

COVE & ASSOCIATES, P.A.

Business Regulation • Trade Practice Litigation

ANDREW N. COVE
WM. DAVID NEWMAN, JR.
SUZANNE WEISS
Of Counsel
JOSEPH D. GARRITY
ROBERT M. WORMAN

P93000051732

March 5, 1999

Division of Corporation
Amendment Section
P.O. Box 6327
Tallahassee, FL 32314

300002800463--5
-03/10/99-01041--003
*****70.00 *****70.00

Re: Articles of Merger of American Prepaid Corp.
into American Phone Card Dispensing Corp.
Our File No.: 97-0244

Dear Sir or Madam:

Enclosed please find the Articles of Merger along with a check, # 1512 for \$70.00,
payable to the Division of Corporations, for the above-referenced corporations.

Should you have any questions regarding the foregoing, please do not hesitate to contact
me.

Very truly yours,

SUZANNE WEISS

Merger
3-19-99
PWS

FILED
99 MAR 10 AM 11:17
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Suzanne Weiss authorized
to take out d/b/a out
of name of the surviving
corporation and to show
Mr. Cove is R.A. for
surviving corp instead of
merging corp.

ARTICLES OF MERGER
Merger Sheet

MERGING: -----

AMERICAN PREPAID CORP., A Florida corporation, P97000082348

INTO

AMERICAN PHONE CARD DISPENSING CORP., a Florida corporation,
P93000051732.

File date: March 10, 1999

Corporate Specialist: Doug Spitler

ARTICLES OF MERGER

OF

American Prepaid Corp.

INTO

American Phone Card Dispensing Corp.

Pursuant to the Section 607.1105 of the Florida Statutes, the undersigned corporations, American Phone Card Dispensing Corp., a Florida corporation, and American Prepaid Corp., a Florida corporation, adopt the following Articles of Merger for the purpose of merging American Prepaid Corp. into American Phone Card Dispensing Corp.

Plan of Merger

1. The Plan of Merger setting forth the terms and conditions of the merger of American Prepaid Corp. into American Phone Card Dispensing Corp. is attached to these Articles as an exhibit and incorporated herein by reference.

Adoption of Plan

2. a. There are sixty (60) shares of common stock, each of \$ 1.00 par value of American Prepaid Corp. issued and outstanding that were entitled to vote on the Plan of Merger. Sixty (60) shares were voted in favor of the Plan of Merger, and zero (0) shares were voted against the Plan of Merger, at a special meeting of the shareholders of American Prepaid Corp. held on

March 4, 1999 [date].

b. There are five hundred (500) shares of common stock, each of \$ 1.00 par value of American Phone Card Dispensing Corp. issued and outstanding that were entitled to vote on the Plan of Merger. Five hundred (500) shares were voted in favor of the Plan of Merger, and zero (0) shares were voted against the Plan of Merger, at a special meeting of the shareholders of American Phone Card Dispensing Corp. held on March 4, 1999 [date].

Effective Date

3. The Plan of Merger shall be effective on the earlier of filing of these Articles with the Department of State, or no later than ninety days after the date of filing.

IN WITNESS WHEREOF, each of the undersigned corporations has caused these Articles to be signed as of March 4, 1999 [date].

American Phone Card Dispensing Corp.

By: Audrey Judd

Audrey Judd, Secretary

American Phone Card Dispensing Corp.

By: Ellery W. Vick, Pres.

Ellery Vick, President

Witness:

FILED
99 MAR 10 AM 11:17
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

American Prepaid Corp.

By: 

William A. Judd, III, Secretary

American Prepaid Corp.

By: 

Gregory S. Vick, President

Witness: 

PLAN AND AGREEMENT OF REORGANIZATION

by merger of

American Prepaid Corp.

with and into

American Phone Card Dispensing Corp.

under the name of

American Phone Card Dispensing Corp.

FILED
99 MAR 10 AM 11:17
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

This is a Plan and Agreement of Merger (Agreement) between American Prepaid Corp., a Florida corporation (the Merging Corporation), and American Phone Card Dispensing Corp., a Florida corporation (the Surviving Corporation).

ARTICLE 1. PLAN OF MERGER

Plan Adopted

1.01. A plan of merger of American Prepaid Corp. and American Phone Card Dispensing Corp., pursuant to Section 607.1101 of the Florida Statutes and Section 368(a)(1)(A) of the Internal Revenue Code, is adopted as follows:

(a) American Prepaid Corp. shall be merged with and into American Phone Card Dispensing Corp., to exist and be governed by the laws of the State of Florida.

(b) The name of the Surviving Corporation shall be American Phone Card Dispensing Corp..

(c) When this agreement shall become effective, the separate corporate existence of American Prepaid Corp. shall cease, and the Surviving Corporation shall succeed, without other transfer, to all the rights and property of American Prepaid Corp. and shall be subject to all the debts and liabilities of the Merging Corporation in the same manner as if the Surviving Corporation had itself incurred them. All rights of creditors and all liens on the property of each constituent corporation shall be preserved unimpaired, limited in lien to the property affected by the liens immediately prior to the merger.

(d) The Surviving Corporation will carry on business with the assets of American Prepaid Corp., as well as with the assets of American Phone Card Dispensing Corp.

(e) The shareholders of American Prepaid Corp. will surrender all of their shares in the manner hereinafter set forth.

(f) In exchange for the shares of American Prepaid Corp. surrendered by its shareholders, the Surviving Corporation will issue and transfer to these shareholders, on the basis set forth in Article 4 below, shares of its common stock.

(g) The shareholders of American Phone Card Dispensing Corp. will retain their shares as shares of the Surviving Corporation.

(h)(1) (a) Article V of the Articles of Incorporation of American Phone Card Dispensing Corp. is amended to read as follows:

"The principal office of the corporation is 12550 Biscayne Blvd., Suite 219, North Miami, FL 33181. The name and street address of the Registered Agent of this Corporation is: Andrew N. Cove, Esq., Cove and Associates, P.A., 3801 Hollywood Blvd., Suite 100, Hollywood, FL, 33021."

- (b) Article VI of the Articles of Incorporation of American Phone Card Dispensing Corp. is amended to read as follows:

"The Corporation shall have the following officer/directors:

President/Director: Gregory S. Vick, 108 Dunwoody Lane, Hollywood, FL 33021

(2) Except as amended in Subparagraph (h)(1), the Articles of Incorporation of American Phone Card Dispensing Corp. shall continue in full force as the Articles of Incorporation of the Surviving Corporation until further amended, altered, or repealed as provided in the Articles or as provided by law.

Effective Date

1.02. The effective date of the merger shall be on or no later than ninety days after the filing of the Articles of Merger by the Department of State.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES

OF CONSTITUENT CORPORATIONS

Nonsurvivor

2.01. As a material inducement to the Surviving Corporation to execute this Agreement and perform its obligations under this Agreement, American Prepaid Corp. represents and warrants to the Surviving Corporation as follows:

- (a) American Prepaid Corp. is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate power and authority to own property and carry on its business as it is now being conducted. American Prepaid Corp. is not required to be qualified as a foreign corporation to transact business in any other jurisdiction.
- (b) American Prepaid Corp. has an authorized capitalization of \$60, consisting of sixty (60) shares of common stock, each of \$ 1.00 par value, of which sixty (60) shares are validly issued and outstanding, fully paid, and non-assessable on the date of this Agreement.
- (c) American Prepaid Corp. has furnished the Surviving Corporation with the Statement of Assets, Liabilities, and Stockholder's Equity of American Prepaid Corp. as of October 31, 1998. These financial statements (i) are in accordance with the books and records of American Prepaid Corp.; (ii) fairly present the financial condition of American Prepaid Corp. as of those dates and the results of its operations as of and for the periods specified, all prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior accounting periods; and (iii) contain and reflect, in accordance with generally accepted accounting principles consistently applied, reserves for all liabilities, losses, and costs in excess of expected receipts and all discounts and refunds for services and products already rendered or sold that are reasonably anticipated and based on events or circumstances in existence or likely to occur in the future with respect to any of the contracts or commitments of American Prepaid Corp.. Specifically, but not by way of limitation, the Statement discloses, in accordance with generally accepted accounting principles, all of the debts, liabilities, and obligations of any nature (whether absolute, accrued, contingent, or otherwise, and whether due or to become due) of American Prepaid Corp. at the Balance Sheet Date, and includes appropriate reserves for all taxes and other liabilities accrued or due at that date but not yet payable.
- (d) All required federal, state, and local tax returns of American Prepaid Corp. have been accurately prepared and duly and timely filed, and all federal, state, and local taxes required to be paid with respect to the periods covered by the returns have been paid. American Prepaid Corp. has not been delinquent in the payment of any tax or assessment.

Survivor

2.02. As a material inducement to American Prepaid Corp. to execute this Agreement and perform its obligations under this Agreement, American Phone Card Dispensing Corp. represents and warrants to American Prepaid Corp. as follows:

(a) American Phone Card Dispensing Corp. is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida, with corporate power and authority to own property and carry on its business as it is now being conducted. American Phone Card Dispensing Corp. is not required to be qualified as a foreign corporation to transact business in any other jurisdiction].

(b) American Phone Card Dispensing Corp. has an authorized capitalization of \$500 consisting of five-hundred (500) shares of common stock, each of \$ 1.00 par value, of which five-hundred (500) shares are validly issued and outstanding, fully paid, and non-assessable on the date of this Agreement

Securities Law

2.03. The parties will mutually arrange for and manage all necessary procedures under the requirements of federal and Florida securities laws and the related supervisory commissions to the end that this plan is properly processed to comply with registration formalities, or to take full advantage of any appropriate exemptions from registration, and to otherwise be in accord with all antifraud restrictions in this area.

ARTICLE 3. COVENANTS, ACTIONS, AND

OBLIGATIONS PRIOR TO THE EFFECTIVE DATE

Interim Conduct of Business; Limitations

3.01. Except as limited by this Paragraph 3.01, pending consummation of the merger, each of the constituent corporations will carry on its business in substantially the same manner as before and will use its best efforts to maintain its business organization intact, to retain its present employees, and to maintain its relationships with suppliers and other business contacts. Except with the prior consent in writing of American Phone Card Dispensing Corp., pending consummation of the merger, American Prepaid Corp. shall not:

(a) Except on declaration and payment of a cash dividend on its common stock not exceeding \$ 1.00 per share, declare or pay any dividend or make any other distribution on its shares.

(b) Create or issue any indebtedness for borrowed money.

(c) Enter into any transaction other than those involved in carrying on its ordinary course of business.

Submission to Shareholders

3.02. This Agreement shall be submitted separately to the shareholders of the constituent corporations in the manner provided by the laws of the State Florida for approval.

Conditions Precedent to Obligations of American Prepaid Corp.

3.03. Except as may be expressly waived in writing by American Prepaid Corp., all of the obligations of American Prepaid Corp. under this Agreement are subject to the satisfaction, prior to or on the Effective Date, of each of the following conditions by American Phone Card Dispensing Corp.:

(a) The representations and warranties made by American Phone Card Dispensing Corp. to American Prepaid Corp. in Article 2 of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall then be true and correct in all material respects. If American Phone Card Dispensing Corp. shall have discovered any material error, misstatement, or omission in those representations and warranties on or before the Effective Date, it shall report that discovery immediately to American Prepaid Corp. and shall either correct the error, misstatement, or omission or obtain a written waiver from American Prepaid Corp.

(b) American Phone Card Dispensing Corp. shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

Conditions Precedent to Obligations of American Phone Card Dispensing Corp.

3.04. Except as may be expressly waived in writing by American Phone Card Dispensing Corp., all of the obligations of American Phone Card Dispensing Corp. under this Agreement are subject to the satisfaction, prior to or on the Effective Date, of each of the following conditions by American Prepaid Corp.:

(a) The representations and warranties made by American Prepaid Corp. to American Phone Card Dispensing Corp. in Article 2 of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall then be true and correct. If American Prepaid Corp. shall have discovered any material error, misstatement, or omission in those representations and warranties on or before the Effective Date, it shall report that discovery immediately to American Phone Card Dispensing Corp. and shall either correct the error, misstatement, or omission or obtain a written waiver from American Phone Card Dispensing Corp..

(b) American Prepaid Corp. shall have performed and complied with all agreements or conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

ARTICLE 4. MANNER OF CONVERTING SHARES

Manner

4.01. The holders of shares of American Prepaid Corp. shall surrender their shares to Andrew Cove, Esquire, as transfer agent, promptly after the Effective Date, in exchange for shares of the Surviving Corporation to which they are entitled under this Article 4.

Basis

4.02. (a) The shareholders of American Prepaid Corp. shall be entitled to receive five hundred shares of common stock of the Surviving Corporation, each of \$ 1.00 par value, being one hundred percent (100%) of the total outstanding common stock of the surviving corporation, to be distributed on the basis of eight and one-third shares for each share of common stock of American Prepaid Corp.

Shares of Survivor

4.03. (a) The currently outstanding five-hundred shares of common stock of American Phone Card Dispensing Corp., each of \$1.00 par value, shall remain outstanding as common stock, each of \$1.00 par value, of the Surviving Corporation.

ARTICLE 5. DIRECTORS AND OFFICERS

Directors and Officers of Survivor

5.01. On the Effective Date, the names of the Directors and principal officers of the Surviving Corporation who shall hold office until the next annual meeting of the shareholders of the Surviving Corporation or until their respective successors have been elected or appointed and qualified are:

The Corporation shall have the following officer/directors:

President/Director: Gregory S. Vick, 108 Dunwoody Lane, Hollywood, FL 33021

ARTICLE 6. BYLAWS

Bylaws of Survivor

6.01. The bylaws of American Phone Card Dispensing Corp., as existing on the Effective Date of the merger, shall continue in full force as the bylaws of the Surviving Corporation until altered, amended, or repealed as provided in the bylaws or as provided by law.

ARTICLE 7. NATURE AND SURVIVAL OF WARRANTIES

7.01. All statements contained in any memorandum, certificate, letter, document, or other instrument delivered by or on behalf of American Prepaid Corp., American Phone Card Dispensing Corp., or the stockholders pursuant to this Agreement shall be deemed representations and warranties made by the respective parties to each other under this Agreement. The covenants, representations, and warranties of the parties and the stockholders shall survive for a period of three years after the Effective Date. No inspection, examination, or audit made on behalf of the parties or the stockholders shall act as a waiver of any representation or warranty made under this Agreement.

ARTICLE 8. TERMINATION

Circumstances

8.01. This Agreement may be terminated and the merger may be abandoned at any time prior to the filing of the Articles of Merger with the Secretary of State, notwithstanding the approval of the shareholders of either of the constituent corporations:

- (a) By mutual consent of the Board of Directors of the constituent corporations.
- (b) At the election of the Board of Directors of either constituent corporation if:
 - (1) The number of shareholders of either constituent corporation, or of both, dissenting from the merger shall be so large as to make the merger, in the opinion of either Board of Directors, inadvisable or undesirable.

- (2) Any material litigation or proceeding shall be instituted or threatened against either constituent corporation, or any of its assets, that, in the opinion of either Board of Directors, renders the merger inadvisable or undesirable.
 - (3) Any legislation shall be enacted that, in the opinion of either Board of Directors, renders the merger inadvisable or undesirable.
 - (4) Between the date of this Agreement and the Effective Date, there shall have been, in the opinion of either Board of Directors, any materially adverse change in the business or condition, financial or otherwise, of either constituent corporation.
- (c) At the election of the Board of Directors of American Prepaid Corp. if the Commissioner of Internal Revenue shall not have ruled, in substance, that for federal income tax purposes the merger will qualify as a reorganization under Section 368(a)(1)(A) of the Internal Revenue Code and that no gain or loss will be recognized to the shareholders of American Prepaid Corp. on the exchange of their common stock for stock of the Surviving Corporation.
- (d) At the election of the Board of Directors of American Phone Card Dispensing Corp. if without the prior consent in writing of American Phone Card Dispensing Corp., American Prepaid Corp. shall have:
- (1) Declared or paid a cash dividend on its common stock in excess of \$ 1.00 per share, or declared or paid any other dividend or made any other distribution on its shares.
 - (2) Created or issued any indebtedness for borrowed money.
 - (3) Entered into any transaction other than those involved in carrying on its business in the usual manner.

Notice of and Liability on Termination

8.02. If an election is made to terminate this Agreement and abandon the merger:

- (a) The President or any Vice President of the constituent corporation whose Board of Directors has made the election shall give immediate written notice of the election to the other constituent corporation.
- (b) On the giving of notice as provided in Subparagraph (a), this Agreement shall terminate and the proposed merger shall be abandoned, and except for payment of its own costs and expenses incident to this Agreement, there shall be no liability on the part of either constituent corporation as a result of the termination and abandonment.

ARTICLE 9. INTERPRETATION AND ENFORCEMENT

Further Assurances

9.01. American Prepaid Corp. agrees that from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, it will execute and deliver or cause to be executed and delivered all deeds and other instruments. American Prepaid Corp. further agrees to take or cause to be taken any further or other actions as the Surviving Corporation may deem necessary or desirable to vest in, to perfect in, or to conform of record or otherwise to the Surviving Corporation title to and possession of all the property, rights, privileges, powers, and franchises referred to in Article 1 of this Agreement, and otherwise to carry out the intent and purposes of this Agreement.

Entire Agreement; Counterparts

9.02. This Agreement and the exhibits to this Agreement contain the entire agreement between the

parties with respect to the contemplated transaction. This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed one original.

Controlling Law

9.04. The validity, interpretation, and performance of this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida

IN WITNESS WHEREOF, this Agreement was executed on this 04th day of March, 1999.

American Prepaid Corp.:

By Gregory S. Vick

Gregory S. Vick, President

Witness: [Signature]

Secretary [Signature] [SEAL]

American Phone Card Dispensing Corp.:

By Ellery Vick Pres.

Ellery Vick, President

Witness: [Signature]

Secretary [Signature] [SEAL]

This instrument was prepared by Cove and Associates, P.A., whose address is 3801 Hollywood Boulevard, Suite 100, Hollywood, Florida, 33021.

COVE & ASSOCIATES, P.A.

Business Regulation • Trade Practice Litigation

ANDREW N. COVE
WM. DAVID NEWMAN, JR.
SUZANNE WEISS
Of Counsel
JOSEPH D. GARRITY
ROBERT M. WORMAN

March 15, 1999

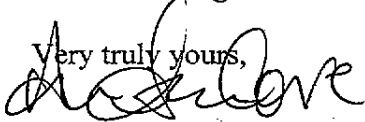
Doug Spietler
Division Of Corporations
Amendment Section
P.O. Box 6327
Tallahassee, FL 32314

Re: Merger of American Prepaid Corp.
Into American Phone Card Dispensing Corp.

Dear Mr. Spietler:

This letter shall confirm that I, Andrew N. Cove, Esquire, shall serve as registered agent for surviving corporation, American Phone Card Dispensing Corp., as of the effective date of the merger thereof.

Very truly yours,



ANDREW N. COVE

FILED
99 MAR 10 AM 11:17
SECRETARY OF STATE
TALLAHASSEE, FLORIDA