



THE UNITED STATES  
CORPORATION  
COMPANY

P 97000 10/801

ACCOUNT NO. : 072100000032

REFERENCE : 671068 4332313

AUTHORIZATION : *Patricia Pizzetti*

COST LIMIT : \$ 70.00

ORDER DATE : January 15, 1998

ORDER TIME : 10:32 AM

ORDER NO. : 671068-010

CUSTOMER NO: 4332313

500002404685--1

CUSTOMER: Kimberly Lieb, Legal Assistant  
Buchanan Ingersoll, P.c.  
One Oxford Centre, 20th Flr.  
301 Grant Street  
Pittsburgh, PA 15219-1410

ARTICLES OF MERGER

DTS COMMUNICATIONS, INC.

INTO

OCWEN ACQUISITION CORPORATION

FILED  
98 JAN 20 PM 2:12  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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CONTACT PERSON: Andrea C. Mabry

EXAMINER'S INITIALS:

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98 JAN 20 AM 11:34  
DIVISION OF CORPORATIONS

*Mergon/UC*  
*PRG (s)*

P97000101801

ARTICLES OF MERGER  
Merger Sheet

MERGING: -----

DTS COMMUNICATIONS, INC., a California corporation not qualified in Florida

INTO

OCWEN ACQUISITION CORPORATION which changed its name to

**DTS COMMUNICATIONS, INC.**, a Florida corporation, P97000101801.

File date: January 20, 1998

Corporate Specialist: Karen Gibson

Account number: 072100000032

Account charged: 70.00

**ARTICLES OF MERGER  
OF  
DTS COMMUNICATIONS, INC.  
(a California Business Corporation)  
INTO  
OCWEN ACQUISITION CORPORATION  
(a Florida Business Corporation)**

**FILED**  
98 JAN 20 PM 2:12  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

In compliance with the requirements of the Florida Business Corporation Act and the California General Corporation Law, the undersigned corporations, desiring to effect a merger (the "Merger"), hereby certify as follows:

**Article I**

DTS Communications, Inc., a California business corporation ("DTS"), is hereby merged with and into Ocwen Acquisition Corporation, a Florida business corporation ("Newco"), such that Newco shall be the surviving corporation (the "Surviving Corporation") in the Merger.

**Article II**

The name of the Surviving Corporation is DTS Communications, Inc.

**Article III**

The Plan of Merger is attached hereto as Exhibit A and incorporated herein in its entirety by reference (the "Plan of Merger").

**Article IV**

The Plan of Merger was adopted and approved by the written consent of the holders of at least a majority of the outstanding shares of DTS as of January 12, 1998, in lieu of a meeting, which adoption and approval is sufficient for the formal approval of the Plan of Merger.

**Article V**

The Plan of Merger was adopted and approved by the unanimous written consent of the shareholder of Newco as of January 7, 1998, which adoption and approval is sufficient for the formal approval of the Plan of Merger.

## Article VI

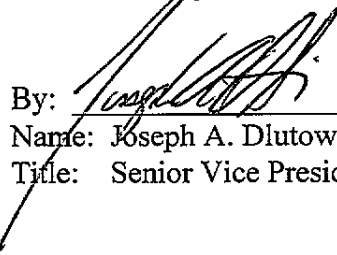
The Merger provided for in the Plan of Merger shall become effective on the later of the date and at the time on which (i) these Articles of Merger shall have been filed with and accepted by the Department of State of the State of Florida or (ii) these Articles of Merger shall have been filed with and accepted by the Secretary of State of the State of California.

IN WITNESS WHEREOF, each of the undersigned corporations has caused these Articles of Merger to be signed by a duly authorized officer this 12 day of January, 1998.

DTS COMMUNICATIONS, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OCWEN ACQUISITION CORPORATION


By:  \_\_\_\_\_  
Name: Joseph A. Dlutowski  
Title: Senior Vice President

## Article VI

The Merger provided for in the Plan of Merger shall become effective on the later of the date and at the time on which (i) these Articles of Merger shall have been filed with and accepted by the Department of State of the State of Florida or (ii) these Articles of Merger shall have been filed with and accepted by the Secretary of State of the State of California.

IN WITNESS WHEREOF, each of the undersigned corporations has caused these Articles of Merger to be signed by a duly authorized officer this 12 day of January, 1998.

DTS COMMUNICATIONS, INC.

By:   
Name: Donald L. Cohn  
Title: Chief Executive Officer

OCWEN ACQUISITION CORPORATION

By: \_\_\_\_\_  
Name: Joseph A. Dlutowski  
Title: Senior Vice President

**EXHIBIT A**

**PLAN OF MERGER  
OF  
DTS COMMUNICATIONS, INC.  
AND  
OCWEN ACQUISITION CORPORATION**

This Plan of Merger (the "Plan of Merger"), dated as of January 7, 1998, is with respect to the proposed merger of DTS Communications, Inc., a California business corporation ("DTS"), with and into Ocwen Acquisition Corporation, a Florida business corporation ("Newco") and wholly-owned subsidiary of Ocwen Financial Corporation, a Florida business corporation ("Parent"; Parent and Newco sometimes collectively referred to herein as "Buyer");

**WITNESSETH:**

WHEREAS, DTS was incorporated in the State of California on September 6, 1996, and is subject to the provisions of California General Corporation Law (the "CGCL"), as amended; and

WHEREAS, Newco was incorporated in the State of Florida on December 3, 1997, pursuant to the provisions of the Florida Business Corporation Act (the "FBCA"); and

WHEREAS, the respective Boards of Directors of DTS and Newco deem it advisable and in the best interests of said corporations to merge DTS with and into Newco (the "Merger"), pursuant to the provisions of the CGCL and the FBCA.

**ARTICLE I**

**Merger of DTS into Newco**

1.1 **Merger.** Subject to the terms and conditions of this Plan of Merger, at the Effective Time (as defined in Article II below), DTS shall merge with and into Newco in accordance with the provisions of Chapter 607 of the FBCA, and Chapters 11 and 12 of the CGCL.

1.2 **Effects Of The Merger.**

1.2.1 At the Effective Time (i) DTS shall merge with and into Newco, and the separate corporate existence of DTS shall thereupon cease, and Newco shall be the surviving corporation (the "Surviving Corporation") in the Merger and shall continue to be governed by the laws of the State of Florida; (ii) the Articles of Incorporation of Newco as in effect immediately

prior to the Effective Time shall be the Articles of Incorporation of the Surviving Corporation amended to reflect the change in name to that of DTS (until altered, amended or repealed in accordance therewith and with law); (iii) the Bylaws of Newco as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation amended to reflect the change in name to that of DTS (until altered, amended or repealed in accordance therewith and with law); (iv) the directors of Newco immediately prior to the Effective Time shall be the directors of the Surviving Corporation (until their successors shall have been elected and qualified or until their earlier death, resignation or removal); and (v) the officers of Newco immediately prior to the Effective Time shall be the officers of the Surviving Corporation (until their successors shall have been appointed and qualified or until their earlier death, resignation or removal).

1.2.2 At and after the Effective Time, the Merger shall have the effects provided in Section 607.1106 of the FBCA and Section 1107 of the CGCL.

### 1.3 Effect On DTS Capital Stock.

At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any Shares of DTS Common Stock:

1.3.1 All of the issued and outstanding shares of DTS Common Stock (the "Shares") shall be converted into an aggregate of \$13,000,000, less the DTS Indebtedness, if any, and less the Option Amount, but plus or minus the Adjustment Amount (all as defined in Section 1.10) (the "Merger Consideration"). The Merger Consideration shall be paid to each Shareholder of DTS on a pro-rata basis according to their Share ownership as set forth on Schedule A as follows: the Merger Consideration shall be paid in the form of shares of common stock of Parent, par value \$0.01 per share ("Parent Common Stock"), or cash, or a combination of Parent Common Stock and cash, at the election of each Shareholder; provided, that if the aggregate amount of cash to be paid in the Merger exceeds 50% of the Merger Consideration, calculated in accordance with Section 368 of the IRC, then the amount of cash payable to each Shareholder who elects to receive all or a portion of the Merger Consideration in cash shall be reduced on a pro rata basis according to the amount of cash that each such Shareholder elected to receive so that the aggregate amount of cash paid in the Merger does not exceed 50% of the Merger Consideration. Each Shareholder shall notify the Shareholders Representative (as defined in Section 1.10) of the amount of Parent Common Stock and/or cash they elect to receive in the Merger prior to the Closing. The Shareholders Representative shall notify Buyer of the amount of Parent Common Stock and/or cash payable to each Shareholder in the Merger at least two business days prior to the Closing Date, and the Buyer shall be entitled to conclusively rely on such notification. For the purpose of determining the number of shares of Parent Common Stock payable in the Merger to those Shareholders who will receive Parent Common Stock, the value of a share of Parent Common Stock shall be the average of the average high and low sale prices of Parent Common Stock on the New York Stock Exchange for each trading day during the twenty (20) trading days ending three trading days prior to the Closing Date. At the Effective Time, all Shares of DTS Common Stock shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of any certificate(s) shall cease

to have any rights with respect to such shares, except the right to receive, without interest, their pro-rata portion of the Merger Consideration upon surrender of such certificate(s). No certificates for fractional shares of Parent Common Stock will be issued in the Merger; rather, the certificates for Parent Common Stock which the Shareholders are entitled to receive shall be rounded up to the nearest whole share.

1.3.2 All shares of DTS Common Stock held by DTS either as issued but not outstanding shares (i.e., treasury stock), or otherwise, shall be cancelled and retired and shall cease to exist, and no stock of Parent or other consideration shall be delivered in exchange therefor.

1.4 Newco Capital Stock Unaffected. Shares of Newco capital stock outstanding at the Effective Time shall not be converted or changed as a result of the Merger.

1.5 Parent Capital Stock Unaffected. Shares of Parent capital stock shall not be converted or changed as a result of the Merger.

1.6 Name of the Surviving Corporation. At the Effective Time and pursuant to this Plan of Merger, the corporate name of the Surviving Corporation shall be "DTS Communications, Inc."

1.7 Continuation of Business. From and after the Effective Time and subject to the actions of the Board of Directors of Newco prior to the Effective Time of the Merger which shall become the Board of Directors of DTS after the Merger, the business presently conducted by DTS (whether directly or through its subsidiaries) shall continue to be conducted by the Surviving Corporation.

1.8 Taking of Necessary Action. Prior to the Effective Time, DTS and Newco, respectively, shall take all such actions as may be necessary, appropriate or desirable to effect the Merger, including but not limited to obtaining all approvals required by the laws of the State of California and the State of Florida and filing or causing to be filed and/or recorded any document or documents prescribed by the laws of the State of California and the State of Florida. If at any time or times after the Effective Time any further action is necessary or desirable to carry out the purposes of this Plan of Merger and to vest the Surviving Corporation with full title to all properties, assets, rights, approvals and immunities of DTS, the officers and directors of the Surviving Corporation shall take all such necessary action.

1.9 Authorization. Any officer of DTS and each of the Chairman of the Board of Directors, President and Chief Executive Officer, any Managing Director or any Senior Vice President of Newco are hereby authorized to execute Articles of Merger upon behalf of said corporations, respectively, in conformity with the provisions of the CGCL and the FBCA; and the Board of Directors and the proper officers of DTS and the Board of Directors and the aforementioned officers of Newco are hereby authorized and empowered to do any and all acts and things and to make, execute, deliver, file and/or record any and all instruments, papers and documents which shall be or become necessary, proper or convenient to carry out or put into effect any of the provisions of this Plan of Merger or the Merger herein provided for.



1.10 Definitions. For purposes of this Plan of Merger, the following terms have the meanings specified:

"Adjustment Amount"— If the Closing Stockholders' Equity is less than \$(301,185) plus DTS Indebtedness, then the Merger Consideration payable to the Shareholders will be reduced by the amount of the difference, with such reduction being satisfied first out of the Holdback Amount and, if that amount is not sufficient, the Principal Shareholders (as hereafter defined) shall pay the Buyer any shortfall. If the Closing Stockholders' Equity is greater than \$(301,185) plus DTS Indebtedness, then Parent shall pay the difference to the Shareholders as additional Merger Consideration. All payments will be made together with interest at the rate announced from time to time by Ocwen Federal Bank FSB as its prime rate, compounded daily beginning on the Closing Date and ending on the date of payment. The negative or positive difference described in the first and second sentences of this definition is the "Adjustment Amount".

"DTS Indebtedness"—as to DTS, all items of indebtedness, obligation or liability for money borrowed, whether matured or unmatured, liquidated or unliquidated, direct, indirect or contingent, joint or several, including all indebtedness for money borrowed guaranteed by DTS, any obligation to assume indebtedness for money borrowed and any indebtedness for money borrowed secured by property owned by such Person.

"Holdback Amount"— the amount of cash and Parent Common Stock and cash retained by the Buyer which is equal to 25% of the following difference: \$13,000,000 minus the Option Amount minus DTS Indebtedness outstanding immediately prior to the Closing.

"Option Amount"—The cash payment by the Buyer of an amount equal to (i) the excess, if any, of (A) the per share amount payable to each Shareholder in the Merger, assuming that all Employee Stock Options had been exercised for cash immediately prior to the Effective Time, and that such cash was added to the Merger Consideration, over (B) the exercise price per share of DTS Common Stock of any Employee Stock Option, multiplied by (ii) the number of shares of DTS Common Stock for which any Employee Stock Option shall not have previously been exercised, such payment being in exchange for DTS taking such action as may be necessary and appropriate under DTS's stock option plan and the stock option agreements pursuant to which the Employee Stock Options were issued to provide that each outstanding Employee Stock Option shall, at the Effective Time of the Merger, be surrendered to the Buyer and cancelled. The aggregate amount of all such payments is referred to as the "Option Amount".

"Shareholders Representative"—Donald L. Cohn, as representative of and for all of the Shareholders of the Company and appointed such by such Shareholders.

## ARTICLE II

### Effective Time of the Merger

The Merger shall become effective on the later of the date and at the time on which (i) the Articles of Merger shall have been filed with and accepted by the Department of State of the State of Florida and (ii) the Articles of Merger shall have been filed with and accepted by the Secretary of State of the State of California (or such later date and time as may be specified in the Articles of Merger) (the "Effective Time").

## ARTICLE III

### Miscellaneous

3.1 Applicable Law. This Plan of Merger shall be governed by and construed in accordance with the laws of the State of Florida.

3.2 Subject to Agreement of Merger. This Plan of Merger is subject to the terms and conditions of that certain Agreement of Merger dated as of January 7, 1998 (the "Agreement") among Buyer, on the one hand, and DTS, Gilbert Barnes, Donald L. and Karen S. Cohn (both individually and as trustees), and John M. Mann (Barnes, the Cohns and Mann collectively are the "Principal Shareholders"), on the other hand.

## **SCHEDULE A**

### **Shareholders Information**

<u>Name of Seller</u>	<u>No. of Shares Held</u>	<u>Certificate Nos.</u>	<u>Total Merger Consolidation<sup>1</sup></u>	<u>Pro Rata Holdback Amount<sup>2</sup></u>
Frank D. Alessio & Linda L. Alessio, Trustees U/A Dated 3/6/92 - The Alessio Trust of 1992	200,000	1	\$211,284.35	\$52,821.92
Lawrence H. Bame	100,000	2	\$105,641.35	\$26,409.47
The Blankenship Family Trust	100,000	4	\$105,641.35	\$26,409.47
Donald L. and Karen S. Cohn, Trustees U.D.T. dated 6/9/92	5,000,891	5, 32, 40, 52	\$5,283,089.63	\$1,320,768.72
John G. Davies	300,000	6, 47	\$316,927.35	\$79,231.39
Stephen B. Drogin, Trustee under the Drogin Revocable Declaration of Trust dated October 22, 1992	200,000	7	\$211,284.35	\$52,821.92
Daniel Einhorn and Emily Feldman Einhorn	100,000	8	\$105,641.35	\$26,409.47
Daniel J. Epstein, Trustee of the Epstein Family Trust, DTD 04/14/93	247,000	10, 30	\$260,935.56	\$65,235.00
Donald Foster	200,000	11	\$211,284.35	\$52,821.92
Stanley Foster	299,073	12, 29	\$315,948.04	\$78,986.89
Gellen's Investment Company Employees' Retirement Trust	100,000	13	\$105,641.35	\$26,409.47
Allen Glick & Kathleen Dietrich	100,000	14	\$105,641.35	\$26,409.47
Elaine Goldner-Gealer, Inc. Defined Benefit Pension Plan, Elaine Golden-Gealer, Trustee	100,000	15	\$105,641.35	\$26,409.47
Wells Fargo & Co. As Custodian for Ronald Hecker & Craig Dever Profit Sharing Plan	50,000	16	\$52,819.85	\$13,206.23
Wells Fargo & Co. As Custodian for Ronald Hecker & Craif Dever Profit Sharing Plan Earmarked Ronald Hecker	50,000	17	\$52,819.85	\$13,206.23
Hillcrest Urological Medical Group, Inc. Employee Pension Benefit Plan - Earmarked Warren Kessler	100,000	19	\$105,641.35	\$26,409.47

<u>Name of Seller</u>	<u>No. of Shares Held</u>	<u>Certificate Nos.</u>	<u>Total Merger Consolidation<sup>1</sup></u>	<u>Pro Rata Holdback Amount<sup>2</sup></u>
Frank Romano	149,536	22, 31	\$157,972.67	\$39,493.44
Gary Shekhter	200,000	23	\$211,284.35	\$52,821.92
Jerry E. Simms	493,500	57	\$521,346.56	\$130,335.82
Terry Williams and Katherine B. Williams, as Joint Tenants	500,000	25	\$528,213.35	\$132,053.32
Jerry Wilson	100,000	26	\$105,641.35	\$26,409.47
David C. Zeigler	200,000	56	\$211,284.35	\$52,821.92
Christopher D. Sickels	400,000	28, 41, 44, 48	\$422,570.35	\$105,643.85
John Michael Mann	1,070,000	36, 50	\$1,130,378.45	\$282,593.56
Robert M. Epstein IRA, UTA Charles Schwab & Co., Inc., IRA Contributory DTD 01/21/96	100,000	39	\$105,641.35	\$26,409.47
Arnold G. & Esther Fischer Family Trust, under Declaration of Trust dated 12/19/83, Restated by Second Amendment	133,334	49	\$140,856.39	\$35,214.62
Gilbert Barnes	596,666	55	\$630,337.51	\$157,580.18
Robert S. Barnes Family Trust, Robert S. Barnes as Trustee	50,000	53	52,819.85	13,206.23
Barnes Family Trust, Beverly B. Barnes, as Trustee	50,000	54	52,819.85	13,206.23
Total	11,290,000		\$11,927,049.16	\$2,981,756.54

<sup>1</sup> The amount of the Merger Consideration allocated to each Shareholder is equal to the product of (i) the number of Shares held by such Shareholder divided by the total number of Shares, times (ii) the Merger Consideration (rounded to the nearest cent); provided, that if any additional Shares of Company Common Stock are issued by the Company prior to the Closing Date pursuant to the exercise of Employee Stock Options or otherwise, then the amount of the Merger Consideration allocated to each Shareholder shall be reduced proportionately. The amounts shown in this Schedule A assume that there is no Company Indebtedness at the Effective Time; if there is any Company Indebtedness at the Effective Time, a portion of the Purchase Price will be used to repay the Company Indebtedness and the Merger Consideration allocated to each Shareholder will be reduced proportionately (both in total and as between the amount of cash and stock that each Shareholder will receive in the Merger). As of January 15, 1998, the aggregate amount of Company Indebtedness is expected to be approximately \$900,000. The exact amount of Company Indebtedness that will exist at the Effective Time and result in a reduction of the Merger Consideration will depend upon the actual Effective Time and other factors that are beyond the control of the Company. Accordingly, the actual amount of Merger Consideration payable to any Shareholder cannot be known until just prior to the Effective Time and Shareholders of the Company should note that the foregoing estimate may be more or less than the actual amount of Company Indebtedness at the Effective Time. The allocation of the Merger Consideration

between cash and Parent Common Stock will be made at the election of each Shareholder prior to the Closing, with the value of Parent Common Stock for this purpose being determined as set forth in the Agreement.

<sup>2</sup> Each Shareholder's Pro Rata Holdback Amount is equal to the product of (i) the number of Shares held by such Shareholder divided by the total number of Shares, times (ii) the Holdback Amount. Each Shareholder's Pro Rata Holdback Amount is allocated between cash and Parent Common Stock in the same proportion that the Merger Consideration is paid in cash and Parent Common Stock to such Shareholder.

The foregoing footnotes are qualified in their entirety by reference to the Agreement.