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BASIC AMENDMENT
PICTURE PHONE DIRECT INC.

Certificate of Status	0
Certified Copy	1
Page Count	07
Estimated Charge	\$43.75

Restated
Art.

07/01/03

Document No.
P93000067945

**RESTATED
ARTICLES OF INCORPORATION
OF
PICTURE PHONE DIRECT INC.**

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Under Section 607.1007 of the Florida Business Corporation Act

Picture Phone Direct Inc., a corporation organized and existing under the laws of the State of Florida, hereby certifies as follows:

A. The name of the corporation is Picture Phone Direct Inc. (the "Corporation"). The original Articles of Incorporation of the Corporation was filed with the Department of State of the State of Florida on September 23, 1993. An Amendment to the Articles of Incorporation was subsequently filed with the Department of State of the State of Florida on April 21, 1994.

B. Pursuant to Section 607.1007 of the Florida Business Corporation Act, the Articles of Incorporation, as previously amended and as now in full force and effect, is hereby further amended and restated to effect the following changes authorized by Section 607.1001 of the Florida Business Corporation Act:

- (i) Article 3 - "*Capital Stock*" - is hereby amended to increase the aggregate number of shares that the Corporation shall have authority to issue from 100 shares of common stock, no par value, to 100 shares of common stock, no par value, and 400 shares of preferred stock, par value \$.01 per share. The 100 shares of common stock of the Corporation currently authorized shall remain unchanged with respect to their relative rights and limitations. The Corporation's preferred stock shall have such rights, preferences, privileges and limitations as are set forth in Article 3 of the Articles of Incorporation; and
- (ii) Article 4 - "*Initial Capital*", Article 5 - "*Term of Existence*", Article 7 - "*Directors*", Article 8 - "*Initial Director*" and Article 9 - "*Subscribers*" are deleted, as such provisions are not required in the Articles of Incorporation; and
- (iii) Article 10 - "*Amendments*" - is hereby amended to provide that amendments to the Articles of Incorporation shall be made as required by law; and
- (iv) Articles have been renumbered so as to reflect the forgoing amendments to the Articles of Incorporation.

C. Pursuant to Section 607.1003 of the Florida Business Corporation Act, the Restated Articles of Incorporation, including the amendments made herein, was authorized by the written consent of a majority of the outstanding stock of the Company entitled to vote thereon.

D. The text of the Articles of Incorporation as heretofore amended or supplemented is hereby amended and restated in its entirety to read as follows:

**ARTICLES OF INCORPORATION
OF
PICTURE PHONE DIRECT INC.**

Article 1. Name. The name of the corporation is PICTURE PHONE DIRECT INC. (the "Corporation").

Article 2. Nature of Business. The general nature of the business to be transacted by the Corporation is to do all things which natural persons might or could lawfully do in the premises as follows: To be in business including but not limited to importing, exporting, leasing, advertising and any and all other legal purposes.

Article 3. Capital Stock.

3.1 **Authorized Capital Stock.** The total number of shares which the Corporation is authorized to issue is Five Hundred (500) shares. One Hundred (100) shares shall be "Common Stock", with no par value, and Four Hundred (400) shares shall be "Preferred Stock", with a par value of one cent (\$0.01) per share.

3.2 **Rights, Preferences and Limitations of Preferred Stock.** Except for the shares of Series A Preferred Stock, the designation, preferences and rights of which are set forth below in this Section 3.2 under "Designation, Preferences and Rights of Series A Preferred Stock", the shares of Preferred Stock shall be undesignated Preferred Stock and may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the board). The Board of Directors is further authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock and to fix the number of shares of any series of Preferred Stock and the designation of any such series of Preferred Stock. The Board of Directors, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, may increase or decrease (but not below the number of shares in any such series then outstanding) the number of shares of any series subsequent to the issue of shares of that series. In case the number of shares of any such series shall be so decreased, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. All shares of the Preferred Stock of any one series shall be identical to each other in all respects, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon, if cumulative, shall be cumulative.

The authority of the Board of Directors with respect to each such series of Preferred Stock shall include, without limitation of the foregoing, the right to determine and fix:

- (a) the distinctive designation of such series and the number of shares to constitute such series;
- (b) the rate at which dividends on the shares of such series shall be declared and paid, or set aside for payment, whether dividends at the rate so determined shall be cumulative or accruing, and whether the shares of such series shall be entitled to any participating or other dividends in addition to dividends at the rate so determined, and if so, on what terms;
- (c) the right or obligation, if any, of the Corporation to redeem shares of the particular series of Preferred Stock and, if redeemable, the price, terms and manner of such redemption;

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(d) the special and relative rights and preferences, if any, and the amount or amounts per share, which the shares of such series of Preferred Stock shall be entitled to receive upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(e) the terms and conditions, if any, upon which shares of such series shall be convertible into, or exchangeable for, shares of capital stock of any other class or series, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;

(f) the obligation, if any, of the Corporation to retire, redeem or purchase shares of such series pursuant to a sinking fund or fund of a similar nature or otherwise, and the terms and conditions of such obligation;

(g) voting rights, if any, on the issuance of additional shares of such series or any shares of any other series of Preferred Stock;

(h) limitations, if any, on the issuance of additional shares of such series or any shares of any other series of Preferred Stock; and

(i) such other preferences, powers, qualifications, special or relative rights and privileges thereof as the Board of Directors of the Corporation, acting in accordance with these Articles of Incorporation, may deem advisable and are not inconsistent with law and the provisions of these Articles of Incorporation.

Designation, Preferences and Rights of Series A Preferred Stock

1. **Designation.** There is created hereunder a series of Preferred Stock to be designated "**Series A Preferred Stock**". The number of shares constituting such series shall initially be 350. The par value of the Series A Preferred Stock shall be \$0.01 per share. All shares of Series A Preferred Stock shall be identical with each other in all respects.

2. **Rank.** The Series A Preferred Stock shall rank, with respect to priority of dividend rights or rights on liquidation, dissolution and winding-up of the affairs of the Corporation or both senior to the Common Stock and junior to each class or series of capital stock (except any other class of Series A Preferred Stock) which expressly provides that it ranks senior to the Series A Preferred Stock as to dividends or upon liquidation, dissolution and winding-up, or as to any other right or preference.

3. **Dividend Preference.** Dividends are non-cumulative. The holders of shares of Series A Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock of the Corporation or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the Corporation) on the Common Stock of the Corporation, at a rate no less than that declared or payable on the shares of the Corporation's Common Stock. No dividend may be paid on the Corporation's Common Stock unless and until all declared but unpaid dividends, if any, on the Series A Preferred Stock have been paid, or provisions have been made for the payment of such declared but unpaid dividends.

4. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding-up of the Corporation, either voluntary or involuntary; the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the Corporation's assets to the holders of the Corporation's Common Stock by reason of their ownership thereof, an amount per share equal to \$1,000 (the "Series A Stated Value"), plus any declared but unpaid dividends on each such share. If upon the occurrence of such an event, the assets and funds distributable among the holders of Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for the distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the number of shares held by each.

(b) After the distribution described in subsection 4.(a) of Section 3.2 of this Article 3 above has been made, the remaining assets of the Corporation available for distribution to shareholders shall be distributed among the holders of the Corporation's Common Stock pro rata based on the number of shares of Common Stock held by each.

(c) (i) A consolidation or merger of the Corporation with or into any other corporation, entity or person (including a merger effected exclusively for the purpose of changing the domicile of the Corporation), or any other corporate reorganization in which the Corporation shall not be the continuing or surviving entity of such consolidation, merger or reorganization; or (ii) a sale, conveyance or disposition of all or substantially all of the assets of the Corporation; shall not be deemed to be a liquidation, dissolution or winding up within the meaning of this subsection 4 of Section 3.2 of this Article 3, but shall instead be treated pursuant to subsection 6. of Section 3.2 of this Article 3 below entitled "Merger and Consolidation".

5. Redemption.

(a) Subject to the rights of series of Preferred Stock which may from time to time come into existence, this Corporation may at any time it may lawfully do so, at the option of the Board of Directors, redeem in whole or in part the Series A Preferred Stock by paying in cash therefor a sum equal to \$1,000 per share of Series A Preferred Stock (the "Series A Redemption Price"). Any redemption effected pursuant to this subsection 5. shall be made on a pro rata basis among the holders of the Series A Preferred Stock in proportion to the number of shares of Series A Preferred Stock then held by them.

(b) As used herein and in subsection 5.(c) below, the term "Redemption Date" shall refer to each "Series A Redemption Date" and the term "Redemption Price" shall refer to each "Series A Redemption Price". Subject to the rights of series of Preferred Stock which may from time to time come into existence, at least fifteen (15) but no more than thirty (30) days prior to each Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Series A Preferred Stock to be redeemed, at the address last shown on the records of this Corporation for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to this Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in subsection 5.(c) on or after the Redemption Date, each holder of Series A Preferred Stock to be redeemed shall surrender to this Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the

event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(c) From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of shares of Series A Preferred Stock designated for redemption in the Redemption Notice as holders of Series A Preferred Stock (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares of Series A Preferred Stock, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. Subject to the rights of series of Preferred Stock which may from time to time come into existence, if the funds of the Corporation legally available for redemption of shares of Series A Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series A Preferred Stock. The shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. Subject to the rights of series of Preferred Stock which may from time to time come into existence, at any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred Stock, such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on any Redemption Date but which it has not redeemed.

6. Merger and Consolidation.

(a) At any time, in the event any of the transactions described in subsections 4.(c)(i) (excluding a merger effected exclusively for the purpose of changing the domicile of the Corporation) or 4.(c)(ii), of Section 3.2 of this Article 3 shall occur, then (A) at the closing of any such transaction, holders of the Series A Preferred Stock shall first receive for each share of Series A Preferred Stock, in cash, in securities from the acquiring corporation, or in a combination thereof, an amount equal to the Series A Stated Value, plus any accumulated but unpaid dividends on each such share, and (B) the remaining proceeds of such transaction, if any, shall be distributed to the holders of the Corporation's Common Stock pro rata based on the number of shares of Common Stock held by each. Payments under this subsection 6.(a) of Section 3.2 of this Article 3 shall be made with respect to the Series A Preferred Stock (A) by the redemption of such shares by the Corporation or (B) by the purchase of such shares of Series A Preferred Stock by the surviving corporation, entity or person or by the Corporation.

(b) If, in any of the events described in subsections 4.(c)(i) or 4.(c)(ii), of Section 3.2 of this Article 3, the consideration received by the Corporation is other than cash or securities, such consideration will be valued at fair market value, as determined by the Board of Directors.

7. Voting Rights. Except as required by law, the holders of Series A Preferred Stock shall have no voting rights.

8. Status of Redeemed Stock. In the event any shares of Series A Preferred Stock shall be redeemed pursuant to subsection 5 of Section 3.2 of this Article 3, the shares so redeemed shall resume the status of undesignated, unissued shares of Preferred Stock.

3.3 Common Stock.

(a) Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be

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entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

(b) Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed to the holders of the Corporation's Common Stock as provided in subsection 3, Section 4.2 of this Article 3 hereof.

(c) Voting Rights. The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any shareholders' meeting in accordance with the By-laws of the Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

3.4 No Preemptive Rights. No holder of the shares of any class of the Corporation shall be entitled as of right to purchase or subscribe for any part of the unissued stock of the Corporation or of any stock to be issued by reason of any increase in the authorized capital stock of the Corporation or the number of its shares, or of bonds, certificates of indebtedness, debentures or other securities convertible into stock of the Corporation or of any stock of the Corporation purchased by it or its nominees.

Article 4. Address. The street and mailing address of the principal offices of the Corporation are 200 Commerce Drive, Rochester, New York 14623.

Article 5. Registered Office. The street address of the registered office of the Corporation in the State of Florida is 1720 Harrison Street, 7th Floor, Hollywood, Florida 33020. The name of its registered agent is James J. Shapiro.

Article 6. Amendment. These Articles of Incorporation may be amended in the manner provided by law.

IN WITNESS WHEREOF, the Corporation has caused these Restated Articles of Incorporation to be signed by Julian Goldstein, it's President, this 7th day of March 2003.

PICTURE PHONE DIRECT INC.

By:



Julian Goldstein, President



MARY ELLEN SMITH
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN GENESEE COUNTY
REGISTRATION #01SM5089138
MY COMMISSION EXPIRES 12/8/05