

CAPITAL CONNECTION, INC.

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-04/06/98-01027-025
*****35.00 *****35.00

*Alliance Capital Factoring
Group, Inc.*

Signature _____

Requested by: *DN*

Name _____

Date *4-6-98*

Time *9:44*

Walk-In _____

Will Pick Up _____

Art of Inc. File _____

LTD Partnership File _____

Foreign Corp. File _____

L.C. File _____

Fictitious Name File _____

Trade/Service Mark _____

Merger File _____

☒ Art. of Amend. File _____

RA Resignation _____

Dissolution / Withdrawal _____

Annual Report / Reinstatement _____

Cert. Copy _____

Photo Copy _____

Certificate of Good Standing _____

Certificate of Status _____

Certificate of Fictitious Name _____

Corp Record Search _____

Officer Search _____

Fictitious Search _____

Fictitious Owner Search _____

Vehicle Search *4/6*

Driving Record *709*

UCC 1 or 3 File *Amend*

UCC 11 Search _____

UCC 11 Retrieval _____

Courier _____

FILED
98 APR -6 PM 2:44
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RECEIVED
98 APR -6 AM 10:15
DIVISION OF CORPORATIONS

**CERTIFICATE OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
ALLIANCE CAPITAL FACTORING GROUP, INC.**

FILED

98 APR -6 PM 2:44

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned, being the President of, **Alliance Capital Factoring Group, INC.** (the "Company") and being duly authorized by the Board of Directors hereby certifies that:

FIRST: The total number of shares of capital stock which the Company has the authority to issue is 10,500,000 shares consisting of:

(1) 10 million shares of \$.01 par value Class A common stock (the "Common Stock"); and

(2) 500,000 shares of \$10.00 par value Series A 8% Convertible Preferred Stock, (the "Preferred Stock")

The powers, preferences, rights, qualifications and restrictions of the Common Stock and Series A Preferred Share are as follows:

A. COMMON STOCK

1. **Dividend Rights:** Subject to the rights of shares ranking senior to the Common Stock, dividends may be paid upon the Common Stock when and as declared by the Board of Directors, but only out of funds legally available therefore. No dividends may be paid to holders of the common shares unless and until all dividends have been paid to the holders of the Preferred Stock.

2. **Rights on Liquidation and Ranking:** In the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation, and after the stated amounts payable in such event on shares ranking senior to the Common Stock shall have been paid in full or provision made for the payment thereof shall be made, the remaining net asset of the Corporation shall be distributed pro rata to the holders of Common Stock.

3. **Voting Rights:** Except as otherwise provided by law or as otherwise expressly provided herein, the holders of Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes.

B. SERIES A 8% CONVERTIBLE PREFERRED STOCK

1 **Dividend Rights:** Subject to the rights of shares ranking senior to the Preferred Stock and the availability of funds legally available to pay dividends, the Company shall pay the Holders of the Preferred Stock, an annual cumulative preferred dividend of 8% per annum based on the stated par value of the Preferred Stock.

2. **Liquidation Rights:** In the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation, the holder of a share of Series A Convertible Preferred Stock shall be entitled to receive with respect to such share of Preferred Stock, after satisfaction of all distributions to holders of other series of preferred stock, if any, which are required to be redeemed or are senior in liquidation preference

to the Series A Preferred Stock, but before any distribution is made to or set aside for holders of Common Stock, or any other series of preferred stock of the Corporation, if any, which are not then required to be redeemed or which are junior in liquidation preference to the Series A Preferred Stock, cash or other assets in an amount (or having a fair market value) equal to \$10.00 per share. (The "Liquidation Preference").

3. Voting Rights: Except as otherwise provided by law or herein, the Holders of the Series A Preferred Shares shall not have any voting rights.

4. Conversion Rights:

4.1 Number of Shares of Series A Preferred Stock: A share of Series A Convertible Preferred Stock is convertible in whole (but not in part) at the option of the Holder thereof, without additional consideration (cash or otherwise) into two shares of fully paid and non-assessable shares of Common Stock (the "Conversion Ratio").

4.2 Conversion Upon Reorganization: In case of any reorganization or any reclassification of the capital stock of the Corporation or any consolidation or merger of the Corporation with or into any other corporation or corporations or a sale of all or substantially all of the assets of the Corporation to any other person, and the holders of the Preferred Stock do not elect to treat such transaction as a liquidation, dissolution, or winding up as provided herein, then, as part of such

reorganization, consolidation, merger or sale, provision shall be made so that each share of Series A Convertible Preferred Stock shall be thereafter be convertible into the number of shares of stock or other securities or property (including cash) to which a holder of the number of shares of Common Stock deliverable upon conversion of such shares of Series A Preferred Stock would have been entitled to receive upon the record date of (or date of, if no record date, the date fixed for such event, and in any case, appropriate adjustment (as determined by the Board of Directors) shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of the shares of Series A Convertible Preferred Stock, to the end that the provisions set forth herein shall thereafter be applicable, as nearly equivalent as is practicable, in relation to any shares of stock or the securities or property (including cash) thereafter deliverable upon the conversion of the shares of Series A Preferred Stock.

4.3 Conversion Method: Any Holder of shares of Series A Preferred Stock may, at any time, following April 1, 1999, exercise the rights as to such shares of Series A Preferred Stock by delivering to the Corporation a notice requesting on a specified date and the number of Series A Convertible Preferred Shares that the Holder elects to convert (a "Notice of Conversion"). The Notice of Conversion shall also state the names and addresses of the persons to whom certificates for

shares of Common Stock shall be issued, the denominations of such certificates and reasonable delivery instructions.

4.4 Fractional Shares of Common Stock: No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series A Convertible Preferred Stock.

4.5 Taxes: All shares of Common Stock issued upon conversion of shares of Series A Convertible Preferred Stock shall be validly issued, fully paid and non-assessable. The Shareholder shall pay any and all required documentary stamps or similar issue or transfer taxes that may be payable with respect to the delivery of shares of Common Stock on the conversion of the Series A Convertible Preferred Stock.

4.6 Surrender Shares of Series A Preferred Stock: All certificates representing Series A Preferred Stock converted shall be appropriately canceled on the books of the Corporation and the Series A Preferred Stock so converted represented by such certificates shall be restored to the status of authorized by unissued Series A Preferred Stock.

4.7 Available Common Stock: The Corporation shall at all times reserve and keep available out of its authorized by unissued shares of Common Stock, solely for the purpose of effecting the conversion of Series A Preferred Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect a conversion of all outstanding Series A Preferred Stock as set forth herein or as may be adjusted from

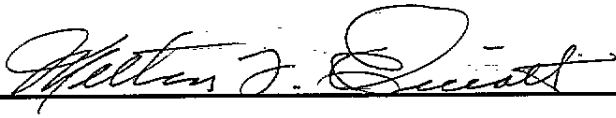
time to time.

5. **Redemption:** The Company may at its discretion and at any time following April 1, 2001 redeem the preferred shares at their stated par value of \$10.00 per share. Upon the issuance of a redemption call the holders of the Series A Convertible Preferred Shares may elect to exercise the option to convert the shares of Series A Preferred Stock into shares of the Company's common stock at the Conversion Ratio. Any Holder not exercising the Conversion Right shall surrender such Holder's certificate evidencing such holder's shares of Series A Convertible Preferred Stock at the principal office of the Corporation or at such other location as may be designated by the Holder. Upon receipt of the share certificates, the share certificates will be canceled and the Corporation will issue to each holder the sum of \$10.00 for each share of the Series A Convertible Preferred Stock.

SECOND: The foregoing amendment was authorized and adopted by resolution of the Board of Directors and approved by the shareholders owning a majority of the issued and outstanding shares of stock of the Company pursuant to a written consent of the shareholders in lieu of a meeting on March 13, 1998.

The number of votes cast for the amendment was sufficient for approval.

IN WITNESS WHEREOF the undersigned have submitted these
Certificate of Amendment to the Articles of Incorporation and
affirm the same as true under penalties of perjury this ___ day of ___
April, 1998.

A handwritten signature in cursive script, reading "Melton F. Elliott", is written over a solid horizontal line.

Melton F. Elliott, chief executive officer