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FLORIDA DEPARTMENT OF STATE
Division of Corporations

ESO MEDICAL, INC
10340 SW 30 COURT
DAVIE, FL 33330

SUBJECT: ESO MEDICAL, INC
REF: P19000020014

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.

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**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION OF
ESO MEDICAL, INC.
CERTIFICATE OF DESIGNATION, PREFERENCES, AND RIGHTS OF
SERIES SEED CONVERTIBLE PREFERRED STOCK**

Pursuant to Sections 607.1002 and 607.0602 of the Florida Business Corporation Act ("FBCA" the undersigned Secretary of ESO MEDICAL, INC., (the "Corporation"), a company organized and existing under the laws of the State of Florida, certifies that pursuant to the authority contained in the Corporation's Articles of Incorporation and in accordance with the provisions of the resolution creating a new series of the class of the Corporation's authorized Preferred Stock designated as Series Seed Convertible Preferred Stock does hereby certify:

FIRST: The Articles of Incorporation of the Corporation authorizes the issuance of fifty million (50,000,000) shares of common stock, par value \$0.01 per share (the "Common Stock") and five million (5,000,000) shares of preferred stock par value \$0.01 per share (the "Preferred Stock"), and further, authorizes the Board of Directors of the Corporation, by resolution or resolutions, at any time and from time to time, to divide and establish any or all of the shares of Preferred Stock into one or more series and, without limiting the generality of the foregoing, to fix and determine the designation of each such share, and its preferences, conversion rights, cumulative, relative, participating, optional, or other rights, including voting rights, qualifications, limitations, or restrictions thereof.

SECOND: By unanimous written consent of the Board of Directors dated March 13, 2019, the Board of Directors approved the designation of Four Hundred Fifty Thousand (450,000) shares of the Preferred Stock as Series Seed Convertible Preferred Stock ("Series Seed Stock") and authorized the issuance of the Series Seed Stock. The designations, powers, preferences and rights, and the qualifications, limitations or restrictions hereof, in respect of the Series Seed Stock shall be as hereinafter described.

Accordingly, "Article IV" of the Articles of Incorporation of this Corporation is amended to include the following:

Series Seed Convertible Preferred Stock

1. **Designation and Number of Shares.** There shall be a series of Preferred Stock that shall be designated as "Series Seed Convertible Preferred Stock," and the number of shares constituting such series shall be Four Hundred Fifty Thousand (450,000) shares (the "Series Seed Stock"). Such number of shares may be increased or decreased by resolution of the Board of Directors provided, however, that no decrease shall reduce the number of shares of Series Seed Stock to less than the number of shares then issued and outstanding plus the number of shares issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Corporation. The stated value shall be \$0.75 per share ("Stated Value").
2. **Ranking.** The Series Seed Stock shall rank senior to all other classes of the Corporation's Common Stock and any class or series of capital stock of the Corporation hereafter created, in each case as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation. All classes of the Corporation's Common Stock and any class or series of capital stock of the Corporation hereafter created shall be referred to as "Junior Securities".
3. **Liquidation.** Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary ("Liquidation"), the holders of record of the shares of the Series Seed Stock shall be entitled to receive assets and funds prior to all classes of the Junior Securities. The

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amount of the preference shall be equal to the return of the capital invested. If, upon Liquidation, the assets of the Corporation available for distribution to the holders of Series Seed Stock shall be insufficient to permit payment in full to the holders of the Series Seed Stock, then the entire assets and funds of the Corporation legally available for distribution to such holders then outstanding shall be distributed ratably among the holders of the Series Seed Stock based upon the proportion the total amount distributable on each share upon Liquidation bears to the aggregate amount required to be distributed, but for the provisions of this sentence, on all shares of the Series Seed Stock. The foregoing notwithstanding, the holders of the Series Seed Stock shall be entitled to the greater of the return of the capital invested or the amount it would receive on conversion to Common Stock.

4. Dividends. Except as provided in this paragraph 4, the holders of the Series Seed Stock shall be entitled to dividends or distributions from the Corporation. When and if declared by the Board of Directors, in the event that the Corporation declares a dividend or distribution (whether payable in cash or securities of the Corporation) on the outstanding Common Stock the holders of the Series Seed Stock shall participate in and receive such dividend or distribution, when and if declared and in the same amounts as paid on Common Stock, based on the number of shares of Common Stock each holder of such Series Seed Stock would be entitled to receive if such holder had converted all of such holder's Series Seed Stock into Common Stock under the Voluntary Conversion Formula (defined under Section 5(a)) immediately prior to the record date for such dividend; provided that the dividend payable on the Series Seed Preferred shall be made in the same type of cash or securities as is paid to the holders of the Common Stock.
5. Conversion Rights.
 - (a) Voluntary Conversion. Each holder of record of shares of Series Seed Stock may convert all or part of the Series Seed Stock into shares of Common Stock on a share for share basis (the "Voluntary Conversion Formula").
 - (b) Automatic Conversion. The provisions of 5(a) notwithstanding, the Series Seed Stock shall automatically convert into the Corporation's equity securities, which may include Common Stock, convertible preferred stock, convertible debt instruments, and warrants exercisable for any of the foregoing, singularly or in the form of units comprising two or more of such kinds of equity securities (the "Next Round Equity Securities") upon the closing of the Corporation's next financing resulting in gross proceeds to the Corporation from the sale of Next Round Equity Securities of at least \$1,500,000. The financing referred to in the immediately preceding sentence is referred to herein as "Qualified Next Round Financing." The quantity of Next Round Equity Securities to be issued upon such conversion shall equal (i) the Stated Value per share divided by (a) 80% of the price (a) per security or (b) per unit of securities at which the Next Round Equity Securities are sold in the Qualified Next Round Financing (hereinafter referred to as the "Mandatory Conversion Formula"). The Next Round Equity Securities issued upon such conversion shall have rights, preferences, privileges and restrictions (including, without limitation, registration rights, preemptive rights and any other contractual rights) identical to those granted to or received by the other investors in the Qualified Next Round Financing. In the event the Next Round Equity Securities are issued together with other shares or securities or other assets of the Corporation for consideration, which consideration shall be the proportion of such consideration so received, as determined in good faith by the Board of Directors of the Corporation.
 - (c) Mechanics of Voluntary Conversion. Before any holder of Series Seed Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender to

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certificate or certificates therefor, duly endorsed, at the office of the Corporation or any transfer agent for the Series Seed Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, within five business days, issue and deliver at such office to such holder of Series Seed Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Conversion shall be deemed to have been effected on the date when delivery of notice of an election to convert a certificate for shares is made, and such date is referred to herein as the "Voluntary Conversion Date."

- (d) Mechanics of Automatic Conversion. Upon the occurrence of an automatic conversion event described in 5(b) hereof, all outstanding shares of Series Seed Stock shall automatically be converted into the Next Round Equity Securities without any further action by the holder. As promptly as practicable following such event, the Corporation shall send each holder of Series Seed Stock written notice of such event. Upon receipt of such notice, each holder shall surrender to the Corporation the certificate for the Series Seed Stock duly endorsed for transfer and the Corporation shall as promptly as practicable deliver the Next Round Equity Securities. Conversion shall be deemed to have been effected on the date of the initial closing of the Qualified Next Round Financing.

6. Adjustment Provisions. During the period in which any shares of Series Seed Stock remain outstanding, the Voluntary Conversion Formula and Mandatory Conversion Formula in effect at any time and the number and kind of securities issuable upon the conversion of the Series Seed Stock shall be subject to adjustment from time to time following the date of the original issuance of the Series Seed Stock upon the happening of certain events as follows:

- (a) Consolidation, Merger or Sale. If any consolidation or merger of the Corporation with an unaffiliated third-party, or the sale, transfer or lease of all or substantially all of its assets to an unaffiliated third-party shall be effected in such a way that holders of shares of Common Stock shall be entitled to receive stock, securities or assets with respect to or in exchange for their shares of Common Stock, then provision shall be made, in accordance with this Section 6(a), whereby each holder of shares of Series Seed Stock shall thereafter have the right to receive such securities or assets as would have been issued or payable with respect to or in exchange for the shares of Common Stock into which the shares of Series Seed Stock held by such holder were convertible immediately prior to the closing of such merger, sale, transfer or lease, as applicable. The Corporation will not effect any such consolidation, merger, sale, transfer or lease unless prior to the consummation thereof the successor entity (if other than the Corporation) resulting from such consolidation or merger or the entity purchasing or leasing such assets shall assume by written instrument (i) the obligation to deliver to the holders of Series Seed Stock such securities or assets as, in accordance with the foregoing provisions, such holders may be entitled, and (ii) all other obligations of the Corporation hereunder. The provisions of this Section 6(a) shall similarly apply to successive mergers, sales, transfers or leases. Unless otherwise provided herein, holders shall not be required to convert Series Seed Stock pursuant to this Section 6(a).
- (b) Adjustment of Conversion Formula upon Subdivision or Combination of Common Stock. If the Corporation at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) its outstanding shares of Common Stock into a greater

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number of shares, the Voluntary Conversion Formula pursuant to Section 5(a) hereof in effect immediately prior to such subdivision will be proportionately reduced. If the Corporation at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares and the Conversion Formula pursuant to Section 5(c) hereof in effect immediately prior to such combination will be proportionately increased.

- (c) Notice of Adjustment. Whenever the Voluntary Conversion Formula or Mandatory Conversion Formula is adjusted as herein provided, the Corporation shall promptly by no later than 10 days after any request for such an adjustment by the holder, cause notice setting forth the adjusted Voluntary Conversion Formula or Mandatory Conversion Formula issuable upon exercise of each share of Series Seed Stock, and, if requested, information describing the transactions giving rise to such adjustments, to be mailed to the holders at their last addresses appearing in the share register of the Corporation, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Corporation may, at its sole discretion, retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Corporation) to make any computation required by this Section 6, and a certificate signed by such firm or a duly authorized officer of the Corporation, shall be conclusive evidence of the correctness of such adjustment.
7. Voting Rights. Holders of Series Seed Stock shall have no voting rights except as required by law, including but not limited to the FBCA, and as expressly provided in this Amendment.
8. Redemption.
- (a) At the option of the holder, the holders of the Series Seed Stock shall not have any right at any time to require the redemption of any of the shares of Series Seed Stock.
- (b) At the option of the Corporation, if at any time from and after issuance, the Corporation has out of funds legally available therefore, the Corporation shall have the right to redeem all or a part of the Series Seed Stock in the amount of capital invested. The Series Seed Stock shall be redeemed by the Corporation in cash. The Corporation may exercise its redemption right by delivering a written notice thereof to all holders of the Series Seed Stock, which notice shall state the date on which the optional redemption shall occur, which shall not be less than 20 days after the notice. Until the redemption price is paid, the holder may convert the Series Seed Stock into Common Stock.
9. Reservation of Shares. The Corporation shall at all times reserve and keep available and free of preemptive rights out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of the Series Seed Stock pursuant to the terms hereof, such number of shares of Common Stock (or other shares or other securities as may be required) as shall from time to time be sufficient to effect the conversion of all outstanding Series Seed Stock pursuant to the terms hereof. If at any time the number of authorized but unissued shares of Common Stock (or such other shares or other securities) shall not be sufficient to affect the conversion of all the outstanding Series Seed Stock, the Corporation shall promptly take such action as may be necessary to increase its authorized but unissued Common Stock (or other shares or other securities) to such number of shares as shall be sufficient for such purpose.

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10. Miscellaneous.

- (a) The shares of the Series Seed Stock shall not have any preferences, voting powers relative, participating, optional, preemptive or other special rights except as set forth above in this Amendment and in the Articles of Incorporation of the Corporation.
- (b) The holders of the Series Seed Stock shall be entitled to receive all communications sent by the Corporation to the holders of the Common Stock.
- (c) Holders of fifty-one percent (51%) of the outstanding shares of Series Seed Stock may vote as a single class, elect to waive any provision of this Amendment, and the affirmative vote of such percentage with respect to any proposed waiver of any of the provisions contained herein shall bind all holders of Series Seed Stock.

The foregoing Amendment was adopted by the Board of Directors of the Corporation pursuant to the FBCA. * Pursuant to the provisions of Section 607.0602 of the FBCA, no approval of the Corporation's shareholders was required for the approval of this Amendment by the Corporation's Board of Directors.

* Board adopted the Amendment on March 8, 2019.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be executed by its duly authorized officer as of March 13, 2019.

ESO MEDICAL, INC.

By: _____

Michael A. Davis

Its: Secretary

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