

P97000001676

Igler & Dougherty, P.A.
Requestor's Name

1501 Park Avenue East
Address

Tallahassee, Florida 32301 (850) 878-2411
City/State/Zip Phone #

Office Use Only

CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):

1. _____ (Corporation Name) _____ (Document #)
2. _____ (Corporation Name) _____ (Document #)
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98 OCT 16 PM 3:55
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NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/ Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input type="checkbox"/>	Merger

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OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
<input type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

Douglas
Chen

Call when
Ready to

merger
sf 10/19/98

Examiner's Initials

ARTICLES OF MERGER
Merger Sheet

MERGING:

MEDICAL INFORMATION SYNTHESIS SYSTEMS, INC., a FL corp.,
#P97000001676

INTO

DIVERSIFIED FUNDS, INC., a Louisiana corporation not qualified in Florida

File date: October 16, 1998

Corporate Specialist: Susan Payne

ARTICLES OF MERGER OF
MEDICAL INFORMATION SYNTHESIS SYSTEMS, INC.
AND
DIVERSIFIED FUNDS, INC.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 OCT 16 PM 3:55

Pursuant to Florida Statutes, Section 607.1105, Medical Information Synthesis Systems, Inc., a Florida corporation, hereby submits these articles of merger.

A copy of the Plan and Agreement of Reorganization with Exchange by Diversified Funds, Inc., a corporation, of its Common Stock for Common Stock in and of Medical Information Synthesis Systems, Inc., a corporation (the "Plan") with respect to the merger of Medical Information Synthesis Systems, Inc. into Diversified Funds, Inc. is attached hereto as Exhibit A.

The effective date of the merger is July 24, 1998.

The Plan was approved by Diversified Funds, Inc. on July 23, 1998 and was approved by Medical Information Synthesis Systems, Inc. on July 23, 1998. Approval by shareholders was 7/23/98.

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute these articles, this 15 day of August, 1998.

MEDICAL INFORMATION SYNTHESIS
SYSTEMS, INC.

By John A. Lester
John A. Lester
Its President

PLAN AND AGREEMENT OF REORGANIZATION
with Exchange by
DIVERSIFIED FUNDS, INC., a corporation,
of its Common Stock for Common Stock in and of
MEDICAL INFORMATION SYNTHESIS SYSTEMS,
INC., a corporation

PLAN AND AGREEMENT OF REORGANIZATION, entered into as of this 23rd day of JULY, 1998, between MEDICAL INFORMATION SYNTHESIS SYSTEMS, INC., a Florida corporation, including all nominees and others holding stock (the "Seller"), and DIVERSIFIED FUNDS, INC., a Louisiana corporation (the "Buyer"), the two corporations being hereinafter this time referred to as the "Parties".

This Agreement contemplates a tax-free exchange of the stock of Seller with and into the stock of Buyer in a reorganization pursuant to Code Sec. 368(1)(B). The Seller's stockholders will receive capital stock in the Buyer in exchange for their capital stock in the Seller.

Now, therefore, in consideration of the premises and mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties agree as follows.

Article I

Plan Adopted

Section 1.01 The Plan

A plan of reorganization of Buyer and Seller is hereby mutually agreed upon and adopted as follows:

(a) Seller will transfer to Buyer all of their rights, title and interest in and to 100,000 shares of the common stock of Seller, comprising one hundred percent (100%) of the issued and outstanding shares thereof, pursuant to the terms and conditions hereinafter set forth.

(b) In exchange for the shares transferred by Seller pursuant to this Agreement, Buyer will cause to be issued and delivered to Seller and/or Seller's nominees a total of 4,550,000 shares of Buyer's common stock having a \$0.01 par value, constituting 64.35% of the total shares of Buyer which will be outstanding immediately after closing. The said common stock of Buyer shall, when issued, be fully paid and non-assessable. The shares shall be issued to the persons or entities and in the amounts as set forth on the attached Schedule A. Furthermore, all necessary and appropriate documents will be filed to: (i) elect new directors and (ii) change the name of the Buyer to Seller.

Section 1.02 Closing Date

Subject to the conditions set forth herein, the Plan of Reorganization shall be closed and consummated on or before July 24, 1998, or at such other time as may be mutually agreed upon, and at such place as may be fixed by mutual consent of the Parties. The date of such consummation is the "Closing Date" or "Closing" as referred to hereunder.

Article II

Representations and Warranties of Buyer

Section 2.01 Organization, Qualification and Corporate Power.

Buyer, with its principal office located at 210 Crown Point Circle, Suite 108, Longwood, Florida 32779, is a corporation duly organized, validly existing and in good standing under the laws of the State of Louisiana, having been incorporated November 25, 1983.

Section 2.02 Capitalization

The entire ^{4,520,000 SLD JK} authorized capital stock of the Buyer consists ^{25,480,000 SLD JK} of 30,000,000 common shares, of which ~~2,520,000~~ are issued and outstanding and ~~27,480,000~~ are authorized and unissued. Immediately after closing of this transaction, there will be not more than 7,070,000 common shares outstanding. Except for the subscribed shares referred herein, there are no further contracts, agreements, documents or other such promises requiring the issuance of additional shares of Buyer. There are no outstanding options, warrants or securities convertible into common stock of Buyer.

Section 2.03 Authorization of Transaction

The Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms and conditions.

Section 2.04 Noncontravention

To the knowledge of any director or officer of the Buyer, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge or other restriction of any government, governmental agency or court to which the Buyer is subject or any provision of the charter or by-laws of the Buyer or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any agreement, contract,

lease, license, instrument or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets is subject.

Section 2.05 Brokers' Fees

The Buyer does not have any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which any of the Seller or its subsidiaries, if any, could become liable or obligated.

Section 2.06 Taxes

Buyer does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it, except those related to accrued taxes for the current year, filings of which are not yet due.

Section 2.07 Material Contracts

Buyer is not, and at the Closing Date will not be, a party to or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any person, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

Section 2.08 Financial Condition

The financial statement of Buyer, which is attached hereto as Exhibit 1, fully and accurately represents the financial condition of Buyer at the date so indicated.

Section 2.09 Securities

The common shares of Buyer to be issued pursuant to this Agreement are of \$0.01 par value, will have equal voting rights as all other common shares of Buyer issued and outstanding, and will be validly issued, fully paid and non-assessable at time of delivery.

The Buyer represents and warrants to the Seller that the statements contained in this section are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the closing date were substituted for the date of this Agreement throughout this section), except as set forth in the disclosure schedule.

Section 2.10 Undisclosed Liabilities

None of the Buyer and its subsidiaries, if any, has any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for taxes, except for (i) liabilities set forth on the face of the balance sheet dated as of

_____ (rather than in any notes thereto) and (ii) liabilities which have arisen after July 1, 1998 in the ordinary course of business (none of which results from, arises out of, relates to, is in the nature of or was caused by any breach of contract, breach of warranty, tort, infringement or violation of law).

Article III

Representations and Warranties of Seller

Section 3.01 Organization, Qualification and Corporate Power.

Seller, with its principal office located at 1911 Miccosukee Road, Tallahassee, Florida 32308, is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, having been incorporated January 8, 1997. Each of the Seller and its subsidiaries, if any, is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. Each of the Seller and its subsidiaries, has full corporate power and authority to carry on the business in which it is engaged and to own and use the properties owned and used by it.

Section 3.02 Capitalization

The entire authorized capital stock of the Seller consists of 100,000, of which 100,000 are issued and outstanding and none are held in treasury. All of the issued and outstanding Seller shares have been duly authorized and are validly issued, fully paid and nonassessable. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights or other contracts or commitments that could require the Seller to issue, sell or otherwise cause to become outstanding any of its capital stock. There are no outstanding stock appreciation, phantom stock, profit participation or similar rights with respect to the Seller.

Section 3.03 Authorization of Transaction

The Seller has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms and conditions.

Section 3.04 Noncontravention

To the knowledge of any director or officer of the Seller, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge or other restriction of any government, governmental agency or court to which any of the

Seller or its subsidiaries, if any, is subject or any provision of the charter or by-laws of any of the Seller or its subsidiaries, if any, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which any of the Seller or its subsidiaries, if any, is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any security interest upon any of its assets).

Section 3.05 Brokers' Fees

None of the Seller and its subsidiaries has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

Section 3.06 Taxes

Seller does not owe any state, federal or local taxes and has filed all tax returns required to be filed by it, except those related to accrued taxes for the current year, filings of which are not yet due.

Section 3.07 Material Contracts

Seller is not, and at the Closing Date will not be, a party to or bound by any material, oral or written contract for the employment of any officer or employee or commitment for any special bonus, compensation or severance pay; or any person, profit-sharing, retirement or stock purchase plan with its employees or others; or any contract with any labor union.

Section 3.08 Financial Condition

The financial statement of Seller, which is attached hereto as Exhibit 2, fully and accurately represents the financial condition of Seller at the date so indicated.

Section 3.09 Securities

The common shares of Seller are of \$0.01 par value and have equal voting rights as all other common shares of Seller issued and outstanding. Seller hereby acknowledges its awareness that said shares will not, when issued, have been registered under either the Securities Act of 1933 or under The Uniform Securities Act of any state; but are being issued in reliance upon the exemption from federal regulation provided by Section 4(2) of the Securities Act of 1933 for transactions not involving any public offering and from state registration by applicable isolated transaction exemptions. In connection therewith, Seller acknowledges, warrants and represents as follows:

(i) Seller has received and reviewed, as to Buyer, certain information prepared by Buyer pursuant to Rule 15c2-11 of the Exchange Act, including financial statements, prior to the consummation of this transaction.

(ii) Seller is a business entity managed by persons of sufficient business experience to evaluate this transaction. Seller is financially able to bear the risk of its investment in Buyer's common shares.

(iii) Seller is purchasing Buyer's common shares for its own account, for purposes of investment and not with a view to distribution, except as hereinafter noted.

(iv) Seller consents to the placement on each certificate representing their common shares of Buyer of standard form investment legend stating that the shares are not registered under the Securities Act of 1933 and cannot be sold, hypothecated or transferred without registration or under an appropriate exemption from registration. Seller acknowledges its familiarity with Rules 144 and 237 of the code which generally govern resale of restricted securities and further concedes that Buyer has not represented, directly or indirectly, that the exemption provided by either rule will ever be available to Seller or its assignees.

(v) Seller intends to transfer the shares issued to it hereunder pro rata, to the stockholders of Seller, of which there are no more than twenty (20); and intends to rely on applicable "private offering" and/or isolated transaction in so doing. In delivering such shares to its stockholders, Seller agrees to take all reasonable measures to insure that those stockholders are taking their shares for investment and not with a view to distribution, that they understand the rules limiting secondary transfer of the shares, and that the certificates bear appropriate restrictive legends.

The Seller represents and warrants to the Buyer that the statements contained herein are correct and complete as of the date of this Agreement and will be correct and complete as of the closing date.

Section 3.10 Undisclosed Liabilities

None of the Seller and its subsidiaries, if any, has any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for taxes, except for (i) liabilities set forth on the face of the balance sheet dated as of _____ (rather than in any notes thereto) and (ii) liabilities which have arisen after June 1, 1998 in the ordinary course of business (none of which results from, arises out of, relates to, is in the nature of or was caused by any breach of contract, breach of warranty, tort, infringement or violation of law).

Article IV

Covenants

Section 4.01 General

Each of the Parties will use its reasonable efforts to take all action and to do all things necessary in order to consummate and make effective the transactions contemplated by this Agreement.

Section 4.02 Notices and Consents

The Seller will give any notices (and will cause each of its subsidiaries to give any notices) to third parties, and will use its reasonable efforts to obtain (and will cause each of its subsidiaries to use its reasonable efforts to obtain) any third party consents that Buyer reasonably may request in connection with the matters referred to above.

Section 4.03 Regulatory Matters and Approvals

Each of the Parties will (and the Seller will cause each of its subsidiaries to) give any notices to, make any filings with, and use its reasonable efforts to obtain any authorizations, consents and approvals of governments and governmental agencies in connection with the matters referred to above.

Section 4.04 Operation of Business

The Seller will not (and will not cause or permit any of its subsidiaries, if any, to) engage in any practice, take any action or enter into any transaction outside the ordinary course of business. Without limiting the generality of the foregoing:

(i) none of the Seller or its subsidiaries will authorize or effect any change in its charter or by-laws;

(ii) none of the Seller and its subsidiaries will grant any options, warrants or other rights to purchase or obtain any of its capital stock or issue, sell or otherwise dispose of any of its capital stock (except upon the conversion or exercise of options, warrants and other rights currently outstanding);

(iii) none of the Seller and its subsidiaries will declare, set aside or pay any dividend or distribution with respect to its capital stock (whether in cash or in kind), or redeem, repurchase or otherwise acquire any of its capital stock;

(iv) none of the Seller and its subsidiaries will issue any note, bond or other debt security or create, incur, assume or guarantee any indebtedness for borrowed money or capitalized lease obligation outside the ordinary course of business;

(v) none of the Seller and its subsidiaries will impose any security interest upon any of its assets outside the ordinary course of business;

(vi) none of the Seller and its subsidiaries will make any capital investment in, make any loan to or acquire the securities or assets of any other person outside the ordinary course of business;

(vii) none of the Seller or its subsidiaries will make any change in employment terms for any of its directors, officers and employees outside of the ordinary course of business; and

(viii) none of the Seller and its subsidiaries will commit to any of the foregoing.

Section 4.05 Full Access

The Seller will (and will cause each of its subsidiaries to) permit representatives of the Buyer to have full access, at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Seller and its subsidiaries to all premises, properties, personnel, books, records (including tax records), contracts and documents of or pertaining to each of the Seller and its subsidiaries. The Buyer will treat and hold as such any confidential information it receives from any of the Seller and its subsidiaries in the course of the reviews contemplated by this section, will not use any of the confidential information except in connection with this Agreement and, if this Agreement is terminated for any reason whatsoever, agrees to return to Seller all tangible embodiments (and all copies) thereof which are in its possession.

Section 4.06 Notice of Developments

Each party will give prompt written notice to the other of any material adverse development causing a breach of any of its own representations and warranties. No disclosure by any party pursuant to this section, however, shall be deemed to amend or supplement the disclosure schedule or to prevent or cure any misrepresentation, breach of warranty or breach of covenant.

Section 4.07 Exclusivity

The Seller will not (and will not cause to permit any of its subsidiaries to) solicit, initiate or encourage the submission of any proposal or offer from any person relating to the acquisition of all or substantially all of the capital stock or assets of any of the Seller and its subsidiaries (including any acquisition structured as a merger, consolidation or share exchange); provided, however, that the Seller, its subsidiaries, and their directors and officers will remain free to participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person to do

or seek any of the foregoing to the extent their fiduciary duties may require. The Seller shall notify the Buyer immediately if any person makes any proposal, offer, inquiry or contact with respect to any of the foregoing.

Article V

Conditions to Obligation to Close

Section 5.01 Conditions to Obligation to the Buyer

The obligation of the Buyer to consummate the transaction and to be performed by it in connection with the closing is subject to satisfaction of the following conditions:

- (i) this Agreement shall have received the requisite Seller stockholder approval;
- (ii) the Seller and its subsidiaries shall have procured all of the necessary third party consents specified above;
- (iii) the representations and warranties hereunder shall be true and correct in all material respects through the closing;
- (iv) the Seller shall have performed and complied with all of its covenants hereunder in all material respects through the closing;
- (v) no action, suit or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) affect adversely the right of the Buyer to own the assets, to operate the businesses and to control the subsidiaries of the Seller, (D) affect adversely the right of any of the subsidiaries of the Seller to own its assets and to operate its businesses (and no such injunction, judgment, order, decree, ruling or charge shall be in effect);
- (vi) the Buyer shall have received the resignations, effective as of the closing, of each director and officer of the Seller and its subsidiaries of those whom the Buyer shall have specified in writing prior to closing;
- (vii) all actions to be taken by the Seller in connection with the consummation of the transactions contemplated hereby and all instruments and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Buyer;

(viii) Seller shall have voted for one member of Board of Directors as designated by Buyer.

The Buyer may waive any condition specified herein if Buyer gives written notice to Seller at or prior to the closing.

Section 5.02 Conditions to Obligation of the Seller

The obligation of the Seller to consummate the transaction and to be performed by it in connection with the closing is subject to satisfaction of the following conditions:

(i) this Agreement and the Merger shall have received the requisite Buyer stockholder approval, if necessary;

(ii) the representations and warranties hereunder shall be true and correct in all material respects through the closing;

(iii) the Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the closing;

(iv) no action, suit or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) affect adversely the right of the Buyer to own the assets, to operate the businesses and to control the subsidiaries of the Seller, (D) affect adversely the right of any of the subsidiaries of the Seller to own its assets and to operate its businesses (and no such injunction, judgment, order, decree, ruling or charge shall be in effect);

(v) all actions to be taken by the Buyer in connection with the consummation of the transactions contemplated hereby and all instruments and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Seller;

(vi) two of Sellers nominations to the Board of Directors of Seller have been approved and the Board is limited to three members.

The Seller may waive any condition specified herein if Seller gives written notice to Buyer at or prior to the closing.

Article VI

Termination

Section 6.01 Termination of Agreement

Either of the Parties may terminate this Agreement with the prior authorization of its board of directors (whether before or after stockholder approval) as provided below:

(i) the Parties may terminate this Agreement by mutual written consent at any time prior to the effective time;

(ii) the Buyer may terminate this Agreement by giving written notice to the Seller at any time prior to the effective time (A) in the event that Seller has breached any material representation, warranty or covenant contained in this Agreement in any material respect, or (B) if the closing shall not have occurred on or before July 24, 1998, by reason of the failure of any condition precedent herein (unless the failure results primarily from the Buyer breaching any representation, warranty or covenant contained in this Agreement);

(iii) the Seller may terminate this Agreement by giving written notice to the Buyer at any time prior to the effective time (A) in the event the Buyer has breached any material representation, warranty or covenant contained in this Agreement in any material respect, or (B) if the closing shall not have occurred on or before July 24, 1998, by reason of the failure of any condition precedent herein (unless the failure results primarily from the Seller breaching any representation, warranty or covenant contained in this Agreement);

(iv) any party may terminate this Agreement by giving written notice to the other party at any time after the stockholders meeting in the event this Agreement and Merger fail to receive the requisite stockholder approval, respectively.

Section 6.02 Effect of Termination

If any party terminates this Agreement pursuant to the above, all rights and obligations of the Parties hereunder shall terminate without any liability of any party to any other party; provided, however, that the confidentiality provisions contained herein shall survive any such termination.

Article VII

Conversion of Shares

Section 7.01 Conversion of Seller Shares

The manner and basis of converting the shares of the Seller into shares, rights, obligations and other securities delivered by the Buyer is as follows:

(a) Each share of the common stock of Seller, issued and outstanding on the Closing Date shall be converted into 70.7 shares of the common stock of Buyer after conversion. See attached Schedule A. As delivery is 70.7 shares of common for one share of common and fractional shares are not contemplated, each shareholder agrees to a rounding up or down of not more than 2 shares. Each share of the common stock of Seller that shall be converted into the common shares of Buyer is shown on Schedule A.

(b) After the Closing Date, each holder of certificates of shares of common stock in the Seller shall surrender them to the Buyer or its duly appointed Transfer Agent, in such manner as the Buyer shall legally require. On receipt of such share certificates, the Transfer Agent shall exchange on a 70.7 shares (as rounded up or down) for one share basis (with restrictive legend), common stock, in the name and in the amount as set forth in the shareholder list attached as Schedule A, or as otherwise instructed by the individual in whose name the Seller stock is issued.

(c) Holders of certificates of common stock of the Seller shall not be entitled to dividends payable on shares of common stock of Buyer until certificates have been issued to such shareholders. Thereafter, each such shareholder shall be entitled to receive any dividends on shares of stock issuable to them hereunder which may have been declared and paid between the Closing Date and the issuance to such shareholders of the certificate for his or her shares in the Buyer.

(d) The Buyer may cause the Transfer Agent to return any Buyer shares and dividends and distributions thereon remaining unclaimed 180 days after the Closing Date, and thereafter each remaining record holder of outstanding Seller shares shall be entitled to look to the Buyer (subject to abandoned property, escheat and other similar laws) as a general creditor thereof with respect to the Buyer shares and dividends and distributions thereon to which he or it is entitled upon surrender of his or its certificates.

Section 7.02 The Rights of Seller Stockholders

After the Closing Date, each holder of a certificate or certificates which represent shares of common stock of Seller shall have only those rights expressly reserved to such stockholders by statute. A holder of a certificate or certificates may, but shall not be required to, surrender the same to the Transfer Agent of the Buyer, and shall thereupon be entitled to receive in exchange

therefor a certificate or certificates representing the number of shares of common stock into which the shares of common stock of Seller theretofore represented by such certificate or certificates shall have been converted.

Section 7.03 Stockholder Right to Payment

The Buyer agrees that, subject to statutory provisions, it will pay to the stockholders of Seller the amounts, if any, to which such stockholders may be entitled under the provisions of the statutes and/or laws of Florida or Louisiana as the case may be.

Section 7.04 Buyer Shares

Each Buyer share issued and outstanding at and as of the effective date of the Merger will remain issued and outstanding, but shall not exceed 7,070,000 shares.

Section 7.05 Charges and Expenses of Transfer Agent

The Buyer shall pay all charges and expenses of the Transfer Agent.

Article VIII

Miscellaneous

Section 8.01 Press Releases and Public Announcements

No party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other party.

Section 8.02 Third Party Beneficiaries, Succession and Assignment

This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other party.

Section 8.03 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, warranties or representations by or between the Parties, express or implied, written or oral, to the extent they related in any way to the subject matter hereof, except those specifically contained herein. All agreements, warranties and representations contained in this Agreement shall apply as of the closing date and shall survive the closing of this Agreement.

Section 8.04 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

Section 8.05 Headings

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.06 Notices

All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and properly addressed to the party to receive such notice at the addresses specified below:

If to the Seller:

Mr. John A. Lester
2752 Hannon Hill Drive West
Tallahassee, Florida 32308

If to the Buyer:

Mr. Steven L. Durket
210 Crown Point Circle, Suite 108
Longwood, Florida 32779

Any party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any party may change the address to which notices, requests, demands, claims or other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

Section 8.07 Governing Law

This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Louisiana without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Louisiana.

Section 8.08 Amendments and Waivers

The Parties may mutually amend any provision of this Agreement at any time prior to the effective time with the prior authorization of their respective boards of directors. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by both of the Parties. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 8.09 Severability

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 8.10 Expenses

Each of the Parties will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 8.11 Construction


The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context otherwise requires. The word "including" shall mean including without limitation.


Section 8.12 Incorporation of Exhibits and Schedules

The exhibits and schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

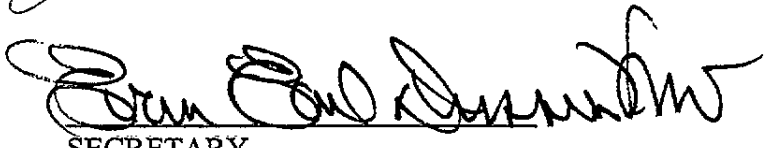
BY: Buyer


PRESIDENT


SECRETARY

BY: Seller


PRESIDENT


SECRETARY

STATE OF FLORIDA

COUNTY OF Leon

This instrument was acknowledged before me this 23RD day of July, 1998,
by John Lestes, Evan Earl Russell #m known to me to be the President and Secretary of Seller, a
Florida corporation, as set forth under their respective signatures.

Diane Pilette
NOTARY PUBLIC, State of Florida

Commission No. _____

My Commission expires: _____



STATE OF FLORIDA

COUNTY OF SEMINOLE

This instrument was acknowledged before me this 22 day of July, 1998,
by S. LORNE DURKET, known to me to be the President and Secretary of BUYER, a
~~Florida~~ corporation, as set forth under their respective signatures.
Louisiana



LAURA D LATIMER
My Commission CC515338
Expires Jan 16, 2000

Laura D. Latimer
NOTARY PUBLIC, State of FLORIDA

Commission No. CC515338

My Commission expires: 1/16/2000

SCHEDULE A

	<u>MEDISYN</u>	<u>DIVERSIFIED</u>
Shares Issued	100,000	4,550,000
Dussia	80,000	3,640,000
FRB Trust	7,912	360,000
Lester	9,231	420,000
UEUS, Inc.	<u>2,857</u>	<u>130,000</u>
TOTAL	100,000	4,550,000

EXHIBIT 1

DIVERSIFIED FUNDS, INC.
COMPILED FINANCIAL STATEMENTS
MARCH 31, 1998, DECEMBER 31, 1997 AND 1996

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Albright, Persing & Associates, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS
1025 Ridgeview Dr., Suite 300
Reno, Nevada 89509
Phone (702) 826-5432
FAX (702) 826-5510

To the Shareholders and Board of Directors
Diversified Funds, Inc.

We have compiled the accompanying balance sheets of Diversified Funds, Inc. (a corporation) as of March 31, 1998, December 31, 1997 and 1996, and the related statements of income, stockholders' equity and cash flows for the periods ended March 31, 1998, December 31, 1997 and 1996 and for the period from inception (November 25, 1983) to March 31, 1998 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Albright, Persing & Associates, Ltd.

Reno, Nevada
April 15, 1998

DIVERSIFIED FUNDS, INC.
BALANCE SHEETS
MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
(See Accountants' Report)

ASSETS

	March 31, <u>1998</u>	December 31, <u>1997</u>	December 31, <u>1996</u>
Current Assets			
Cash	\$ <u>5,500</u>	\$ <u>5,500</u>	\$ <u>-</u>
Total Assets	\$ <u>5,500</u>	\$ <u>5,500</u>	\$ <u>-</u>

LIABILITIES AND STOCKHOLDERS' EQUITY/DEFICIT

Current Liabilities			
Accounts payable	\$ <u>2,489</u>	\$ <u>2,489</u>	\$ <u>-</u>
Stockholders' Equity/Deficit			
Common stock, no par value authorized 30,000,000 shares, issued and outstanding 2,520,000 shares at March 31, 1998 and December 31, 1997, and 2,410,000 at December 31, 1996	\$ 30,500	30,500	25,000
Additional paid-in-capital	4,200	4,200	4,200
Accumulated Deficit	<u>(31,689)</u>	<u>(31,689)</u>	<u>(29,200)</u>
	<u>3,011</u>	<u>3,011</u>	<u>-</u>
Total Liabilities and Stockholders' Equity	\$ <u>5,500</u>	\$ <u>5,500</u>	\$ <u>-</u>

The accompanying notes are an integral part of these financial statements.

INCOME STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
AND INCEPTION (NOVEMBER 25, 1983) TO MARCH 31, 1998
(See Accountants' Report)

	Three Months Ended March 31, <u>1998</u>	Years Ended December 31 <u>1997</u> <u>1996</u>		Inception Through March 31, <u>1998</u>
Net Sales	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -
Cost of Goods Sold	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -
Gross Profit	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -
Costs and expenses				
Professional Services	<u> </u> -	<u>2,489</u>	<u> </u> -	<u>31,689</u>
Net (loss) before income taxes	-	(2,489)	-	(31,689)
Income Taxes (Note 3)	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -
Net (loss)	\$ <u> </u> -	\$ <u>(2,489)</u>	\$ <u> </u> -	\$ <u>(31,689)</u>
Net income (loss) per common share				
Continuing opera- tions	\$ <u> </u> -	\$ <u>(.00)</u>	\$ <u> </u> -	\$ <u>(.01)</u>
Weighted average shares outstanding	<u>2,520,000</u>	<u>2,443,753</u>	<u>2,410,000</u>	<u>2,243,424</u>

The accompanying notes are an integral part of these financial statements.

DIVERSIFIED FUNDS, INC.
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
AND INCEPTION (NOVEMBER 25, 1983) TO MARCH 31, 1998
(See Accountants' Report)

	Three Months Ended March 31, <u>1998</u>	Years Ended December 31 <u>1997</u> <u>1996</u>		Inception Through March 31 <u>1998</u>
Cash Flows from/(for) Operating Activities:				
Continuing operations				
Net income (loss)	\$ <u> </u> -	\$ <u>(2,489)</u>	\$ <u> </u> -	\$ <u>(31,689)</u>
Noncash items included in net income (loss)				
Stock issued for professional services rendered	<u> </u> -	<u> </u> -	<u> </u> -	<u>29,000</u>
Increase in accounts payable	<u> </u> -	<u>2,489</u>	<u> </u> -	<u>2,489</u>
Net Adjustments	<u> </u> -	<u>2,489</u>	<u> </u> -	<u>31,489</u>
Cash (Used) by Operating Activities	<u> </u> -	<u> </u> -	<u> </u> -	<u>(200)</u>
Cash Flows From Financing Activities:				
Stock issued for cash	<u> </u> -	<u>5,500</u>	<u> </u> -	<u>5,700</u>
Cash Provided by Financing Activities	<u> </u> -	<u>5,500</u>	<u> </u> -	<u>5,700</u>
Net change in cash	<u> </u> -	<u>5,500</u>	<u> </u> -	<u>5,500</u>
Cash at beginning of period	<u>5,500</u>	<u> </u> -	<u> </u> -	<u> </u> -
Cash at end of period	\$ <u>5,500</u>	\$ <u>5,500</u>	\$ <u> </u> -	\$ <u>5,500</u>
<u>SUPPLEMENTAL DISCLOSURES</u>				
Amount paid for interest	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -
Amount paid for income taxes	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -

The accompanying notes are an integral part of these financial statements.

DIVERSIFIED FUNDS, INC.
STATEMENT OF STOCKHOLDERS' EQUITY/DEFICIT
FOR THE PERIODS ENDED MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
(See Accountants' Report)

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>Total</u>
			<u>Capital</u>		
Issuance of founders stock on July 25, 1984 for professional services rendered of \$5,000, and \$200 cash	10,000	\$ 1,000	\$ 4,200	\$ -	\$ 5,200
Net loss for year ended December 31, 1984	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,200)</u>	<u>(5,200)</u>
Balance, December 31, 1984	10,000	1,000	4,200	(5,200)	-
Issuance of shares of common stock on July 12, 1985 for professional services rendered at \$.01 per share	2,200,000	22,000	-	-	22,000
Issuance of shares of common stock on August 30, 1985 for professional services rendered at \$.01 per share	200,000	2,000	-	-	2,000
Net loss for year ended December 31, 1985	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>	<u>(24,000)</u>
Balance, December 31, 1985	2,410,000	25,000	4,200	(29,200)	-
Issuance of shares of common stock on September 10, 1997 for cash at \$.05 per share in private placement	110,000	5,500	-	-	5,500
Net loss for year ended December 31, 1997	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,489)</u>	<u>(2,489)</u>
Balance, December 31, 1997	2,520,000	30,500	4,200	(31,689)	3,011
Net loss for period ended March 31, 1998	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, March 31, 1998	<u>2,520,000</u>	<u>\$ 30,500</u>	<u>\$ 4,200</u>	<u>\$ (31,689)</u>	<u>\$ 3,011</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
AND INCEPTION (NOVEMBER 25, 1983) TO MARCH 31, 1998
(See Accountants' Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS ACTIVITY

This summary of significant accounting policies of Diversified Funds, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Business Activity

The Company, a Louisiana corporation located in Lebanon, Tennessee, was incorporated on November 25, 1983, and is currently in the process of funding the setup of its initial location to offer hourly rental services for the use of computers, printers and other computer hardware, as well as provide the same for time to be on the Internet. In addition, the Company will offer fax services and computer related consulting services from its locations.

Noncash Securities Issuance

Shares of common stock issued for other than cash have been assigned amounts equivalent to the fair value of the services received in exchange.

Accounting Method

The Company's financial statements are prepared using the accrual method of accounting.

Income (Loss) per Share

The computation of income (loss) per share of common stock is based on the weighted average number of shares outstanding during the periods presented.

Statement of Cash Flows

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

DIVERSIFIED FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
AND INCEPTION (NOVEMBER 25, 1983) TO MARCH 31, 1998
(See Accountants' Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BUSINESS ACTIVITY - Continued

Income Taxes

Effective January 1, 1993, Diversified Funds, Inc. adopted SFAS No. 109, "Accounting for Income Taxes," which requires a liability approach to financial accounting and reporting for income taxes. The differences between the financial statement and tax bases of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce deferred tax asset accounts to the amounts that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax asset and liability accounts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities, (2) disclosure of contingent assets and liabilities at the date of the financial statements, and (3) reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CONSIDERATIONS RELATED TO CONTINUED EXISTENCE

The Company has not yet generated significant revenue and has begun to fund its operations through the issuance of equity. Accordingly, the Company's ability to accomplish its business strategy and to ultimately achieve profitable operations is dependent upon its ability to obtain additional financing and execute its business plan. There can be no assurance that the Company will be able to obtain additional funding, and, if available, that the funding will be obtained on terms favorable to or affordable by the Company. The Company's management is exploring several funding options and expects to raise additional capital through private placements to continue to develop the Company's operations around its business plan. Ultimately, however, the company will need to achieve profitable operations in order to continue as a going concern. The Company incurred net losses of \$31,689 since its inception, but has incurred only \$2,489 in losses since 1985. The Company has an accumulated deficit of \$31,689 at March 31, 1998.

DIVERSIFIED FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
AND INCEPTION (NOVEMBER 25, 1983) TO MARCH 31, 1998
(See Accountants' Report)

NOTE 2 - CONSIDERATIONS RELATED TO CONTINUED EXISTENCE - Continued

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

NOTE 3 - INCOME TAXES

Deferred income taxes arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or noncurrent, depending on the classification of the assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or noncurrent depending on the periods in which the temporary differences are expected to reverse.

Amounts for deferred tax assets are as follows:

	March 31, 1998	Year Ended December 31,	
		1997	1996
Deferred tax asset, net of valuation allowance of \$10,774 in 1998 and 1997 and \$9,928 in 1996	\$ _____	\$ _____	\$ _____

The following temporary differences gave rise to the deferred tax asset at March 31, 1998, December 31, 1997 and 1996:

	March 31, 1998	Year Ended December 31,	
		1997	1996
Tax benefit of net operating loss carryforward	\$ 10,774	\$ 10,774	\$ 9,928
Valuation allowance for judgement of realizability of net operating loss carryforward in future years	(10,774)	(10,774)	(9,928)

DIVERSIFIED FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1998, DECEMBER 31, 1997 AND 1996
AND INCEPTION (NOVEMBER 25, 1983) TO MARCH 31, 1998
(See Accountants' Report)

NOTE 3 - INCOME TAXES - Continued

Because the Company has not generated taxable income since its inception, no provision for income taxes has been made.

In addition, the Company has not filed any income tax returns since its inception. As such, it is unclear whether expenses for services rendered in exchange for common stock could be deducted under current federal tax law. Assuming the providers of such services included the fair value of their services in income on their personal tax returns, the Company should be able to deduct such losses. However, due to the uncertainty of this inclusion, coupled with the judgement involving the realizability of any net operating loss carryforward due to the lack of revenues by the Company, a deferred income tax valuation allowance has been recorded for the full amount of the deferred tax asset attributable to the net operating loss carryforward.

Assuming that the Company is able to deduct as expenses the services rendered to it in exchange for common stock, the Company can carry forward \$29,200 in net operating losses as follows:

Year Ended December 31.	
1999	\$ 5,200
2000	24,000
2012	<u>2,489</u>
	<u>\$ 31,689</u>

If such expenses could not be deducted, the net operating loss carryforward would be reduced by \$29,000.