

P 97000052057

Florida Department of State

Division of Corporations

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Katherine Harris, Secretary of State

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DIVISION OF CORPORATIONS

MERGER OR SHARE EXCHANGE

KEY FINANCIAL SYSTEMS INC.

Certificate of Status	1
Certified Copy	0
Page Count	03
Estimated Charge	\$78.75

merger
8/7/01 DC

ARTICLES OF MERGER
Merger Sheet

MERGING:

KEY MERGER CORPORATION, a Delaware corporation not qualified to transact
business in the State of Florida

INTO

KEY FINANCIAL SYSTEMS INC., a Florida entity, P97000052057

File date: August 7, 2001

Corporate Specialist: Darlene Connell



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

August 7, 2001

KEY FINANCIAL SYSTEMS INC
5770 ROOSEVELT BLVD
#410
CLEARWATER, FL 33760US

SUBJECT: KEY FINANCIAL SYSTEMS INC.
REF: P97000052057

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

The current name of the entity is as referenced above. Please correct your document accordingly.

The word "initial" or "first" should be removed from the article regarding directors, officers, and/or registered agent, unless these are the individuals originally designated at the time of incorporation.

Please accept our apology for failing to mention this in our previous letter.

PLEASE PROVIDE A CURRENT LIST OF OFFICERS/DIRECTORS FOR THE SURVIVING CORPORATION.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6906.

Darlene Connell
Corporate Specialist

FAX Aud. #: H01000087621
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ARTICLES OF MERGER AND REORGANIZATION OF
KEY MERGER CORPORATION
WITH AND INTO KEY FINANCIAL SYSTEMS INC.

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Article I

The agreement and plan of reorganization attached hereto as Exhibit A and made a part hereof was duly approved by the Board of Directors of Key Merger Corporation on August 2, 2001 and the Board of Directors of Key Financial Systems Inc. on June 5, 2001.

Article II

Pursuant to the agreement and plan of reorganization, the merger shall be effective upon the filing of these Articles of Merger.

Article III

The shareholders of Key Financial Systems Inc., adopted the agreement and plan of reorganization on June 20, 2001, and the shareholders of Key Merger Corporation adopted the agreement and plan of reorganization on June 22, 2001.

Dated as of this 3rd day of August, 2001.

KEY FINANCIAL SYSTEMS INC.

By: 

Scott Lucas, President

KEY MERGER CORPORATION

By: 

Henry Fong, President & Chief Executive Officer

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EXHIBIT "A"PLAN OF MERGER

KEY FINANCIAL SYSTEMS INC., a Florida corporation, hereby adopts the following plan of merger pursuant to Section 607.1101 of the Florida Statutes:

1. Parties. The corporations planning to merge are Key Financial Systems Inc., a Florida corporation ("Key"), and Key Merger Corp., a Delaware corporation ("Merger Sub") and a wholly-owned subsidiary of Equitex, Inc., a Delaware corporation ("Equitex").
2. Surviving Corporation. On the Effective Date (as defined in Section 5 hereof), Merger Sub will be merged into Key, with Key being the surviving corporation (in such capacity, the "Surviving Corporation"). The Surviving Corporation will continue to be governed by the law of the State of Florida.
3. Terms and Conditions of Merger. On the Effective Date, the separate existence of Merger Sub shall cease, and Key, as the Surviving Corporation, shall succeed, without other transfer or assignment, to all of the rights and property interests of Merger Sub and shall be subject to all of the debts and liabilities of Merger Sub in the same manner as if Key had itself incurred them. All rights of creditors and all liens upon the property of Key, Merger Sub and Equitex shall be preserved unimpaired, with any such liens limited to the property affected by such liens immediately prior to the merger. The Surviving Corporation will carry on the business of Key with the assets of Key, as well as the business of Merger Sub with the assets of Merger Sub, following the merger.
4. Conversion of Shares.
 - (a) On the Effective Date:
 - (1) each share of Key common stock issued and outstanding immediately prior to the Effective Date shall, by virtue of the merger and without any further action on the part of the holder thereof, be converted into the right to receive 2,225.8 shares of newly issued Equitex common stock, warrants to purchase 242.6 shares of Equitex common stock for an exercise price of \$.02 per share, warrants to purchase 963.7 shares of Equitex common stock for an exercise price of \$5.65 per share, and \$1,224.9978 in U.S. currency and in immediately available funds; and
 - (2) each share of Merger Sub common stock issued and outstanding immediately prior to the Effective Date shall, by virtue of the merger and without any further action on the part of the holder thereof, be converted into the right to receive one share of newly issued Key common stock.
 - (b) After the Effective Date, no share of capital stock of Merger Sub shall be deemed to be issued or outstanding or to have any rights whatsoever.
 - (c) No scrip or fractional shares of Equitex common stock shall be issued in the merger. All fractional shares of Equitex common stock to which a holder of Key common stock immediately prior to the Effective Date would otherwise be entitled at the Effective Date shall be

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aggregated. If a fractional share results from such aggregation, the share shall be rounded to the nearest whole share.

(d) On or after the Effective Date, the holders of outstanding Key common stock may surrender to Equitex the certificates evidencing their outstanding Key common stock, endorsed in blank or accompanied by stock powers executed in blank, all signatures guaranteed by a national bank and with all necessary transfer tax or revenue stamps required and affixed. Equitex, in turn, will deliver to the holders of outstanding Key common stock certificates evidencing the whole shares of Equitex common stock to which they are entitled hereunder, warrant agreements representing the number of warrants to which they are entitled hereunder, and the cash consideration to which they are entitled hereunder.

5. Effective Date. The effective date of the merger (the "Effective Date") will be August 3, 2001, or such other date as may be specified by the parties to the merger.

6. Articles of Incorporation and Bylaws.

(a) The Articles of Incorporation of Key in effect on the Effective Date shall be the Articles of Incorporation of the Surviving Corporation until thereafter amended in accordance with the provisions thereof and applicable law.

(b) The Bylaws of Key in effect on the effective date of the merger shall be the Bylaws of the Surviving Corporation until thereafter amended in accordance with the provisions thereof and applicable law.

7. Directors. The individuals comprising the Board of Directors of Key on the Effective Date shall, collectively, be the directors of the Surviving Corporation and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal, which successors shall be elected in accordance with the Florida Business Corporation Act and the Bylaws.

8. Officers. The individuals comprising all the officers of Key on the Effective Date shall be the officers of the Surviving Corporation and shall hold office until their respective successors are duly appointed and qualified, or their earlier death, resignation or removal, which successors shall be appointed in accordance with the Florida Business Corporation Act and the Bylaws.

9. Termination of Plan of Merger. At any time before the Effective Date (whether before or after filing of Articles of Merger), this Plan of Merger may be terminated and the merger abandoned (subject to contractual rights, if any) by the Board of Directors of either Key, Equitex or Merger Sub, notwithstanding favorable action by the shareholders of any such constituent corporation.

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KEY FINANCIAL SYSTEMS INC.

OFFICERS AND DIRECTORS

<u>Name</u>	<u>Title</u>
Scott A. Lucas	President and Director
Charles R. Darst	Secretary and Director

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