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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. Department of Commerce
Patent and Trademark Office

TRADEMARK

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Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID #
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☐ Assignment ☐ License
- ☐ Security Agreement ☐ Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- ☒ Change of Name
- ☐ Other

Conveying Party

☐ Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year
12 22 1997

Formerly

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association
- ☐ Other
- ☒ Citizenship/State of Incorporation/Organization

Receiving Party

☐ Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association
- ☐ Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

☒ Citizenship/State of Incorporation/Organization

05/12/1998 DCOATES 00000137 1816546

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REEL: 1724 FRAME: 0855

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

☐ Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1816546"/>	<input type="text"/>	<input type="text"/>
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Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed ☒

Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes ☒

No ☐

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

James W. McClain

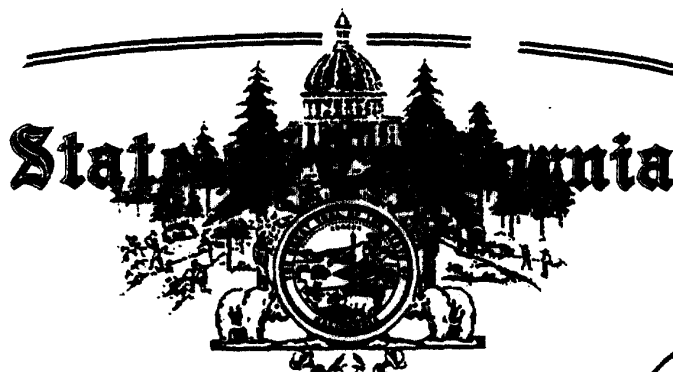
Name of Person Signing



Signature

May 4, 1998

Date Signed



SECRETARY OF STATE

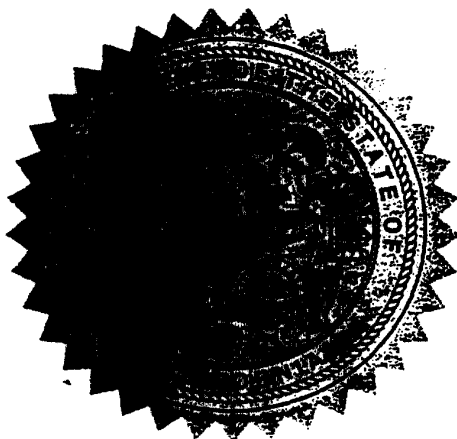
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12 pages

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

DEC 7 5 1947



Secretary of State

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

OMP ACQUISITION CORPORATION
(a California corporation)ENDORSED - FILED
In the office of the Secretary of State
of the State of California

DEC 23 1997

BILL JONES, Secretary of State

The undersigned Ian G. Walker hereby certifies that:

ONE: He is the duly elected and acting Vice President and Secretary of said corporation.

TWO: The Articles of Incorporation of said corporation shall be amended and restated to read in full as follows:

ARTICLE I

The name of this corporation is Obagi Medical Products, Inc.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the corporation is authorized to issue is Twenty-One Million (21,000,000) shares, par value \$0.001 per share. Twenty Million (20,000,000) shares shall be Common Stock, par value \$0.001, and One Million (1,000,000) shares shall be Preferred Stock, par value \$0.001 per share.

B. Rights, Preferences and Restrictions of Preferred Stock. The Preferred Stock authorized by these Restated Articles of Incorporation may be issued from time to time in one or more series. The rights, preferences, restrictions and other matters relating to the Series A Preferred Stock, which series shall consist of 146,200 shares, and the Series B Preferred Stock, which series shall consist of 40,000 shares are set forth below in this Article III(B). The Board of Directors is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon additional series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or of any of them. Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof in Certificates of Determination or the corporation's Articles of Incorporation ("Protective Provisions"), but notwithstanding any

other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such additional series may be subordinated to, pari passu with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent), or senior to any of those of any present or future class or series of Preferred or Common Stock. Subject to compliance with applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares of any series (other than the Series A Preferred Stock and Series B Preferred Stock), prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

1. Dividend Provisions.

(a) Subject to the rights of series of Preferred Stock which may from time to time come into existence, the holders of shares of Series A Preferred Stock shall be entitled to receive cash dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend on the Common Stock or any other series of Preferred Stock of this corporation, at the rate of 11% of the Original Series A Issue Price (as defined below) per share per annum at the end of each calendar quarter beginning March 31, 1998. Such dividends shall accrue on each share from day to day, whether or not earned or declared, and shall be paid quarterly in arrears. Such dividends shall be cumulative so that if such dividends in respect of any previous or current quarterly dividend period, at the annual rate specified above, shall not have been paid the deficiency shall first be fully paid before any dividend or other distribution shall be paid on or declared and set apart for the Common Stock or any other series of Preferred Stock. Any accumulation of dividends on the Series A Preferred Stock shall not bear interest. To the extent any such dividends are not paid in the three years following January 1, 1998, such dividends shall be paid on January 1, 2001.

(b) Subject to the rights of series of Preferred Stock which may from time to time come into existence and subject to the payment of cash dividends to the holders of Series A Preferred Stock, the holders of shares of Series B Preferred Stock shall be entitled to receive cash dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend on the Common Stock or any other series of Preferred Stock (other than the Series A Preferred Stock) of this corporation, at the rate of 11% of the Original Series B Issue Price (as defined below) per share per annum at the end of each calendar quarter beginning March 31, 1998. Such dividends shall accrue on each share from day to day, whether or not earned or declared, and shall be paid quarterly in arrears. Such dividends shall be cumulative so that if such dividends in respect of any previous or current quarterly dividend period, at the annual rate specified above, shall not have been paid the deficiency shall first be fully paid before any dividend or other distribution shall be paid on or declared and set apart for the Common Stock or any other series of Preferred Stock (other than the Series A Preferred Stock). Any accumulation of dividends on the Series B Preferred Stock shall not bear interest. To the extent any such

dividends are not paid in the three years following January 1, 1998, such dividends shall be paid on January 1, 2001.

(c) Unless full dividends on the Series A Preferred Stock for all past dividend periods and the then current dividend period shall have been paid or declared and a sum sufficient for the payment thereof set apart: (A) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any Common Stock or other series of Preferred Stock, and (B) no shares of Common Stock or other series of Preferred Stock shall be purchased, redeemed, or acquired by the corporation and no funds shall be paid into or set aside or made available for a sinking fund for the purchase, redemption, or acquisition thereof; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock or Preferred Stock held by employees, officers, directors, consultants or other persons performing services for the corporation or any wholly-owned subsidiary that are subject to restrictive stock purchase agreements or other agreements under which the corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment.

(d) Unless full dividends on the Series B Preferred Stock for all past dividend periods and the then current dividend period shall have been paid or declared and a sum sufficient for the payment thereof set apart: (A) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any Common Stock or other series of Preferred Stock (other than the Series A Preferred Stock), and (B) no shares of Common Stock or other series of Preferred Stock (other than the Series A Preferred Stock) shall be purchased, redeemed, or acquired by the corporation and no funds shall be paid into or set aside or made available for a sinking fund for the purchase, redemption, or acquisition thereof; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock or Preferred Stock held by employees, officers, directors, consultants or other persons performing services for the corporation or any wholly-owned subsidiary that are subject to restrictive stock purchase agreements or other agreements under which the corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of this corporation, either voluntary or involuntary, subject to the rights of series of Preferred Stock that may from time to time come into existence, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of this corporation to the holders of Common Stock or any other series of Preferred Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$100 for each outstanding share of Series A Preferred Stock (the "Original Series A Issue Price") and (ii) an amount equal to declared or accrued but unpaid dividends on such share (such amount of declared or accrued but unpaid dividends being referred to herein as the "Premium"). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of series of Preferred Stock that may from time to time come into existence, the entire assets and funds of the

corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the amount of such stock owned by each such holder.

(b) In the event of any liquidation, dissolution or winding up of this corporation, either voluntary or involuntary, if any assets remain in this corporation after distribution to the holders of the Series A Preferred Stock as provided above, the holders of the Series B Preferred Stock shall be entitled to receive, subject to the rights of series of Preferred Stock that may from time to time come into existence, prior and in preference to any distribution of any of the assets of this corporation to the holders of Common Stock or any other series of Preferred Stock (other than the Series A Preferred Stock) by reason of their ownership thereof, an amount per share equal to the sum of (i) \$100 for each outstanding share of Series B Preferred Stock (the "Original Series B Issue Price") and (ii) an amount equal to declared or accrued but unpaid dividends on such share (such amount of declared or accrued but unpaid dividends being referred to herein as the "Premium"). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series B Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of series of Preferred Stock that may from time to time come into existence, the entire assets and funds of the corporation legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Stock in proportion to the amount of such stock owned by each such holder.

(c) Upon the completion of the distribution required by subparagraphs (a) and (b) of this Section 2 and any other distribution that may be required with respect to series of Preferred Stock that may from time to time come into existence, if assets remain in this corporation, the holders of the Common Stock of this corporation shall receive all of the remaining assets of this corporation ratably in proportion to the amount of such stock owned by each such holder.

(d)(i) For purposes of this Section 2, a liquidation, dissolution or winding up of this corporation shall be deemed to be occasioned by, or to include, (A) the acquisition of the corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the corporation); or (B) a sale of all or substantially all of the assets of the corporation; unless the corporation's shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the corporation's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity.

(ii) In any of such events, if the consideration received by the corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty-day period ending three (3) days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty-day period ending three (3) days prior to the closing; and

(3) If there is no active public market, the value shall be the fair market value thereof, as determined by the Board of Directors of the corporation.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as determined by the Board of Directors of the corporation.

(iii) In the event the requirements of this subsection 2(d) are not complied with, this corporation shall forthwith either:

(A) cause the closing of any such liquidation, dissolution or winding up to be postponed until such time as the requirements of this Section 2(d) have been complied with; or

(B) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Series A Preferred Stock and Series B Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(d)(iv) hereof.

(iv) The corporation shall give each holder of record of Series A Preferred Stock and Series B Preferred Stock written notice of such impending transaction not later than twenty (20) days prior to the shareholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the corporation has given the first notice provided for herein or sooner than ten (10) days after the corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of Preferred Stock that are entitled to such notice rights or similar notice rights and that represent at least a majority of the voting power of all then outstanding shares of such Preferred Stock.

3. Redemption.

(a) Provided that such shares of Series A Preferred Stock first have been issued and outstanding for at least thirty (30) days and subject to the rights of Preferred Stock which may from time to time come into existence, this corporation shall redeem, from any source of funds legally available therefor, such shares of Series A Preferred Stock upon the earlier of: (i) the close of the corporation's sale of its Common Stock in a firm commitment underwritten public offering (such date the "IPO Redemption Date") pursuant to a registration statement on Form S-1; (ii) a liquidation, dissolution or winding up of this corporation; (iii) the acquisition of the corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the corporation), unless the corporation's shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the corporation's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity; (iv) on January 1, 2001, in the event all accrued dividends on the Series A Preferred Stock have not been paid; (v) in the event at any time after January 1, 2001 any two accrued quarterly dividends on the Series A Preferred Stock remain unpaid; or (vi) in the event any shares of Series A Preferred Stock are not eligible to be redeemed pursuant to clause (i) above then, unless otherwise redeemed beforehand, on the third anniversary of the close of the corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1 (each of (i) through (vi), a "Series A Redemption Date"). The corporation shall effect such redemptions on the applicable Series A Redemption Date by paying in cash in exchange for the shares of Series A Preferred Stock to be redeemed a sum equal to \$100 per share of Series A Preferred Stock (as adjusted for any stock dividends, combinations or splits with respect to such shares) plus all declared or accrued or accumulated but unpaid dividends on such shares (the "Series A Redemption Price"). Any redemption effected pursuant to this subsection (3)(a) shall be made on a pro rata basis among the holders of the Series A Preferred Stock in proportion to the number of shares of Series A Preferred Stock then held by such holders.

(b) In the event any source of funds remains legally available therefor following the redemption of the Series A Preferred Stock and before any conversion of the Series B Preferred Stock into Series A Preferred Stock may occur under subsection 4(a) below, and subject to the rights of Preferred Stock which may from time to time come into existence, this corporation shall redeem the Series B Preferred Stock upon the earlier of: (i) the close of the corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1; (ii) a liquidation, dissolution or winding up of this corporation; (iii) the acquisition of the corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the corporation), unless the corporation's shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the corporation's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity; (iv) January 1, 2001, in the event all

accrued dividends on the Series A Preferred Stock have not been paid; or (v) in the event at any time after January 1, 2001 any two accrued quarterly dividends on the Series B Preferred Stock remain unpaid (each of (i) through (v), a "Series B Redemption Date"). The corporation shall effect such redemptions on the Series B Redemption Date by paying in cash in exchange for the shares of Series B Preferred Stock to be redeemed a sum equal to \$100 per share of Series B Preferred Stock (as adjusted for any stock dividends, combinations or splits with respect to such shares) plus all declared or accrued or accumulated but unpaid dividends on such shares (the "Series B Redemption Price"). Any redemption effected pursuant to this subsection (3)(b) shall be made on a pro rata basis among the holders of the Series B Preferred Stock in proportion to the number of shares of Series B Preferred Stock then held by such holders. To the extent so redeemed, the Series B Preferred Stock shall not convert into Series A Preferred Stock.

(c) Subject to the rights of series of Preferred Stock which may from time to time come into existence, at least four (4) but no more than thirty (30) days prior to any Series A Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Series A Preferred Stock to be redeemed, at the address last shown on the records of this corporation for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the Series A Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to this corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares to be redeemed (the "Series A Redemption Notice"). Except as provided in subsection (3)(d) on or after the Series A Redemption Date, each holder of Series A Preferred Stock to be redeemed shall surrender to this corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Series A Redemption Notice, and thereupon the Series A Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(d) From and after the Series A Redemption Date, unless there shall have been a default in payment of the Series A Redemption Price, all rights of the holders of shares of Series A Preferred Stock designated for redemption in the Series A Redemption Notice as holders of Series A Preferred Stock (except the right to receive the Series A Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of this corporation or be deemed to be outstanding for any purpose whatsoever. Subject to the rights of series of Preferred Stock which may from time to time come into existence, if the funds of the corporation legally available for redemption of shares of Series A Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series A Preferred Stock. The shares of Series A Preferred Stock not redeemed shall remain

outstanding and entitled to all the rights and preferences provided herein. Subject to the rights of series of Preferred Stock which may from time to time come into existence, at any time thereafter when additional funds of the corporation are legally available for the redemption of shares of Series A Preferred Stock, such funds will immediately be used to redeem the balance of the shares which the corporation has become obliged to redeem on any Series A Redemption Date but which it has not redeemed.

(e) Subject to the rights of series of Preferred Stock which may from time to time come into existence, and subject to the redemption of the Series A Preferred Stock, at least four (4) but no more than thirty (30) days prior to any Series B Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Series B Preferred Stock to be redeemed, at the address last shown on the records of this corporation for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the Series B Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to this corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares to be redeemed (the "Series B Redemption Notice"). Except as provided in subsection (3)(f) on or after the Series B Redemption Date, each holder of Series B Preferred Stock to be redeemed shall surrender to this corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Series B Redemption Notice, and thereupon the Series B Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(f) From and after the Series B Redemption Date, unless there shall have been a default in payment of the Series B Redemption Price, all rights of the holders of shares of Series B Preferred Stock designated for redemption in the Series B Redemption Notice as holders of Series B Preferred Stock (except the right to receive the Series B Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of this corporation or be deemed to be outstanding for any purpose whatsoever. Subject to the rights of series of Preferred Stock which may from time to time come into existence, if the funds of the corporation legally available for redemption of shares of Series B Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Series B Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series B Preferred Stock. The shares of Series B Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. Subject to the rights of series of Preferred Stock which may from time to time come into existence and subject to the prior redemption of any shares of Series A Preferred Stock, at any time thereafter when additional funds of the corporation are legally available for the redemption of shares of Series B Preferred Stock, such funds will immediately be used to redeem the

balance of the shares which the corporation has become obliged to redeem on any Series B Redemption Date but which it has not redeemed.

4. Conversion. The holders of the Series B Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Automatic Conversion. Each share of Series B Preferred Stock which has not yet been redeemed pursuant to subsection 3(b) above shall automatically be converted into one share of Series A Preferred Stock upon the earlier of: (i) the close of the corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1; (ii) a liquidation, dissolution or winding up of this corporation; (iii) the acquisition of the corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, but excluding any merger effected exclusively for the purpose of changing the domicile of the corporation), unless the corporation's shareholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the corporation's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity; (iv) the fifth business day following the redemption of all shares of Series A Preferred Stock issued and outstanding immediately prior to such conversion; or (v) the attainment by the corporation of at least twenty percent (20%) compounded annual growth in net revenues from the date of the closing of the corporation's acquisition of the material assets of WorldWide Product Distribution, Inc., over a period of no less than three (3) years after such date, taking as the base net revenue amount the annualized net revenues of WorldWide Product Distribution, Inc. for the partial calendar year immediately preceding such closing of such sale of assets. To the extent so converted, such Preferred Stock shall have no rights, preferences or privileges of Series B Preferred Stock and shall have all the rights, preferences and privileges of Series A Preferred Stock.

(b) Mechanics of Conversion. Before any Series B Preferred Stock shall be converted into shares of Series A Preferred Stock, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of this corporation or of any transfer agent for the Series B Preferred Stock. This corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series B Preferred Stock a certificate or certificates for the number of shares of Series A Preferred Stock to which such holder shall be entitled as aforesaid.

(c) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Series A Preferred Stock provision shall be made so that the holders of the Series B Preferred Stock shall thereafter be entitled to receive upon conversion of the Series B Preferred Stock the number of shares of stock or other securities or property of the Company or otherwise, to which a holder of Series A Preferred Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Series B Preferred Stock after the recapitalization to the end that the provisions of this Section 4 shall be applicable after that event as nearly equivalent as may be practicable.

(d) No Impairment. This corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by this corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series B Preferred Stock against impairment.

(e) No Fractional Shares and Certificate as to Adjustments. No fractional shares shall be issued upon the conversion of any share or shares of the Series B Preferred Stock, and the number of shares of Series A Preferred Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series B Preferred Stock the holder is at the time converting into Series A Preferred Stock and the number of shares of Series A Preferred Stock issuable upon such aggregate conversion.

(f) Reservation of Stock Issuable Upon Conversion. This corporation shall at all times reserve and keep available out of its authorized but unissued shares of Series A Preferred Stock, solely for the purpose of effecting the conversion of the shares of the Series B Preferred Stock, such number of its shares of Series A Preferred Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series B Preferred Stock; and if at any time the number of authorized but unissued shares of Series A Preferred Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred Stock, in addition to such other remedies as shall be available to the holder of such Series B Preferred Stock, this corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Series A Preferred Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to these Articles.

5. Voting Rights. Except as otherwise provided in these Articles, the holders of Series A Preferred Stock and the holders of Series B Preferred Stock shall not have voting rights with respect to any matter upon which holders of Common Stock have the right to vote. The holders of Series A Preferred Stock and the holders of Series B Preferred Stock shall nonetheless be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with the bylaws of this corporation.

6. Protective Provisions. Subject to the rights of series of Preferred Stock which may from time to time come into existence, so long as any shares of Series A Preferred Stock or Series B Preferred Stock are outstanding, this corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of (i) in the case of subsections (a), (b) and (c) below, at least a majority of the holders of the Series A Preferred Stock voting as a separate class; (ii) in the case of subsections (d), (e) and (f) below, at least a majority of the holders of the Series B Preferred Stock voting as a separate class; and (iii) in the case of subsections (g) and (h) below, at

least a majority of the holders of the Series A Preferred Stock and Series B Preferred Stock voting together as a single class:

(a) alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock so as to affect adversely the shares of Series A Preferred Stock;

(b) increase or decrease (other than by redemption) the total number of authorized Series A Preferred Stock;

(c) the creation of any new class of stock or series of Preferred Stock having a preference over or pari passu with the Series A Preferred Stock with respect to dividends or upon liquidation;

(d) alter or change the rights, preferences or privileges of the shares of Series B Preferred Stock so as to affect adversely the shares of Series B Preferred Stock;

(e) increase or decrease (other than by redemption) the total number of authorized Series B Preferred Stock;

(f) the creation of any new class of stock or series of Preferred Stock (other than the Series A Preferred Stock) having a preference over or pari passu with the Series B Preferred Stock with respect to voting, dividends or upon liquidation;

(g) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to (i) the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or (ii) the redemption of any share or shares of Preferred Stock in accordance with Section 3 of Division B of Article III; or

(h) increase the total number of authorized shares of Preferred Stock.

7. Status of Redeemed Stock. In the event any shares of Series A Preferred Stock or Series B Preferred Stock shall be redeemed pursuant to Section 3 of Division B of Article III, the shares so converted or redeemed shall be cancelled and shall not be issuable by the corporation. The Articles of Incorporation of this corporation shall be appropriately amended to effect the corresponding reduction in the corporation's authorized capital stock.

8. Repurchase of Shares. In connection with repurchases by this Corporation of its Common Stock or Preferred Stock pursuant to its agreements with certain of the holders thereof, Sections 502 and 503 of the California General Corporation Law shall not apply in whole or in part with respect to such repurchases.

C. Common Stock.

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of the corporation, the assets of the corporation shall be distributed as provided in Section 2 of Division (B) of this Article III hereof.

3. Redemption. The Common Stock is not redeemable.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of this corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

ARTICLE IV

A. Elimination of Liability. The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

B. Indemnification. This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with the agents, vote of shareholders or disinterested directors, or otherwise in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the corporation and its shareholders.

* * *

THREE: The foregoing amendment has been approved by the Board of Directors of said corporation.

FOUR: The foregoing amendment was approved by the holders of the requisite number of shares of said corporation in accordance with Sections 902 and 903 of the California General Corporation Law; the total number of outstanding shares entitled to vote with respect to the foregoing amendment was 8,000,000 shares of Common Stock. The number of shares voting in favor of the foregoing amendment equaled or exceeded the vote required, such required vote being a majority of the outstanding shares of Common Stock.

IN WITNESS WHEREOF, the undersigned has executed this certificate on
December 22, 1997.

I. G. Walker
Ian G. Walker, Vice President and Secretary

The undersigned certify under penalty of perjury that he has read the foregoing
Amended and Restated Articles of Incorporation and knows the contents thereof, and that the
statements therein are true.

Executed at Torrance, California, on December 22, 1997.

I. G. Walker
Ian G. Walker, Vice President and Secretary

