

Division of Corporations

Page 1

Florida Department of State

Division of Corporations

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TALLAHASSEE, FLORIDA

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DIVISION OF CORPORATIONS

BASIC AMENDMENT

IBX GROUP, INC.

Certificate of Status	0
Certified Copy	0
Page Count	078
Estimated Charge	\$35.00

AMEND
KRB
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FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

July 3, 2002

IBX GROUP, INC.
4950 W PROSPECT RD
FORT LAUDERDALE, FL 33309US

SUBJECT: IBX GROUP, INC.
REF: P97000064975

RESUBMIT
Please give original
submission date as file date.

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 date of adoption of each amendment must be included in the document.

The amendment must be adopted in one of the following manners:

(1) If an amendment was approved by the shareholders, one of the following statements must be contained in the document.

(a) A statement that the number of votes cast for the amendment by the shareholders was sufficient for approval, -or-

(b) If more than one voting group was entitled to vote on the amendment, a statement designating each voting group entitled to vote separately on the amendment and a statement that the number of votes cast for the amendment by the shareholders in each voting group was sufficient for approval by that voting group.

(2) If an amendment was adopted by the incorporators or board of directors without shareholder action.

(a) A statement that the amendment was adopted by either the incorporators or board of directors and that shareholder action was not required.

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) 245-6869.

Teresa Brown
Corporate Specialist

FAX Aud. #: H02000160514
Letter Number: 102A00041985

Division of Corporations - P.O. BOX 6827 Tallahassee, Florida 32314

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H02000160514 4

IBX Group, Inc.
Certificate of Amendment
Preferences and Rights of Class A Non-Voting Convertible Preferred Stock

IBX Group, Inc., a corporation organized and existing under the Florida Business Corporation Act (the "Corporation"), hereby certifies as follows:

FIRST: That by the articles of incorporation duly filed in the State of Florida, as currently amended, the Corporation is "authorized to issue 5,000,000 shares of preferred stock, \$0.005 par value, the attributes of which are to be determined by resolution of the Corporation's Board of Directors from time to time, prior to issuance, in conformity with the requirements of Section 607.0602 of the Florida Business Corporation Act."

SECOND: That pursuant to the authority vested in the Board of Directors by the articles of incorporation, the board of directors at a meeting duly convened and held on May 17, 2002, adopted the following resolution:

RESOLVED, that the Board of Directors hereby creates and designates the initial series of Preferred Stock, \$0.005 par value, of the Corporation designed exclusively for issuance to persons who are not and while holding such shares, may not become, "control persons" of the Corporation, as such term is used for purposes of Item 401(d) of Regulation SB promulgated by the Commission, authorizes the issuance thereof, and fixes the designation and amount thereof and the preferences and relative, participating, optional and other special rights of such shares, and the qualifications, limitations or restrictions thereof as follows:

1.1 Designation and amount.

The shares of the initial class of Preferred Stock shall be designated "Class A Non-Voting Convertible Preferred Stock, (hereinafter sometimes called "Preferred Stock"), and the number of shares which may be issued shall be 300,000.

1.2 Dividends.

(A) The holders of shares of the Preferred Stock shall be entitled to receive, out of the assets of the Corporation legally available therefore, and as and when declared by the Board of Directors, dividends of every kind declared and paid to holders of the Corporation's Common Stock, at a rate per share as if the Preferred Stock was converted into Common Stock immediately prior to the record date for such dividend.

(B) Each such dividend shall be paid to the holders of record of shares of the Preferred Stock as they appear on the stock register of the Corporation on the record date for the payment date thereof.

1.3 Conversion.

The holders of shares of the Preferred Stock shall have the right, at their option, to convert such shares into shares of Common Stock of the Corporation, subject to the following terms and conditions:

(A) The shares of Preferred Stock may be converted into fully paid and non-assessable shares (calculated as to each conversion to the nearest 1/100th of a share) of Common Stock only to the extent that the aggregate of all shares of Common Stock held by the holder and any other person living with the holder under circumstances requiring aggregation of such shares for purposes of Rules 144 promulgated by the Commission (Rule 144) or for purposes of the

JUL 02 '02 09:45 TO-18505211010

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T-647 P.03/07 F-185

H02000160514 4

determining the existence of "Control" as defined in rule 405 promulgated by the Commission, will, after such conversion, be less than 5% of the outstanding Common Stock;

- (B) The shares of Preferred Stock shall be convertible at the office of transfer agent for the Common Stock (the "Transfer Agent"), and at such other place or places, if any, as the Board of Directors of the Corporation may designate, into fully paid and non-assessable shares (calculated as to each conversion to the nearest 1/100th of a share) of Common Stock.
- (B) The number of shares of Common Stock issuable upon conversion of each share of the Preferred Stock shall be equal to one hundred (100) shares of Common Stock (the "Set Conversion Rate"), subject to adjustment from time to time in certain instances as hereinafter provided.
- (C) No fractional shares of Common Stock will be issued, rather, one fractional share per holder will be rounded up to a whole share.
- (D) Before any holder of shares of the Preferred Stock shall be entitled to convert the same into Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed and dated to the Corporation with a medallion signature guarantee, at the office of the Transfer Agent or at such other place or places, if any, as the Board of Directors of the Corporation has designated, and shall give written notice to the Corporation at said office or place that he elects to convey the same and shall state in writing therein the name or names (with addresses) in which he wishes the certificate or certificates for Common Stock to be issued, as well as a notarized statement confirming that the holder, together with all other persons living with the holder under circumstances requiring aggregation of such shares for purposes of rules 144 promulgated by the Commission (Rule 144) or for purposes of the determining the existence of "Control" as defined in rule 405 promulgated by the Commission, will, after such conversion, hold less than 5% of the outstanding Common Stock.
- (E) The Corporation will, as soon as practicable thereafter, issue and deliver at said office or place to such holder of shares of the Preferred Stock certificates for the number of full shares of Common Stock to which he, she or it shall be entitled as aforesaid.
- (F) Shares of the Preferred Stock shall be deemed to have been converted as of the close of business on the date of the medallion signature guarantee on the certificate surrendered for conversion as provided above so long as it is received by the Corporation or the Corporation's transfer agent no later than the tenth business day thereafter, and the person or persons entitled to receive the Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Stock as of the close of business on such date.

1.4 Adjustments

- (A) The Set Conversion Rate in effect at any time shall be subject to adjustment as follows:
 - (1) The Set Conversion Rate in effect at the time of the record or effective date for the following listed events shall be proportionately adjusted so that the holder of any share of the Preferred Stock surrendered for conversion after such time shall be entitled to receive the kind and amount of shares which he would have owned or have been entitled to receive had such share of the Preferred Stock been converted immediately prior to such time:
 - (a) If the Corporation declares a dividend on its Common Stock in shares of its capital stock;

JUL 02 '02 09:45 TO:18505211010

FROM-

T-647 P.04/07 F-185

H02000160514 4

- (b) If the Corporation subdivides its outstanding shares of Common Stock;
 - (c) If the Corporation combines its outstanding shares of Common Stock into a smaller number of shares; or
 - (d) If the Corporation issues by reclassification of its Common Stock (including any such reclassification in connection with a consolidation or merger in which the Corporation is the continuing corporation) any shares of its capital stock.
- (2) Such adjustment shall be made successively whenever any event listed above shall occur.
- (3) In case the Corporation shall issue rights or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the closing price for the Corporation's Common Stock, as reported on the public stock market or securities exchange [as described in Section 1.3(B)(2)], if the underlying shares of Common Stock are to be pre-registered with the Commission (the "Current Market Price"), or 50% of the Current Market Price if the underlying shares of Common Stock are to be issued without registration pursuant to exemptions from applicable securities laws restricting their transferability as provided in Commission Rule 144 (the "Current Private Placement Price"), in each case on the date fixed for the determination of stockholders entitled to receive such rights or warrants, the Set Conversion Rate shall be reduced by multiplying the Set Conversion Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Current Market Price or Current Private Placement Price (as the case may be) and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such reduction to become effective immediately after the opening of business on the day following the date fixed for such determination. Upon the expiration or termination of such rights or warrants, the Set Conversion Rate shall be re-adjusted to take into account the unexercised rights or warrants as if they had never been issued.
- (4) In case the Corporation shall distribute to all holders of its Common Stock (including any such distribution made in connection with a consolidation or merger in which the Corporation is the continuing corporation) evidences of its indebtedness or assets (excluding dividends or other distributions paid out of earned surplus) or subscription rights or warrants (excluding those referred to in Section 1.4(A)(3) above), the Set Conversion Rate shall be adjusted so that the same shall equal the price determined by multiplying the Set Conversion Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the Current Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors of the Corporation, whose determination shall be conclusive and described in a Board Resolution of the Corporation filed with the Transfer Agent) of the portion of the assets or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator shall be such Current Market Price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business of the day following the date fixed for the determination of stockholders entitled to receive such distribution. If the distribution consists of subscription rights or warrants, upon the expiration or termination of such rights or warrants, the Set Conversion Rate shall be re-adjusted to take into account the unexercised rights or warrants as if they had never been issued.

JUL 02 '02 09:46 TO-18505211010

FROM-

T-647 P.05/07 F-185

H02000160514 4

- (5) All calculations under this Section 1.4 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be.
- (6) In case of any consolidation or merger of the Corporation with or into any other corporation (other than a consolidation or merger in which the Corporation is the continuing corporation), or in case of any sale or transfer of all or substantially all of the assets of the Corporation, the holder of each share of the Preferred Stock shall after such consolidation, merger, sale or transfer have the right to convert such share of the Preferred Stock into the kind and amount of shares of stock and other securities and property which such holder would have been entitled to receive upon such consolidation, merger, sale or transfer if he had held the Common Stock issuable upon the conversion of such share of the Preferred Stock immediately prior to such consolidation, merger, sale or transfer.
- (B) In the event that at any time, as a result of an adjustment made pursuant to this Section 1.4, the holder of any share of the Preferred Stock surrendered for conversion shall become entitled to receive any securities other than shares of Common Stock, thereafter the amount of such other securities so receivable upon conversion of any share of the Preferred Stock shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock set forth in the foregoing subsections of this Sections 1.3 and the provisions of this Section 1.3 with respect to the Common Stock shall apply on like terms to any such other securities.
- (C) No adjustment in the Set Conversion Rate shall be required unless such adjustment would require a change of at least 1% in such price; *provided, however*, that any adjustments which by reason of this Section 1.4(C) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (D) Whenever the Set Conversion Rate is adjustable as herein provided:
- (1) The Corporation shall promptly file with the Transfer Agent for the Preferred Stock a certificate of the treasurer of the Corporation setting forth the adjusted Set Conversion Rate and showing in reasonable detail the facts upon which such adjustment is based, including a statement of the consideration received or to be received by the Corporation for any shares of Common Stock issued or deemed to have been issued; and
- (2) A notice stating that the Set Conversion Rate has been adjusted and setting forth the adjusted Set Conversion Rate shall forthwith be required, and as soon as practicable after it is required, such additional notice shall be deemed to be required pursuant to this Section 1.4(D)(2) as of the opening of business on the tenth day after such mailing and shall set forth the Set Conversion Rate as adjusted at such opening of business, and upon the mailing of such additional notice no other notice need be given of any adjustment in the Set Conversion Rate occurring at or prior to such opening of business and after the time that the next preceding notice given by mailing became required.
- (E) In each of the following instances the Corporation shall cause to be filed with the Transfer Agent and shall cause to be mailed, first class postage prepaid, to the holders of record of the outstanding shares of Preferred Stock, at least 10 days prior to the applicable record date hereinafter specified, a notice stating the date on which a record is to be taken for the purpose of such distribution or rights, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such distribution or rights are to be determined, or the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of

JUL 02 '02 09:46 TO-18505211010

FROM-

T-647 P.06/07 F-185

H02000160514 4

which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up:

- (1) If the Corporation shall authorize the distribution to all holders of its Common Stock of evidences of its indebtedness or assets (other than dividends or other distributions paid out of earned surplus); or
- (2) If the Corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of capital stock of any class or of any other rights; or
- (3) In the event of any reclassification of the Common Stock (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or of the sale or transfer of all or substantially all of the assets of the Corporation; or
- (4) In the event of any reclassification of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation.

1.5 Required Corporate Actions

- (A)
 - (1) The Corporation will at all times reserve, keep available and be prepared to issue, free from any preemptive rights, out of its authorized but unissued Common Stock, solely for the purpose of effecting conversion of the Preferred Stock, the full number of shares of Common Stock then issuable upon the conversion of all outstanding Preferred Stock.
 - (2) The Corporation shall from time to time, in accordance with the laws of the State of Florida, endeavor to amend its Articles of Incorporation to increase the authorized amount of its Common Stock if at any time the authorized amount of its Common Stock remaining unissued shall be not sufficient to permit the conversion of all Preferred Stock.
 - (3) The Corporation shall, if any shares of Common Stock required to be reserved for issuance upon conversion of Preferred Stock require registration with or approval of any governmental authority under any Federal or state law before such shares may be issued upon such conversion, endeavor to cause such shares to be so registered or approved as expeditiously as possible.
- (B)
 - (1) The Corporation will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of shares of the Preferred Stock pursuant hereto.
 - (2) The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue or transfer and delivery of shares of Common Stock in a name other than that in which the shares of the Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax or has established to the satisfaction of the Corporation that such tax has been paid.

JUL 02 '02 09:47 TO-18505211010

FROM-

T-647 P.07/07 F-185

H02000160514 4

- (C) Whenever reference is made in Sections 1.3, 1.4 or 1.5 to the issuance or sale of shares of Common Stock, the term "Common Stock" shall include any stock of any class of the Corporation other than preferred stock of any class with a fixed (absolutely or by reference to an adjustment formula) limit on dividends and a fixed amount payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

1.6 Liquidation rights.

In the event of any liquidation or dissolution or winding up of the Corporation, voluntary or involuntary, the holders of the Preferred Stock shall be entitled to receive liquidation benefits identical to those received by holders of any class of the Corporation's common stock.

1.7 Voting Rights.

The Preferred Stock shall have no voting rights.

1.8 Restrictions on Holders


- (A) No shares of the Preferred Stock may be held by any person serving as an officer or director of the Corporation.
- (B) No person holding shares of the Preferred Stock may serve in any capacity with the Corporation which would constitute such person a Control Person of the Corporation, for purposes of the Securities Act or the Exchange Act.

THIRD: That said resolution of the Corporation's board of directors, and the creation and authorization of issuance thereby of said series of 800,000 shares of Preferred Stock and determination thereby of the dividend rate, liquidation preferences, voting rights and provisions in respect to conversion or exchange of said stock, were duly made by the Board of Directors pursuant to authority as aforesaid and in accordance with Section 607.0602 of the Florida Business Corporation Act. Shareholder action was not required.

IN WITNESS WHEREOF, the Corporation has made under its corporate seal and the hands of its president and secretary, respectively, of said corporation, the foregoing certificate, and the president and secretary have hereunto set their hands and caused the corporate seal of the said corporation to be hereunto affixed this ___th day of May, 2002.

IBX GROUP, INC.

By: 
Evan Brovenick
Director

Attest: 
Secretary