interest.

If the Company receives at least \$9,000,000 in non-redeemable equity financing, the Company must redeem the Preferred Stock for \$50,000 per 20,000 shares of Preferred Stock, plus accrued and unpaid interest.

H00000066727 9

3617-0100 301021.2

H00000066727 9

5. **Voting Rights.** Holders of shares of Preferred Stock shall have no voting rights.

6. **Conversion of Preferred Stock into Common Stock.**

The Preferred Stock shall have the following conversion rights:

(a) **Automatic Conversion.** In the event the Company fails to redeem an investor's Preferred Stock within 12 months from the Original Issue Date, each share of Preferred Stock shall be automatically converted into 1 share of Common Stock.

(b) **Mechanics of Conversion.** The conversion of all outstanding shares of Preferred Stock to Common Stock shall occur automatically as provided in Paragraph 6(a) above ("**Triggering Event**"). The Company shall, within 10 days of the Triggering Event, provide written notice of the conversion to each holder of record of the Preferred Stock to be converted (the "**Conversion Notice**"). The Conversion Notice shall state:

(i) That all of the holder's outstanding shares of Preferred Stock were converted;

(ii) The number of shares of Preferred Stock held by the holder that were converted;

(iii) The effective date of the Conversion (the "**Conversion Date**") and the number of shares of Common Stock which the holder will receive; and

(iv) That the holder is to surrender to the Company, in the manner and at the place designated, the holder's certificate or certificates representing the shares of Preferred Stock converted.

Thereafter, each holder of Preferred Stock to be converted shall surrender the certificate or certificates representing such shares to the Company, in the manner and at the place designated in the Conversion Notice, and thereupon the requisite number of shares of Common Stock shall be issued in the name of the person whose name appears on the surrendered certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled and retired. Notwithstanding that the certificates evidencing any of the shares of Preferred Stock shall not have been surrendered, all rights with respect to such shares shall forthwith after the Conversion Date, terminate, except only the right of the holders to receive the appropriate number of shares of Common Stock upon surrender of their certificate or certificates therefor.

H00000066727 9

3617-0100 301021.2

H00000066727 9

(c) **Adjustment for Stock Splits and Combinations.** If the Company shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the conversion rate then in effect immediately before that subdivision shall be proportionately decreased, and conversely, if the Company shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the conversion rate then in effect immediately before the combination shall be proportionately increased. Any adjustment under this Paragraph 6(c) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(d) **Adjustment for Reclassification, Exchange, or Substitution.** If the Common Stock issuable upon the conversion of the Preferred Stock shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares or stock dividend provided for above, or a reorganization, merger, consolidation, or sale of assets provided for elsewhere in this Paragraph 6), then and in each such event the holder of each share of Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification, or other change, by holders of the number of shares of Common Stock into which such shares of Preferred Stock might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustments as provided herein.

(e) **Reorganization, Mergers, Consolidations, or Sales of Assets.** If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification, or exchange of shares provided for elsewhere in this Paragraph 6) or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's assets to any other person, then, as a part of such reorganization, merger, consolidation, or sale, provision shall be made so that the holders of the preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock, the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from such merger or consolidation or sale, to which a holder of the number of shares of Common Stock into which such shares of Preferred Stock might have been converted immediately prior to such capital reorganization, merger, consolidation, or sale would have been entitled, all subject to further adjustments as provided herein.

(f) **Notices of Record Date.** In the event of (i) any taking by the Company of a record of the holders of any class or series of securities of the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution or (ii) any reclassification or recapitalization of the capital stock of the Company, any merger or

H00000066727 9

3617-0100 301021.2

H00000066727 9

consolidation of the Company, or any transfer of all or substantially all of the assets of the Company to any other corporation, entity, or person or any voluntary or involuntary dissolution, liquidation, or winding up of the Company, the Company shall mail to each holder of Preferred Stock at least 10 days prior to the record date specified therein, a notice specifying (A) the date on which any such record is to be taken for purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation, or winding up is expected to become effective, and (C) the time, if any is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation, or winding up.

(g) **Fractional Shares.** No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to the product of such fraction multiplied by the fair market value of one share of the Company's Common Stock on the date of conversion, as determined in good faith by the Board.

(h) **Notices.** Any notice required by the provisions of this Paragraph 6 to be given to the holder of shares of the Preferred Stock shall be deemed given when personally delivered to such holder or 3 business days after the same has been deposited in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company.

(i) **Payment of Taxes.** The Company will pay all taxes and other governmental charges that may be imposed in respect of the issue or delivery of shares of Common Stock upon conversion of shares of Preferred Stock, but will not be responsible for any taxes and other governmental charges that may be imposed with respect to any other transfer of the Preferred Stock or Common Stock.

7. Conversion of Common Stock into VDC Common Stock.

The Common Stock received upon the conversion of the Preferred Stock ("**Convertible Common Stock**"), as described in Section 6 above, shall have the following conversion rights:

(a) **Optional Conversion.** The holders of the shares of Convertible Common Stock shall have the right, in the event the Company fails to either file a registration statement under the Securities Act of 1933, as amended, with the Securities

H00000066727 9

3617-0100 301021.2

H00000066727 9

and Exchange Commission for the public offering of the Company's Common Stock within 12 months of the closing of the Offering, or such registration statement has not been declared effective within 6 months of its initial filing with the Securities and Exchange Commission, the holders of the shares of Convertible Common Stock shall have the right to convert each share of Convertible Common Stock so received into 2 shares of VDC Common Stock.

(b) **Mechanics of Conversion.** A holder of Convertible Common Stock may convert all or any number of his/her shares of Convertible Common Stock to VDC Common Stock at the conversion rate of 1 share of Convertible Common Stock for 2 shares of VDC Common Stock by delivering written notice of the holder's intent to convert to the Company and to VDC, describing the number of shares of Convertible Common Stock to be converted, and enclosing the certificates for the shares of Convertible Common Stock to be converted along with an applicable exemption. Upon receipt of the written notice of conversion, the requisite number of shares of VDC Common Stock shall be issued in the name of the person whose name appears on the surrendered certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled and retired.

(c) **Adjustment for Stock Splits and Combinations.** If VDC shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding VDC Common Stock, the conversion rate then in effect immediately before that subdivision shall be proportionately decreased, and conversely, if VDC shall at any time or from time to time after the Original Issue Date combine the outstanding shares of VDC Common Stock, the conversion rate then in effect immediately before the combination shall be proportionately increased. Any adjustment under this Paragraph 7(c) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(d) **Adjustment for Reclassification, Exchange, or Substitution.** If VDC Common Stock issuable upon the conversion of the Convertible Common Stock shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares or stock dividend provided for above, or a reorganization, merger, consolidation, or sale of assets provided for elsewhere in this Paragraph 7), then and in each such event the holder of each share of Convertible Common Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification, or other change, by holders of the number of shares of VDC Common Stock into which such shares of Convertible Common Stock might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustments as provided herein.

H00000066727 9
3617-0100 301021.2

H00000066727 9

(e) Reorganization, Mergers, Consolidations, or Sales of Assets. If at any time or from time to time there shall be a capital reorganization of VDC Common Stock (other than a subdivision, combination, reclassification, or exchange of shares provided for elsewhere in this Paragraph 7) or a merger or consolidation of VDC with or into another corporation, or the sale of all or substantially all of VDC's assets to any other person, then, as a part of such reorganization, merger, consolidation, or sale, provision shall be made so that the holders of the Convertible Common Stock shall thereafter be entitled to receive upon conversion of the Convertible Common Stock, the number of shares of stock or other securities or property of VDC, or of the successor corporation resulting from such merger or consolidation or sale, to which a holder of the number of shares of VDC Common Stock into which such shares of Convertible Common Stock might have been converted immediately prior to such capital reorganization, merger, consolidation, or sale would have been entitled, all subject to further adjustments as provided herein.

(f) Notices of Record Date. In the event of (i) any taking by VDC of a record of the holders of any class or series of securities of the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution or (ii) any reclassification or recapitalization of the capital stock of VDC, any merger or consolidation of VDC, or any transfer of all or substantially all of the assets of VDC to any other corporation, entity, or person or any voluntary or involuntary dissolution, liquidation, or winding up of VDC, VDC shall mail to each holder of Convertible Common Stock entitled to convert to VDC Common Stock, at least 10 days prior to the record date specified therein, a notice specifying (A) the date on which any such record is to be taken for purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation, or winding up is expected to become effective, and (C) the time, if any is to be fixed, as to when the holders of record of VDC Common Stock (or other securities) shall be entitled to exchange their shares of VDC Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation, or winding up.

H00000066727 9

3617-0100 301021.2

(g) Fractional Shares. No fractional shares of VDC Common Stock shall be issued upon conversion of Convertible Common Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, VDC shall pay cash equal to the product of such fraction multiplied by the fair market value of one share of VDC Common Stock on the date of conversion, as determined in good faith by the Board.

(h) Notices. Any notice required by the provisions of this Paragraph 8 to be given to the holder of shares of the Convertible Common Stock shall be deemed given when personally delivered to such holder or 3 business days after the same has been deposited in the United States mail, certified or registered mail, return receipt requested, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company.

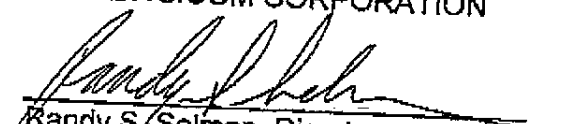
(i) Payment of Taxes. The Company will pay all taxes and other governmental charges that may be imposed in respect of the issue or delivery of shares of VDC Common Stock upon conversion of shares of Convertible Common Stock, but will not be responsible for any taxes and other governmental charges that may be imposed with respect to any other transfer of the Convertible Common Stock or VDC Common Stock.

8. Amendment. This Designation of Rights and Preferences may be amended by an instrument in writing signed by the Company and approved by the holders of a majority of the issued and outstanding shares of Preferred Stock.

IN WITNESS WHEREOF, a duly authorized officer of the Company has executed these Articles of Amendment this 21st day of December, 2000.

THEFIRSTNEWS.COM CORPORATION

By:


Randy S. Selman, Director and President

H00000066727 9