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C.L.
4-2-15

COVER LETTER

TO: Amendment Section
Division of Corporations

SUBJECT: Frontline Insurance Managers, Inc.
Name of Surviving Corporation

The enclosed Articles of Merger and fee are submitted for filing.

Please return all correspondence concerning this matter to following:

Sandy P. Fay
Contact Person

Colodny Fass, P.A.
Firm/Company

100 SE Third Avenue, 23rd Floor
Address

Ft. Lauderdale, FL 33394
City/State and Zip Code

dwilliams@flhi.com
E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Sandy P. Fay At (954) 492-4010
Name of Contact Person Area Code & Daytime Telephone Number

☐ Certified copy (optional) $8.75 **(Please send an additional copy of your document if a certified copy is requested)**

STREET ADDRESS:
Amendment Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, Florida 32301

MAILING ADDRESS:
Amendment Section
Division of Corporations
P.O. Box 6327
Tallahassee, Florida 32314

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SECRETARY OF STATE
DIVISION OF CORPORATIONS

15 APR -1 AM 10: 11

ARTICLES OF MERGER
OF

FIDELITY INSURANCE MANAGERS, INC.
(a Florida corporation)

WITH AND INTO

FRONTLINE INSURANCE MANAGERS, INC.
(a Florida corporation)

Pursuant to Section 607.1105
of the Florida Business Corporation Act

Pursuant to Section 607.1105 of the Florida Business Corporation Act (the "FBCA"), these Articles of Merger provide as follows:

ARTICLE I
State of Incorporation; Surviving Corporation

The name and state of incorporation of each of the constituent corporations of the merger is as follows:

Name		State of Incorporation
Fidelity Insurance Managers, Inc.	P04000004263	Florida
Frontline Insurance Managers, Inc.	P97000067044	Florida

Frontline Insurance Managers, Inc., a Florida Corporation, shall be the surviving corporation.

ARTICLE II
Plan of Merger

The Agreement and Plan of Merger providing for the merger of Fidelity Insurance Managers, Inc. ("FIMI") with and into Frontline Insurance Managers, Inc. ("Frontline"), is attached hereto as Exhibit A (the "Agreement and Plan of Merger").

ARTICLE III
Approval of the Plan

The Board of Directors of FIMI reviewed, considered, and on January 29, 2015 pursuant to the affirmative vote of a majority of the directors in accordance with Section 607.0824 of the FBCA, duly adopted the Agreement and Plan of Merger, and presented the Agreement and Plan of Merger to the shareholders of FIMI in accordance with Section 607.1101 of the FBCA. Thereafter, the shareholders of FIMI adopted and approved the Agreement and Plan of Merger on January 29, 2015 pursuant to the affirmative vote of a majority of the shareholders in accordance with Section 607.0704 FBCA.

The Board of Directors of Frontline reviewed, considered and on January 29, 2015 pursuant to affirmative vote of a majority of the directors in accordance with Section 607.0824 of the FBCA, duly adopted the Agreement and Plan of Merger, and presented the Agreement and Plan of Merger to the shareholders of Frontline in accordance with Section 607.1101 of the FBCA. Thereafter, the shareholders of Frontline adopted and approved the Agreement and Plan of Merger on January 29, 2015 pursuant to the affirmative vote of a majority of the shareholders in accordance with Section 607.0704 FBCA.

ARTICLE IV
Effective Time

These Articles of Merger shall become effective on the date and at the time accepted for filing by the Department of State of the State of Florida.

[Signatures on Next Page]

IN WITNESS WHEREOF, the undersigned duly authorized officers of the constituent corporations have caused these Articles of Merger to be executed this 19th day of March, 2015.

FIDELITY INSURANCE MANAGERS INC.

By: [signature]
Name: LEMAN MILES PORTER
Title: President

FRONTLINE INSURANCE MANAGERS, INC.

By: [signature]
Name: LEMAN MILES PORTER
Title: President

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DIVISION OF CORPORATIONS
15 APR -1 AM 10: 11

[Execution Page to Article of Merger]

EXHIBIT A
AGREEMENT AND PLAN OF MERGER

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

15 APR -1 AM 10: 12

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger (this "Agreement"), dated as of April 1, 2015, by and among Fidelity Insurance Managers, Inc., a Florida corporation ("Target"), and Frontline Insurance Managers, Inc., a Florida Corporation ("Company").

RECITALS

WHEREAS, the boards of directors of TARGET, and COMPANY have each duly approved and adopted this Agreement and proposed merger of TARGET with and into COMPANY pursuant to the terms and conditions of this Agreement and in accordance with the Florida Business Corporation Act (the "Florida Act");

WHEREAS, a majority of the shareholders of TARGET and COMPANY have duly approved and adopted this Agreement and the proposed merger of TARGET with and into COMPANY pursuant to the terms and conditions of this Agreement and in accordance with the Florida Act;

WHEREAS, pursuant to the merger of TARGET with and into the COMPANY, among other things, each issued and outstanding share of common stock, par value $0.00 per share, of TARGET (the "Target Common Stock") will be exchanged and converted into 200,000 shares of common stock, par value $.01 per share, of COMPANY (the "Company Common Stock") in the manner set forth in Article 2 hereof, upon the terms and subject to the conditions set forth in this Agreement and in the Florida Act (collectively, the "Merger");

WHEREAS, as a result of consummation of the Merger, the separate of existence of TARGET will cease and COMPANY will be the surviving corporation;

WHEREAS, the Merger is subject to the satisfaction of certain conditions, including the approval of the Florida Office of Insurance Regulation ("OIR").

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and representations, warranties, covenants, agreements, conditions and promises contained herein, the parties hereby agree as follows:

ARTICLE 1

GENERAL

1.1 The Merger. In accordance with the provisions of this Agreement and the Florida Act, TARGET shall be merged with and into the COMPANY.

1.2 The Effective Time of Merger. The Merger shall become effective (the "Effective Time") upon acceptance for filing of the Articles of Merger (as defined in section 4.2(a) by the Secretary of State of the State of Florida.

1.3 Effect of Merger. At the Effective Time, (a) the separate existence of TARGET shall cease, (b) TARGET shall be merged with and into COMPANY, (c) COMPANY shall be the surviving corporation (the "Surviving Corporation"), (d) the Surviving Corporation shall possess all the rights, privileges and powers of TARGET, (e) the title to all real estate and other property, or any interest therein, owned by TARGET shall be vested in the Surviving Corporation without reversion or impairment, (f) the Surviving Corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of TARGET, (g) any claim existing or action or proceeding pending by or against TARGET may be continued as if the Merger did not occur or the Surviving Corporation may be substituted in the proceeding for TARGET, and (h) neither the right of creditors nor any liens upon the property of TARGET or COMPANY shall be impaired by the Merger, all as provided in Section 607.1106 of the Florida Act.

1.4 Organizational Documents, Directors and Officers of the Surviving Corporation. From and after the Effective Time, (a) the Articles of Incorporation of the COMPANY (the "Company Articles of Incorporation"), unless and until altered, amended or repealed as provided in the Florida Act shall be the Articles of Incorporation of the Surviving Corporation; (b) the bylaws of the COMPANY (the "Company Bylaws"), unless and until altered, amended or repealed as provided in the Florida Act and the Company Articles of Incorporation, shall be the bylaws of the Surviving Corporation, (c) the following persons shall be the directors of the Surviving Corporation, unless and until removed, or until their respective terms of office shall have expired, in accordance with the Florida Act, the Company Articles of Incorporation and the Company Bylaws: Willis T. King, Lanier M. Porter, Leman M. Porter, Dwayne R. Williams, Harold M. Humphrey, Emily R. King and Louis V. Vendittelli, and (d) the officers of the COMPANY shall be the officers of the Surviving Corporation, unless and until removed, or until their terms of office shall have expired, in accordance with the Florida Act and the Company Bylaws.

1.5 Taking of Necessary Action. Prior to the Effective Time, the parties hereto shall exercise reasonable best efforts to do or cause to be done all such acts and things as may be necessary or appropriate in order to effectuate the Merger as expeditiously as reasonable practicable, in accordance with this agreement and the Florida Act.

1.6 Tax- Free Reorganization. For Federal income tax purposes, the parties intend that the Merger be treated as a tax-free organization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The parties to this agreement hereby adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368 2(g) and 1.368 3(a) of the United States Treasury Regulations. The parties shall not take a position on any tax return inconsistent with this Section 1.6, unless otherwise required by a taxing authority.

1.7 Closing. Subject to the provisions of Article 5, the closing of the Merger (the "Closing") will take place as soon as reasonable practicable after the satisfaction of all conditions set forth in Section 4.1. The Closing shall take place at the offices of COMPANY, unless another place is agreed to by the parties. As used herein, the term "Business Day" shall mean any day other than a Saturday, Sunday or day on which banks required or permitted to close in the State of Florida.

ARTICLE 2

EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE CONSTITUENT CORPORATIONS; EXCHANGE OF CERTIFICATES

2.1 Total Consideration; Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof, each share of COMPANY common stock (the "Existing COMPANY Shares") and each share of TARGET common stock (the "TARGET Shares") issued and outstanding immediately prior to the Effective Time (other than any Dissenting Shares, as defined in Section 2.7), shall be converted into the right to receive new shares of validly issued, fully paid and non assessable new shares of COMPANY common stock (the "Merger Consideration") in an amount calculated as follows:

First, there shall be a determination of the Book Value of COMPANY calculated as of December 31, 2014 (the "COMPANY Book Value");

Second, there shall be a determination of the Book Value of TARGET calculated as of December 31, 2014 (the "TARGET Book Value");

Third there shall be a determination of the value the shares held by each shareholder of COMPANY by first dividing the number of shares held by such shareholder into the number of Existing COMPANY Shares issued and outstanding as of the Effective Time (the "COMPANY Share Percentage") and then multiplying the COMPANY Share Percentage by the COMPANY Book Value (the "COMPANY Share Valuation);

Fourth, there shall be a determination of the value the shares held by each shareholder of TARGET by first dividing the number of shares held by such shareholder into the number of TARGET Shares issued and outstanding as of the Effective Time (the "TARGET Share Percentage") and then multiplying the TARGET Share Percentage by the TARGET Book Value (the "TARGET Share Valuation);

Fifth, the COMPANY Book Value and TARGET Book Value shall be added to together to determine the combined value of COMPANY and TARGET (the "Combined Company Valuation");

Sixth, the amount of each shareholder's COMPANY Share Valuation and Target Share Valuation shall be added together to determine each shareholder's "Combined Shareholder Valuation;"

Seventh, the Combined Company Valuation shall be divided by each shareholder's Combined Shareholder Valuation to determine each shareholder's "Combined Shareholder Percentage"; and

Eighth, each shareholder's Combined Shareholder Percentage shall be multiplied by two hundred thousand (200,000), the product of which shall be the Merger Consideration issued to each shareholder.

As of the Effective Time all Existing COMPANY Shares and all TARGET Shares shall now longer be outstanding and shall be automatically canceled and shall cease to exist and, subject to Section 2.7, each holder of a certificate representing any such Existing COMPANY Shares or such TARGET Shares shall cease to have any rights with respect thereto except the right to receive the Merger Consideration pursuant to this Section 2.1 upon the surrender of such certificate in accordance with Section 2.2.

2.2 **<u>Procedure for Exchange</u>** Promptly after the Effective Time, the COMPANY shall mail to each holder of the Existing COMPANY Shares and the TARGET Shares (i) a letter of transmittal which shall specify that delivery shall be effected, and risk of loss and title to the Shares shall pass, only upon proper delivery of the Existing COMPANY Shares and/or TARGET Shares to the COMPANY, and (ii) instructions for effecting the surrender of the Existing COMPANY Shares and/or the TARGET Shares in exchange for the Merger Consideration. Upon surrender of the Existing COMPANY Shares and/or TARGET Shares to the COMPANY together with such letter of transmittal, duly executed and completed in accordance with the instructions thereto, and such other documents as may reasonably be required by the COMPANY, the holder of the Existing COMPANY Shares and/or TARGET Shares shall be entitled to receive the Merger Consideration in exchange therefor

2.3 **<u>No Further Ownership Rights in Existing COMPANY Shares or TARGET Shares</u>**. All new shares of COMPANY Common Stock issued upon surrender for exchange the Existing COMPANY Shares and/or the TARGET Shares Stock in accordance with the terms in Article 2 shall be deemed to have been issued in full satisfaction of all rights pertaining to such Existing COMPANY Shares and/or TARGET Shares.

2.4 **<u>Lost, Stolen or Destroyed Certificates</u>**. If any certificate for Existing COMPANY Shares and/or TARGET Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the shareholder claiming such certificate to be lost, stolen or destroyed and, if required by the COMPANY, the posting by such shareholder of a bond in such reasonable amount as the COMPANY may direct as indemnity against any claim that may be made against it with respect to such certificate, the COMPANY will deliver in exchange for such lost, stolen or destroyed certificate the applicable Merger Consideration with respect to the Existing COMPANY Shares and/or TARGET Shares formerly represented thereby.

2.5 Options; Other Securities. At the Effective Time, any then outstanding employee, director, and consultant stock options issued under any TARGET option plan or otherwise, in each case which have not been terminated, exercised or otherwise converted as of the Effective Time, by virtue of the Merger, shall be terminated and shall no longer be exercisable.

2.6 Stock Transfer Books. The stock transfer books of the TARGET shall be closed immediately upon the Effective Time and there shall be no further registration of transfers TARGET Shares thereafter on the records of the TARGET. On or after the Effective Time, any TARGET Shares presented to the COMPANY for any reason shall be converted into the Merger Consideration with respect to the TARGET Shares formerly represented thereby.

2.7 Dissenting Shares.

(a) TARGET Shares that are issued and outstanding immediately prior to the Effective Date and which are held by holders who have perfected their rights to dissent from the Merger under the Florida Act and who have not effectively withdrawn or lost such right to dissent under the Florida Act as of the Effective Time (the "Dissenting Shares") shall not be converted into, or represent the right to receive the Merger Consideration, and the holders thereof shall be entitled only to such rights as are granted by the applicable provisions of the Florida Act; provided, however, that if any such stockholder of the TARGET shall fail to perfect or shall effectively withdraw or lose such right to dissent under the applicable provisions of the Florida ACT, such shareholder's TARGET Shares in respect of which the stockholder would otherwise be entitled to receive fair value consideration under the applicable provisions of the Florida Act shall thereupon be deemed to have been canceled, at the Effective Time, and the holder thereof shall be entitled to receive the Merger Consideration as compensation for such cancellation.

(b) TARGET shall give COMPANY (i) prompt notice of any notice received by TARGET of intent to demand the fair value of any TARGET Shares, withdrawals of such notices and any other instruments or notices served under the applicable provisions of the Florida Act relating to dissenters' rights and (ii) the opportunity to direct all negotiations and proceedings with respect to the exercise of dissenters' rights under the applicable provisions of the Florida Act. TARGET shall not, except with the prior written consent of COMPANY or as otherwise required by an order, decree, ruling or injunction of a court of competent jurisdiction, make any payment or other commitment with respect to any such exercise of dissenters' rights or offer to settle or settle such rights.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of TARGET. TARGET represents and warrants to COMPANY that:

(a) **<u>Organization; Good Standing; Qualification and Power</u>.** TARGET (i) is a corporation duly organized, validly existing and is in good standing in the State of Florida, (ii) has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted, to enter into this Agreement, to perform its obligations hereunder, and to consummate the Merger, and (iii) is duly qualified and is good standing to do business in those jurisdictions in which the failure to be so qualified and in good standing could reasonable be expected to have a TARGET Material Adverse Effect. As used herein, "TARGET Material Adverse Effect" shall mean a material adverse effect on the business, condition (financial or otherwise), assets, properties, operations, results of operations, prospects, affairs or liabilities of TARGET.

(b) **<u>Capital Stock; Securities</u>**. The authorized capital stock of TARGET consists of 650,000 shares of TARGET Shares, of which 397,155 shares are issued and 380,994 shares are outstanding. All of the issued and outstanding TARGET Shares are validly issued and outstanding, fully paid and non-assessable and not subject to preemptive rights. There are no options, warrants, rights, calls, convertible debt instruments, commitments or agreements of any character to which the TARGET is a party, or by which TARGET is bound, calling for the issuance of shares of capital stock or other securities of TARGET.

(c) **<u>Authority</u>**. The execution, delivery and performance by TARGET of this Agreement and the consummation of the transactions contemplated hereby and have been duly and validly authorized by all necessary corporate action on the part of TARGET; and this Agreement has been duly and validly executed and delivered by TARGET, and this Agreement is the valid and binding obligation of TARGET, enforceable against TARGET in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and principles of equity regardless of whether such enforceability is considered a proceeding in law or equity.

3.2 **<u>Representations and Warranties of COMPANY</u>.** COMPANY represents and warrants to TARGET as follows:

(a) **<u>Organization; Good Standing; Qualification and Power</u>**. COMPANY (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and (ii) has all requisite power and authority being conducted, to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(b) **<u>Capital Stock; Securities</u>**. The authorized capital stock of COMPANY consists of 200,000 shares of Existing COMPANY Shares, of which 176,201 shares are issued and 157,054 shares are outstanding. All of the issued and outstanding Existing COMPANY Shares are validly issued and outstanding, fully paid and non-assessable and not subject to preemptive rights. There are no options, warrants, rights, calls, convertible debt instruments, commitments or agreements of any character to which the COMPANY is a party, or by which COMPANY is bound, calling for the issuance of shares of capital stock or other securities of COMPANY.

(c) **Authority.** The execution, delivery and performance by COMPANY of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all the necessary corporate action on the part on COMPANY. This Agreement is a valid and binding obligation of COMPANY, enforceable against COMPANY in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the enforcement of creditors' rights generally and by principles of equity regardless of whether such enforceability is considered a proceeding in law or equity.

ARTICLE 4

CLOSING CONDITIONS; CLOSING DELIVERABLES AND CONDITIONS

4.1 **Conditions to Closing.** The respective obligations of each party to perform this Agreement and consummate the Merger and the other transactions contemplated hereby shall be subject to the satisfaction of the following conditions, unless waived by both parties pursuant to Section 5.8 of this Agreement:

(a) **Authorization of the Merger**. All action necessary to authorized the execution, delivery and performance of this Agreement, the Articles of Merger (as defined below) and the consummation of the Merger and the other transactions contemplated hereby shall have been duly validly taken, and not withdrawn, by the boards of directors and shareholders of each TARGET and COMPANY.

(b) **Approvals.** All authorizations, consents, orders or approvals of, or declarations or filing with or expiration of waiting periods imposed by any governmental authority, including any required by the OIR, necessary for the consummation of the transactions contemplated hereby shall have been obtained or made or shall have occurred.

(c) **No Legal Action.** No temporary restraining order, preliminary injunction or permanent injunction or other order preventing the consummation of the Merger shall have been issued by any Federal or state court other governmental authority and remain in effect.

(d) **Representations and Warranties.** With respect to COMPANY, the representations and warranties of TARGET shall be true and correct in all material respects as of the date of Closing. With respect to TARGET, the representations and warranties of COMPANY shall be true and correct in all material respects as of the date of Closing.

4.2 **Closing Deliverables and Actions.** The following documents and such other items shall be delivered at or prior to the closing and the following actions shall be taken at or prior to the Closing.

(a) **Articles of Merger.** Articles of Merger, satisfying all of the requirements of the Florida Act, attaching this Agreement and in form and substance reasonably satisfactory to all parties hereto (the "Articles of Merger"), shall have been executed and delivered by both TARGET and COMPANY and filed with and accepted for filling by the Secretary of State of the State of Florida.

ARTICLE 5

MISCELLANEOUS

5.1 **Entire Agreement**. This Agreement and the other writing referred to herein contain the entire agreement among the parties hereto with respect to the transactions contemplated hereby and supersede all prior agreement or understandings, written or oral among the Parties with respect thereto.

5.2 **Descriptive Headings.** Descriptive heading are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

5.3 **Notices.** All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by nationally-recognized overnight courier or by registered or certified mail, postage prepaid, return receipt requested or by facsimile, with confirmation. All such notices or communications shall be deemed to be received (a) in the case of personal delivery, on the date of such delivery, (b) in the case of nationally-recognized overnight courier, on the next Business Day after the date when sent, (c) in the case of facsimile transmission, upon confirmed receipt, and (d) in the case of mailing, on the date set forth on the recipients execution of the return receipt.

5.4 **Counterparts.** This Agreement may be executed in any number of counterparts by original or facsimile signature, each such counterpart shall be an original instrument, and all such counterparts together shall constitute one and the same agreement.

5.5 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

5.6 **Benefits of Agreement.** All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permits assigns. This Agreement shall not be assignable by any party hereto without the consent of the other parties hereto.

5.7 **Pronouns.** As used herein, all pronouns shall include the masculine, feminine, neuter, singular and plural thereof whenever the context and facts require such construction.

5.8 **Amendment, Modification and Waiver.** This Agreement shall not be altered of otherwise amended except pursuant to an instrument in writing executed by the TARGET and COMPANY; provided, however, that any party to this Agreement may waive in writing any obligation owed to it by any other party under this Agreement. The waiver by any party hereto of a breach of any provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

5.9 **No Third Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, no shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations or liabilities whatsoever.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement and Plan of Merger to be executed on its behalf as of the date set forth above.

FIDELITY INSURANCE MANAGERS, INC.
a Florida Corporation

By: ______________________
Name: Dwayne R. Williams
Title: EVP

FRONTLINE INSURANCE MANAGERS, INC.
a Florida Corporation

By: ______________________
Name: Dwayne R. Williams
Title: EVP