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BASIC AMENDMENT

PARSES, INC.

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SECRETARY OF STATE
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ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
PARSES, INC.

The undersigned DOES HEREBY CERTIFY that the following Amendment to the Articles of Incorporation were unanimously approved and adopted on July 19, 2004 by the written consent of the Board of Directors (the "Board of Directors") of PARSES, INC., a Florida corporation (the "Corporation").

Pursuant to the provisions of Section 607.1001 of the Florida General Corporation Act, the undersigned corporation does hereby adopt these Articles of Amendment to the Articles of Incorporation, and the undersigned officers do hereby certify on behalf of the undersigned corporation as follows:

The name of the corporation is Parses, Inc. (the "Company"). The Articles of Incorporation of this Corporation were filed by the Department of State of the State of Florida and became effective on July 16, 2004. The document number of this Corporation is P04000105790.

Article III to the Articles of Incorporation provided that the Board of Directors is authorized to provide for the issuance of referred Stock in one or more series and, by filing the appropriate Articles of Amendment with the Secretary of State of the State of Florida, is authorized to establish the number of shares to be included in each series and the preferences, limitations, and relative rights of each series.

Article III of the Articles of Incorporation is hereby amended to adopt the following series of Preferred Stock.

A. SERIES A SENIOR PREFERRED STOCK

There shall be hereby established a single series of the preferred stock of the Corporation, the designation of which shall be "Series A Senior Convertible Preferred Stock", par value \$.01 per share (the "Series A Preferred Stock"). The number of authorized shares constituting the Series A Senior Preferred Stock shall be 500,000. The Series A Senior Preferred Stock shall have the limitations and relative rights of the respective classes of authorized capital stock and a statement of the preferences, voting powers, relative, participating, optional or other special rights and privileges and the qualifications, limitations and restrictions of the respective classes of authorized capital stock as set forth herein.

I. VOTING

a. Except as may be otherwise required by law or as otherwise set forth in these Articles of Incorporation, the Preferred Stock shall vote together with Common Stock of the Corporation as a single class on all actions to be taken by the stockholders of the Corporation, including, but not limited to, actions amending these Articles of Incorporation to increase the number of authorized shares of Common Stock, irrespective of any provisions of the Florida Business Corporation Act to the contrary. Each share of Preferred Stock shall entitle the holder thereof to such number of votes per share on any action on which such shares are entitled to be voted as shall equal the number of shares of Common Stock (including fractions of a share) into which each share of Preferred Stock is then convertible.

b. So long as any shares of Series A 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 sixty percent (60%) of the then outstanding shares of Series A Preferred Stock originally purchased by the purchasers of the Corporation's Series A Preferred Stock pursuant to the terms of a certain Stock Purchase Agreement dated on or about July 15, 2004 by and between the Corporation and Holly Health Partners, LLC. (the "Stock Purchase Agreement"), voting together as a separate class:

(1) consent to, authorize, enter into any commitment or agreement with respect to, or consummate, a Sale of the Corporation (as such term is defined in Section VI of this Article IV, paragraph A);

(2) alter or change the rights, preferences or privileges of the Series A Preferred Stock, as set forth in these Articles of Incorporation, or increase or decrease the total number of authorized shares of Series A Preferred Stock (including, without limitation, changes resulting from a merger consolidation or otherwise);

(3) authorize (A) the creation of any class or series of any equity security of the Corporation having rights, preferences or privileges senior to, or on parity with, the Series A Preferred Stock or (B) the reclassification or modification of any class or series of any equity security of the Corporation in a manner that would result in such class or series having rights, preferences or privileges senior to, or on parity with, the Series A Preferred Stock;

(4) consent to, authorize or enter into any commitment or agreement with respect to, or consummate, a sale or other transfer of material assets of the Corporation (which shall include for this purpose the assets of all direct and indirect subsidiaries (as such term is defined in Section VI of this Article IV, paragraph A)) to any Person (as such term is defined in Section VI of this Article IV, paragraph A) other than a wholly-owned subsidiary of the Corporation;

(5) consent to, authorize or enter into any commitment or agreement with respect to, or consummate, the acquisition of another business or some or all of its assets (whether by acquisition of stock or assets, through a merger or otherwise);

(6) redeem, purchase or otherwise acquire (or pay into or set funds aside for a sinking fund for such purpose) any share or shares of the Corporation's preferred stock or Common Stock, other than shares of Series A Preferred Stock redeemed as provided in Section V of this Article IV, paragraph A and shares of capital stock of the Corporation repurchased pursuant to the terms of agreements entered into at the time of original issuance of such shares and approved by the Board of Directors that grant to the Corporation a right of repurchase of such shares at cost upon termination of service or employment of a consultant, director or employee of the Corporation;

(7) consent to or otherwise authorize any liquidation, dissolution or winding up of the Corporation;

(8) consent to, authorize, enter into any commitment or agreement with respect to, or consummate, any transaction (other than employment compensation arrangements approved by the compensation committee of the Board, which shall at all times consist of the chief executive officer of the Corporation and at least two non-employee directors of the Corporation, including a director designated for election by Holly Health Partners, LLC) with any past or present officer, employee, director or affiliate of the Corporation or any subsidiary of the Corporation or any entity owning 2% or more of any class of capital stock of the Corporation or any member of the immediate family of such officer,

employee, director or stockholder or any corporation or other entity controlled by such officer, employee, director or stockholder or by a member of the immediate family of such officer, employee, director or stockholder;

(9) declare or pay a dividend or other distribution to the Corporation's shareholders, other than a dividend or payment to the holders of the Series A Preferred Stock; or

(10) amend the Articles of Incorporation or the Corporation's bylaws.

II. DIVIDENDS

a. Cumulative Dividends on Series A Preferred Stock. From and including the date of issuance of each share of Series A Preferred Stock to the earlier of (1) the Individual Series A Liquidation Preference Payment (as defined below) is paid on each share of Series A Preferred Stock upon the liquidation, dissolution or winding up of the Corporation, (2) the redemption of the Series A Preferred Stock, or (3) the conversion of the Series A Preferred Stock, the holders of shares of Series A Preferred Stock shall be entitled to receive, prior to and in preference to any declaration or payment of any dividend on any other shares of capital stock of the Corporation, a cumulative dividend for each such share at a rate per annum equal to eight percent (8%) of the Stated Value (as such term is defined in Section VI of this Article IV, paragraph A) thereof, payable annually on the second Monday of January of each year commencing 2006, at the option of the Board of Directors of the Corporation (x) in cash, to the extent funds are legally available, therefore, in accordance with the Florida Business Corporation Act and consent, if needed, to such cash payment is obtained from the senior secured creditors of the Corporation, or (y) in shares of Series A Preferred Stock equal to the result of dividing the dividend amount so accrued by the Stated Value of one share of Series A Preferred Stock. Such dividends shall accrue whether or not they have been declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends. The date on which the Corporation initially issues any share of Series A Preferred Stock shall be deemed to be its "date of issuance" regardless of the number of times transfer of such share is made on the stock records maintained by or for the Corporation and regardless of the number of certificates which may be issued to evidence such share.

b. Partial Payment. In the event that full dividends are not paid to the holders of all outstanding shares of Series A Preferred Stock and funds available for payment of dividends shall be insufficient to permit payment in full to holders of all such stock of the full preferential amounts to which they are then entitled, then the entire amount available for payment of dividends shall be distributed, ratably among all holders of Series A Preferred Stock in proportion to the full amount to which they would otherwise be respectively entitled.

c. Dividends on Common Stock. In addition to the dividends described in Article II, paragraph (a) above, to the extent that the Corporation declares and pays a dividend on the Common Stock, the holders of the Series A Preferred Stock shall participate in such dividend, as if the holders of the Series A Preferred Stock had converted their shares of Series A Preferred Stock into Common Stock.

III. LIQUIDATION

a. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, the holders of the shares of Series A Preferred Stock shall be paid, before any payment shall be paid to the holders of any stock ranking on liquidation junior to the Series A Preferred Stock, an amount for each share of Series A Preferred Stock held by such holder equal to the sum of (1) the Stated Value thereof and (2) an amount equal to dividends accrued but unpaid thereon, computed to the date payment thereof is made available (such applicable amount payable with respect to a share of

Series A Preferred Stock being sometimes referred to as the "Individual Series A Preferred Liquidation Preference Payment" and with respect to all shares of Series A Preferred Stock in the aggregate being sometimes referred to as the "Aggregate Series A Liquidation Preference Payment"). If upon such liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, the assets to be distributed among the holders of shares of Series A Preferred Stock shall be insufficient to permit payment to the holders of Series A Preferred Stock of an aggregate amount equal to the Aggregate Series A Liquidation Preference Payment, then the entire assets of the Corporation to be so distributed shall be distributed ratably among the holders of Series A Preferred Stock (based on the Individual Series A Liquidation Preference Payments due to the respective holders of Series A Preferred Stock). Upon any liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, after the holders of Series A Preferred Stock shall have been paid in full the Aggregate Series A Preferred Liquidation Preference Payment, the remaining net assets of the Corporation shall be distributed as provided in paragraph b of this Section III. For purposes hereof, all of the Common Stock and any other shares of the Corporation's preferred stock shall rank on liquidation junior to the Series A Preferred Stock.

b. Upon any liquidation, dissolution or winding up of the Corporation, immediately after the holders of Series A Preferred Stock have been paid in full the Aggregate Series A Liquidation Preference Payment pursuant to paragraph a above, the remaining net assets of the Corporation available for distribution shall be distributed pro-rata among the holders of shares of Series A Preferred Stock and Common Stock on an as-converted to Common Stock basis.

c. At the election of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, a Sale of the Corporation (as defined in Section VI(b)(1) or (3)) shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of the provisions of this Section III. A Sale of the Corporation (as defined in Section VI(b)(2)) shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of the provisions of this Section III. Whenever the distribution provided for in this Section III shall be payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors, including in all cases the directors designated by Holly Health Partners, LLC.

IV. CONVERSIONS

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

a. Right to Convert. Subject to the terms and conditions of this Section IV, the holder of any share or shares of Series A Preferred Stock shall have the right, at its option at any time after the date of issuance of such shares, and from time to time, to convert any such shares of Series A Preferred Stock (except that upon any liquidation of the Corporation the right of conversion shall terminate at the close of business on the business day fixed for payment of the amount distributable on the Series A Preferred Stock) into such number of fully paid and nonassessable shares of Common Stock as is obtained by (1) multiplying the number of shares of Series A Preferred Stock so to be converted by the Applicable Issuance Price (as defined below) with respect to the Series A Preferred Stock so to be converted, and (2) dividing the result by the Applicable Conversion Price (as defined below) with respect to the Series A Preferred Stock so to be converted or, in case an adjustment of such price has taken place pursuant to the further provisions of this Section IV, then by the Applicable Conversion Price as last adjusted and in effect at the date any share or shares of Series A Preferred Stock are surrendered for conversion. The "Applicable Issuance Price" for each share of Series A Preferred Stock shall be \$1.00

per share. The initial "Applicable Conversion Price" for each share of Series A Preferred Stock shall be \$1.00 per share. If the Corporation does not achieve the milestones set forth on Schedule IV(a) attached hereto by the date set forth in that schedule, then the Applicable Conversion Price shall be reduced to as low as \$.377 per share (as more fully set forth on Schedule IV(a)), so that the holder of each share of Series A Preferred Stock would receive up to 2.65 shares of Common Stock for each share of Series A Preferred Stock (the "Milestone Adjustment"). Any change to the Applicable Conversion Price by the Milestone Adjustment, shall be in addition to, and not in lieu of any of the additional adjustments set forth herein. Such rights of conversion shall be exercised by the holder thereof by giving written notice to the Corporation that the holder elects to convert a stated number of shares of Series A Preferred Stock into Common Stock and by surrender of a certificate or certificates for the shares so to be converted to the Corporation at its principal office (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holders of the Series A Preferred Stock) at any time during its usual business hours on the date set forth in such notice, together with a statement of the name or names (with address) in which the certificate or certificates for shares of Common Stock shall be issued.

b. Issuance of Certificates: Time Conversion Effected

(1) Promptly after the receipt of the written notice referred to in paragraph a of this Section IV, and surrender of the certificate or certificates for the share or shares of Series A Preferred Stock to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the holder, registered in such name or names as such holder may direct, subject in each case to any applicable restrictions on transfer of such shares, a certificate or certificates for the number of whole shares of Common Stock issuable upon the conversion of such share or shares of Series A Preferred Stock. To the extent permitted by law, such conversion shall be deemed to have been effected, and the Applicable Conversion Price with respect to Series A Preferred Stock shall be determined, as of the close of business on the date on which such written notice shall have been received by the Corporation and the certificate or certificates for such share or shares shall have been surrendered as aforesaid, and at such time the rights of the holder of such share or shares of Series A Preferred Stock shall cease, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares represented thereby.

(2) If the conversion of any share or shares of Series A Preferred Stock into Common Stock is to occur in connection with an underwritten offering of the Corporation's securities pursuant to the Securities Act of 1933, as amended, such conversion may, at the option of any holder tendering shares of Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of such securities pursuant to such offering, in which event the person or persons entitled to receive the Common Stock upon conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of such sale of securities.

c. Fractional Shares; Dividends; Partial Conversion. No fractional shares shall be issued upon conversion of Series A Preferred Stock into Common Stock and no payment or adjustment shall be made upon any conversion on account of any cash dividends on the Common Stock issued upon such conversion. At the time of each conversion, the Corporation shall pay to the holders of the shares of Series A Preferred Stock surrendered for conversion cash in an amount equal to all dividends accrued or declared and unpaid on the shares of Series A Preferred Stock surrendered for conversion to the date upon which such conversion is deemed to take place as provided in paragraph b above; provided, however, if cash is not legally available for payment of such dividends at the time of such conversion or consent, if needed, to such cash payment has not been obtained from the senior secured creditors of the Corporation, the Corporation shall, at the option of such holders, (1) pay such dividends in cash as and when cash is

legally available, therefore, and such consent has been obtained (which consent the Corporation shall use its commercially reasonable best efforts to obtain as and when cash is so legally available for the payment of such dividends), or (2) provide to such holders a certificate representing a number of shares of Common Stock equal to the quotient of all dividends accrued or declared and unpaid on the shares of Series A Preferred Stock so surrendered divided by the Applicable Conversion Price then in effect with respect to the shares of each series of Preferred Stock so surrendered. In case the number of shares of Preferred Stock represented by the certificate or certificates surrendered pursuant to paragraph a above, exceeds the number of shares converted, the Corporation shall, upon such conversion, execute and deliver to the holder, at the expense of the Corporation, a new certificate or certificates for the number of shares of Series A Preferred Stock represented by the certificate or certificates surrendered which are not to be converted. If any fractional share of Common Stock would, except for the provisions of the first sentence of this paragraph c, be delivered upon such conversion, the Corporation, in lieu of delivering such fractional share, shall pay to the holder surrendering the Series A Preferred Stock for conversion an amount in cash equal to the fair market value of such fractional share as determined in good faith by the Board of Directors.

d. Adjustment of Price Upon Issuance of Common Stock. Except as provided in paragraphs e and f of this Section IV, if and whenever the Corporation shall after the Effective Date issue or sell, or is, in accordance with paragraphs d(1) through d(7) below, deemed to have issued or sold, any shares of Common Stock for consideration per share less than the Applicable Conversion Price with respect to shares of a series of Series A Preferred Stock in effect immediately prior to the time of such issue or sale (such number being appropriately adjusted to reflect the occurrence of any event described in paragraph f below), then, forthwith upon such issue or sale, the Applicable Conversion Price with respect to such shares of Series A Preferred Stock shall be reduced to the price determined by dividing (i) an amount equal to the sum of (a) the number of shares of Common Stock outstanding, or deemed to be outstanding in accordance with paragraphs d(1) through d(4) below, immediately prior to such issue or sale (assuming the conversion of the outstanding shares of Series A Preferred Stock using the Applicable Conversion Price in effect with respect to the shares of the Series A Preferred Stock immediately prior to such issue or sale) multiplied by the then existing Applicable Conversion Price with respect to the applicable shares of Series A Preferred Stock and (b) the consideration, if any, received by the Corporation upon such issue or sale, by (ii) an amount equal to the sum of (a) the total number of shares of Common Stock outstanding, or deemed to be outstanding in accordance with paragraphs d(1) through d(4), immediately after such issue or sale and (b) the number of shares of Common Stock issuable upon conversion of all outstanding shares of the Corporation's preferred stock immediately prior to such issue or sale.

For purposes of this paragraph d, the following paragraphs d(1) to d(7) shall also be applicable:

(1) Issuance of Rights or Options. In case at any time after the Effective Date the Corporation shall in any manner grant (whether directly or by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or security convertible into or exchangeable for Common Stock (such warrants, rights or options being called "Options" and such convertible or exchangeable stock or securities being called "Convertible Securities"), or shall fix a record date for the determination of the holders of any class of securities entitled to receive any such Options or Convertible Securities, whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Options or upon the conversion or exchange of such Convertible Securities (determined by dividing (a) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Corporation

upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (b) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Applicable Conversion Price with respect to any shares of either series of Preferred Stock in effect immediately prior to the time of the granting of such Options, or, in case such a record date shall have been fixed, immediately prior to the close of business on such record date, then the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have been issued for such price per share as of the date of granting of such Options or the issuance of such Convertible Securities, or, in case such a record date shall have been fixed, prior to the close of business on such record date, and thereafter shall be deemed to be outstanding. Except as otherwise provided in paragraph d(3), no adjustment of the Applicable Conversion Price with respect to any shares of Series A Preferred Stock shall be made upon the actual issue of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issue of such Common Stock upon conversion or exchange of such Convertible Securities.

(2) Issuance of Convertible Securities. Except upon the exercise of an Option referred to in paragraph d(1), above, in case at any time after the Effective Date the Corporation shall in any manner issue (whether directly or by assumption in a merger or otherwise) or sell any Convertible Securities, or shall fix a record date for the determination of the holders of any class of securities entitled to receive any such Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (a) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities prior to giving effect to any anti-dilution provision or feature of such securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof, by (b) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Applicable Conversion Price with respect to any shares of either series of Preferred Stock in effect immediately prior to the time of such issue or sale, or, in case such a record date shall have been fixed, immediately prior to the close of business on such record date, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued for such price per share as of the date of the issue or sale of such Convertible Securities, or, in case such a record date shall have been fixed, as of the close of business on such record date, and thereafter shall be deemed to be outstanding, provided that if any such issue or sale of such Convertible Securities is made upon exercise of any Options to purchase any such Convertible Securities for which adjustments of the Applicable Conversion Price for any shares of the Series A Preferred Stock have been or are to be made pursuant to other provisions of this paragraph d, no further adjustment of such Applicable Conversion Price shall be made by reason of such issue or sale.

(3) Change in Option Price or Conversion Rate. Upon the happening of any of the following events at any time after the Effective Date, namely, if the purchase price provided for in any Options referred to in paragraph d(1), the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in paragraph d(1) or d(2), or the rate at which Convertible Securities referred to in paragraph d(1) or d(2) are convertible into or exchangeable for Common Stock shall change at any time (including, but not limited to, changes under or by reason of provisions designed to protect against dilution), the Applicable Conversion Price with respect to any shares of Series A Preferred Stock in effect at the time of such event shall forthwith be readjusted to the Applicable Conversion Price which would have been in effect at such time had such Options or

Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment the Applicable Conversion Price then in effect hereunder is thereby reduced (appropriately adjusted to reflect the occurrence of any event described in paragraph f); provided, however, that no such adjustment of the Applicable Conversion Price shall affect Common Stock previously issued upon conversion of any Series A Preferred Stock; and on the termination of any such Options or any such right to convert or exchange such Convertible Securities, such Applicable Conversion Price then in effect hereunder shall forthwith be increased to the Applicable Conversion Price which would have been in effect at the time of such termination as though such Options or Convertible Securities, to the extent outstanding immediately prior to such termination, had never been issued.

(4) Stock Dividends.

(i) In case the Corporation shall at any time after the Effective Date declare a dividend or make any other distribution upon any stock of the Corporation payable in Common Stock, Options or Convertible Securities, then any Common Stock, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to be outstanding upon such declaration and to have been issued or sold without consideration.

(ii) In case the Corporation shall at any time after the Effective Date make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation other than shares of Common Stock, then and in each such event provision shall be made so that the holders of the Series A Preferred Stock shall receive upon conversion thereof in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Corporation that they would have received had the Series A Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this paragraph with respect to the rights of the holders of the Series A Preferred Stock.

(iii) Notwithstanding any provision of this paragraph (d)(4) to the contrary, no adjustment to the Applicable Conversion Price shall be required and no provision for future issuance of such dividend or other distribution, together with applicable adjustments thereto, upon conversion of shares of Series A Preferred Stock shall be required if, simultaneously with any payment of any such dividend or distribution, the holders of Series A Preferred Stock receive a dividend or other distribution of securities in an amount equal to the amount of such securities as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event (and in the same form as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event).

(5) Consideration for Stock. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received, therefore, shall be deemed to be the amount received by the Corporation, therefore,. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Corporation shall be deemed to be the fair market value of such consideration as determined in good faith by the Board of Directors. In case any Options shall be issued in connection with the issue and sale of other securities of the Corporation, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued for such consideration as determined in good faith by the Board of Directors of the Corporation.

(6) Record Date. In case the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them (a) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or (b) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(7) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation, and the disposition of any such shares (other than by retirement) shall be considered an issue or sale of Common Stock for the purpose of this paragraph d.

e. Certain Issues of Common Stock Excepted. Anything herein to the contrary notwithstanding, the Corporation shall not be required to make any adjustment of the Applicable Conversion Price pursuant to paragraph (d) with respect to any shares of either series of Series A Preferred Stock in the case of the issuance after the Effective Date of this Amended and Restated Certificate of Incorporation of (1) shares of Common Stock issuable upon conversion of the Series A Preferred Stock; or (2) shares (appropriately adjusted to reflect the occurrence of an event described in paragraph f) of Common Stock or Options to acquire shares of Common Stock up to an aggregate of 252,500 shares of Common Stock issued or issuable to officers, directors, employees, or consultants of the Corporation pursuant to a stock option plan or restricted stock plan or agreement approved by Board of Directors.

f. Subdivision or Combination of Common Stock. In case the Corporation shall at any time after the Effective Date subdivide (by any stock split, stock dividend or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Applicable Conversion Price with respect to the Series A Preferred Stock in effect immediately prior to such subdivision shall be proportionately reduced, and, conversely, in case the outstanding shares of Common Stock shall be combined into a smaller number of shares, the Applicable Conversion Price with respect to Series A Preferred Stock in effect immediately prior to such combination shall be proportionately increased.

g. Reorganization or Reclassification. If any capital reorganization, reclassification, recapitalization, consolidation, merger, sale of all or substantially all of the Corporation's assets or other similar transaction (any such transaction being referred to herein as an "Organic Change") shall be effected in such a way that holders of Common Stock shall be entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such Organic Change, lawful and adequate provisions shall be made whereby each holder of a share or shares of Series A Preferred Stock shall thereupon have the right to receive (but not in limitation of the rights granted in paragraph d of Section III), upon the basis and upon the terms and

conditions specified herein and in lieu of or in addition to, as the case may be, the shares of Common Stock immediately theretofore receivable upon the conversion of such share or shares of Series A Preferred Stock, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore receivable upon such conversion had such Organic Change not taken place. In any such case, only appropriate provisions shall be made with respect to the rights and interests of such holder to the end that the provisions hereof (including without limitation provisions for adjustments of the Applicable Conversion Price with respect to Series A Preferred Stock) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of such conversion rights.

h. Notice of Adjustment. Upon any adjustment of the Applicable Conversion Price with respect to any shares of Series A Preferred Stock, then and in each such case, the Corporation shall give written notice thereof, by delivery in person, certified or registered mail, return receipt requested, or telecopier, addressed to each holder of shares of Series A Preferred Stock at the address of such holder as shown on the books of the Corporation, which notice shall state the Applicable Conversion Price with respect to the shares of Series A Preferred Stock resulting from such adjustment, setting forth in reasonable detail the method upon which such calculation is based.

i. Other Notices. In case at any time:

(1) the Corporation shall declare any dividend or distribution upon its Common Stock payable in cash, property, stock or other securities;

(2) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, or a Sale of the Corporation;

(3) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation; or

(4) the Corporation shall propose to offer for subscription pro rata to the holders of any class or series of stock any additional shares of stock of any class or series or other rights; then, in any one or more of said cases, the Corporation shall give, by delivery in person, certified or registered mail, return receipt requested or telecopier, addressed to each holder of any shares of Series A Preferred Stock at the address of such holder as shown on the books of the Corporation, (a) at least 20 days' prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, Sale of the Corporation, dissolution, liquidation or winding up and (b) in the case of any such reorganization, reclassification, Sale of the Corporation, dissolution, liquidation or winding up, at least 20 days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (1) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto and such notice in accordance with the foregoing clause (2) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, Sale of the Corporation, dissolution, liquidation or winding up, as the case may be. Such notice shall be deemed given when received if delivered in person or by telecopier (with confirmation of receipt), or three (3) days after being sent by certified or registered mail.

j. Stock to be Reserved. The Corporation will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon the conversion of Series A Preferred Stock as herein provided, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all outstanding shares of Series A 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 A Preferred Stock, the Corporation shall take such action as may, in the opinion of its counsel, be necessary to increase the authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation of the Corporation. The Corporation covenants that all shares of Common Stock which shall be so issued shall be duly and validly issued and fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof, and, without limiting the generality of the foregoing, the Corporation covenants that it will from time to time take all such action as may be required to assure that the par value per share of the Common Stock is at all times equal to or less than the Applicable Conversion Price with respect to all shares of Series A Preferred Stock in effect at the time. The Corporation will take all such action as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or regulation, or of any requirement of any national securities exchange upon which the Common Stock may be listed.

k. No Reissuance of Preferred Stock. Shares of Series A Preferred Stock which are converted into shares of Common Stock as provided herein shall not be reissued.

l. Issue Tax. The issuance of certificates for shares of Common Stock upon conversion of Series A Preferred Stock shall be made without charge to the holders thereof for any issuance tax in respect thereof, provided 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 certificate in a name other than that of the holder of the Series A Preferred Stock which is being converted.

m. Closing of Books. The Corporation will at no time close its transfer books against the transfer of any Series A Preferred Stock or of any shares of Common Stock issued or issuable upon the conversion of any shares of Series A Preferred Stock in any manner which interferes with the timely conversion of such Series A Preferred Stock, except as may otherwise be required to comply with applicable securities laws.

n. Mandatory Conversion. Each share of Series A Preferred Stock shall automatically convert to shares of Common Stock on the basis set forth in this Section IV upon the closing of a firm commitment underwritten public offering of shares of Common Stock (i) with gross proceeds to the Corporation of at least \$30,000,000 and (ii) and a "pre-money valuation" of \$100,000,000 immediately prior to such closing.

o. No Impairment. The Corporation will not, by amendment of these Articles of Incorporation or through any reorganization, recapitalization or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section IV and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of shares of Preferred Stock against impairment.

V. REDEMPTION

The shares of Preferred Stock shall be redeemed as follows:

a. Optional Redemption. The Corporation shall not at any time have the right at its election to call or to redeem all or any shares of Series A Preferred Stock. Upon the written election of the holders of at least sixty percent (60%) of the then outstanding shares of Series A Preferred Stock, consenting or voting (as the case may be) together as a single class, given at any time on or after June 30, 2009 (the "Series A Redemption Notice"), the Corporation shall redeem all, but not less than all, of the then outstanding Series A Preferred Stock, from funds legally available, therefore, (the "Series A Redemption Date"). Upon receipt of the Series A Redemption Notice, the Corporation will so notify in writing all other persons holding Series A Preferred Stock of the scheduled redemption in accordance with paragraph c of this Section V. After receipt of the Series A Redemption Notice, the Corporation shall fix the date for redemption of the Series A Preferred Stock (the "Series A Redemption Date") provided that the Series A Redemption Date shall occur at least forty-five but not more than sixty (60) days after receipt by the Corporation of the Series A Redemption Notice. All holders of Series A Preferred Stock shall deliver to the Corporation during regular business hours, at the office of any transfer agent of the Corporation for the Series A Preferred Stock or at the principal office of the Corporation or at such other place as may be designated by the Corporation, the certificate or certificates for the Series A Preferred Stock to be redeemed on the Series A Redemption Date, duly endorsed for transfer to the Corporation (if required by it) on or before the Series A Redemption Date.

b. Redemption Price and Payment. The Series A Preferred Stock to be redeemed on the Series A Redemption Date shall be redeemed by paying for each share in cash an amount equal to (a) the Stated Value per share of each such share, plus (b) an amount equal to the total amount of (i) all dividends accrued and unpaid on each such share to the date such share is redeemed, whether or not declared, and (ii) all other dividends declared and unpaid on each such share through the date of actual redemption, such amount being referred to as the "Series A Redemption Price". Such payment shall be made in full on the Series A Redemption Date to the holders entitled thereto with respect to the shares.

c. Redemption Mechanics for Optional Redemptions. At least twenty (20) but not more than thirty (30) days prior to the Series A Redemption Date, written notice (the "Corporation Series A Redemption Notice") shall be given by the Corporation by mail, postage prepaid, by reputable overnight delivery service, or by facsimile transmission, to each holder of record (at the close of business on the business day next preceding the day on which the Series A Redemption Notice is given) of shares of Series A Preferred Stock notifying such holder of the redemption and specifying the Series A Redemption Price, the Series A Redemption Date and the place where the said Series A Redemption Price shall be payable. Notwithstanding any provision in these Articles of Incorporation to the contrary, after the Corporation has furnished the Corporation Series A Redemption Notice, each holder of shares of Series A Preferred Stock called for redemption may, on or before the close of the last business day preceding the Series A Redemption Date, convert such shares into shares of Common Stock on the basis set forth in Section IV of this Article IV, paragraph A, which conversion may be made contingent on the scheduled redemption actually occurring as contemplated in the Corporation Series A Redemption Notice.

The Corporation Series A Redemption Notice shall be addressed to each holder of Series A Preferred Stock at his address as shown by the records of the Corporation. From and after the close of business on the Series A Redemption Date, as applicable, unless there shall have been a default in the payment of the Series A Redemption Price, all rights of holders of shares of Series A Preferred Stock to be redeemed on the Series A Redemption Date, (except the right to receive the Series A Redemption Price, as applicable) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of

the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of Series A Preferred Stock on any Series A Redemption Date are insufficient to redeem the number of shares, if any, of Series A Preferred Stock required under this Section V to be redeemed on such date, those funds which are legally available will be used to redeem the shares of Series A Preferred Stock to be redeemed on the Series A Redemption Date and the maximum possible number of such shares of Series A Preferred Stock ratably if the funds of the Corporation legally available, therefore, are insufficient to redeem all shares of Series A Preferred Stock. At any time thereafter when additional funds of the Corporation become legally available for the redemption of Series A Preferred Stock, such funds will be used, at the end of the next succeeding fiscal quarter, to redeem the balance of the shares of Series A Preferred Stock which the Corporation was theretofore obligated to redeem, ratably. Any shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all rights and preferences provided herein.

d. Redeemed or Otherwise Acquired Shares to be Retired. Any shares of Preferred Stock redeemed pursuant to this Section V or otherwise acquired by the Corporation in any manner whatsoever shall be canceled and shall not under any circumstances be reissued; and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce accordingly the number of authorized shares of Preferred Stock.

VI. DEFINITIONS

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

a. The term "Person" shall mean an individual, partnership, corporation, unincorporated organization or association, limited liability company, trust or other entity.

b. The term "Sale of the Corporation" shall mean (1) a merger, combination, consolidation or similar business combination involving the Corporation in which the holders of voting securities of the Corporation immediately prior thereto are not the holders of a majority in interest of the voting securities of the surviving entity in such transaction, (2) a sale, lease or conveyance of all or substantially all of the assets of the Corporation, or (3) a sale of a majority of the outstanding voting securities of the Corporation other than in a public offering of such securities.

c. The term "Stated Value" shall mean \$1.00 per share (subject to appropriate adjustment for the Mileston Adjustment and stock splits, reverse stock splits, stock dividends, recapitalizations, reclassifications and similar events affecting the Series A Preferred Stock).

d. The term "Subsidiary" shall mean any corporation, partnership, trust or other entity of which the Corporation and/or any of its other subsidiaries directly or indirectly owns at the time a majority of the outstanding voting securities of such corporation, partnership, trust or other entity.

The foregoing Amendment to the Articles of Incorporation was duly adopted by the Board of Directors on July 19, 2004. Shareholder approval was not required.

Schedule IV (a) to the
Articles of Incorporation
Of

Parses, Inc.

Milestones

Parses, Inc. has authorized the issuance of Series A Preferred Stock which is initially convertible into one share of common stock for each share of Series A Preferred Stock as more fully set forth in Article IV of the Articles of Incorporation. The Corporation understands that if the following milestones are not met by August 1, 2005 then the Applicable Conversion Price (as defined in Article IV, Section A(IV)(a)) will be adjusted as more fully set forth below.

A. Milestones.

1. **Revenue should be at least \$500,000 for the three-months ending July 31, 2005 ("Milestone #1").**

This will be on an accrual basis, i.e. audits completed will count towards revenue, subject to historic performance of recoveries. Audits completed during the three-months ending July 31, 2005, will be counted towards revenue and a historic recovery factor will be applied to all overpayments (applied to actual and extrapolated audits).

2. **The pipeline, as of July 31, 2005, for lives under contract, should be a minimum of 2,000,000 ("Milestone #2").**

- A minimum of 2,000,000 lives under contract, creating a potential of 1,200,000 audits for the following 12 months.

3. **The pipeline, as of July 31, 2005, for audits, should be a minimum of 300,000 ("Milestone #3").**

- For the three-months ending July 31, 2005, a pipeline of 300,000 audits, which has been approved by the client and can be completed in a reasonable time period, however, because of extrapolation the number of actual audits may be far less.
- The pipeline to be defined as follows:
 - All audits assigned to auditors (in the process of being completed)
 - All medical records imaged and posted: ready to be assigned
 - All medical records received: ready to be imaged and assigned
 - All records requested from physicians (letters sent) @ 80% factor.
 - All records approved for review by clients: the client has approved sending a letter to request these medical records from their physicians @ 80% factor. Such letters could reasonably be sent out within 30 - 90 days

Note: The 80% factor is used to adjust for those few doctors that challenge the process. While they eventually comply, they delay the process and would fall out of our window of 120 days.

Such a pipeline would assure a continuous supply of audited records and recovery activity. In a simpler overview, if PARSES has 1,500 physicians, with an average of 200 medical records to be reviewed (direct audit and extrapolation), then a backlog or pipeline of 300,000 audits would exist.

B. Adjustment to Applicable Conversion Price.

1. **Full Adjustment.** If the Corporation fails to achieve any of the Milestones, then the Applicable Conversion Price shall be reduced, as discussed in paragraph 2 below, from \$1.00 to an amount not less than \$.377 per share (the "Full Adjustment"). If the Full Adjustment is made the holder of each share of Series A Preferred Stock would receive 2.65 shares of Common Stock for each share of Series A Preferred Stock, and, on an aggregate basis, the holders of the Series A Preferred Stock would own approximately 40% of the Common Stock of the Corporation, calculated on a fully diluted basis, as of the date of this filing.
2. **Partial Achievement of Milestone.** If the Corporation fails to achieve 100% of each Milestone then the existing Applicable Conversion Price shall be reduced from \$1.00. The Applicable Conversion Price shall be reduced by a dollar amount equal to the product of \$.01 and the percentage by which each factor is missed, up to the maximum downward adjustment of \$.622.

If a Milestone is met or exceeded, that factor is not taken into consideration in adjusting the Applicable Conversion Price downward. Additionally, the \$.01 adjustment will be equitably adjusted to take into effect stock splits, stock dividends, combinations and other events set forth in Article IV, Section IV, Paragraphs (d) - (g).


EXAMPLE: For example assume that, for (or at) the three-months ended July 31, 2005, the Corporation has revenue of \$480,000; 1,950,000 lives under contract; and an audit pipeline of 295,000. Each Milestone would have been partially met. Milestone # 1 (revenue) would have been missed by \$20,000 (\$500,000 - \$480,000) or 4% (\$20,000 ÷ \$500,000). Milestone # 2 (lives pipeline) was missed by 50,000 lives (2,000,000 - 1,950,000), or 2.5% (50,000 ÷ 2,000,000). Milestone # 3 (audit pipeline) was also missed, by 5,000 lives (300,000 - 295,000), or 1.7% (5,000 ÷ 300,000).

The reduction in the purchase price is equal to the product of \$.01 and the sum of the percentages by which the Milestones are missed. The sum of the percentage shortfalls is 8.2% (4% + 2.5% + 1.7%), which, when multiplied by \$.01, results in a downward adjustment of \$.082 (8.2 x \$.01). Thus, the Applicable Conversion Price would be reduced to \$.918 (\$1.00 - \$.082). Accordingly, the holder of each share of Series A Preferred Stock would receive 1.09 shares of Common Stock for each share of Series A Preferred Stock. [\$1.00 ÷ \$.918/share = 1.09 shares].

IN WITNESS WHEREOF, PARSES, INC. has caused its corporate seal to be affixed hereunto and this Certificate to be duly executed by its Chief Executive Officer and attested to by its Secretary, this 19th day of July, 2004.

PARSES, INC.

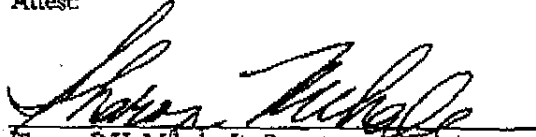
By:


Dennis P.H. Mihale, Its Chief Executive Officer
and Director

[Corporate Seal]

Attest:

By:


Sharon P.H. Mihale, Its Secretary

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