

05-19-2003



Form PTO-1594 (Rev. 10/02)

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RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Edicomm Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: 11/5/99

2. Name and address of receiving party(ies)

Name: Medi, Inc.

Internal

Address:

Street Address: 6241 Lombard Street

City: Thousand Oaks State: CA Zip: 91360

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State California
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 2458036, 2413558, 2418682, 2378818, 2305635

Additional number(s) attached  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Charles E. Peeler, Esq.

Internal Address: King & Spalding LLP

Street Address: 191 Peachtree St.

City: Atlanta State: GA Zip: 30303

6. Total number of applications and registrations involved:

5

7. Total fee (37 CFR 3.41).....\$ 140.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number

110980

APR 11 2003

DO NOT USE THIS SPACE

9. Signature.

Charles E. Peeler

Name of Person Signing

Signature

4-14-03

Date

15

Total number of pages including cover sheet, attachments, and document:

05/16/2003 BYRON 00000127 110980 2458036

01 FC:8521  
02 FC:8522

40.00 CH  
100.00 CH

documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

TRADEMARK  
REEL: 002734 FRAME: 0894

AMENDED AND RESTATED ARTICLES OF INCORPORATION **ENDORSED - FILED**  
 OF in the office of the Secretary of State  
 EDICOMM of the State of California

NOV - 8 1999

Larry Lai hereby certifies that:

BILL JONES, Secretary of State

1. He is the Chief Executive Officer and Secretary of Edicomm (hereinafter called the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the laws of the State of California.

2. The Articles of Incorporation of the Corporation are amended and restated to read in their entirety as follows:

ARTICLE I

The name of this Corporation is: Medi, 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. The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

B. This Corporation is authorized to provide for, whether by bylaw, agreement or otherwise, for the indemnification of agents (as defined in Section 317 of the General Corporation Law of California (the "GCL")) of this Corporation in excess of that expressly permitted for those agents by Section 317 of the GCL, for breach of duty to this Corporation and its shareholders to the extent permissible under California law (as now or hereafter in effect). In furtherance and not in limitation of the powers conferred by statute:

SECTION 1 This Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of this Corporation, or is serving at the request of this Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not this Corporation would have the power to indemnify against such liability under the provisions of law; and

SECTION 2 This Corporation may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar

arrangements), as well as enter into contracts providing indemnification to the fullest extent authorized or permitted by law and including as part thereof provisions with respect to any or all of the foregoing to ensure the payment of such amounts as may become necessary to effect indemnification as provided therein, or elsewhere.

No such bylaw, agreement or other form of indemnification shall be interpreted as limiting in any manner the rights which such agents would have to indemnification in the absence of such bylaw, agreement or other form of indemnification.

C. Any repeal or modification of the foregoing provisions of this Article III by the shareholders of this Corporation shall not adversely affect any right or protection of a director or former director of this Corporation existing at the time of such repeal or modification.

#### ARTICLE IV

##### A. Authorized Stock.

SECTION 1 This Corporation is authorized to issue 50,000,000 shares of Common Stock, par value \$.001 per share (hereinafter referred to as the "Common Stock"), and 10,000,000 shares of Preferred Stock, par value \$.001 per share (hereinafter referred to as the "Preferred Stock").

SECTION 2. The Preferred Stock may be divided into such number of series as the Board of Directors of this Corporation may determine. The Board of Directors of this Corporation is authorized to determine and alter the rights, preferences, privileges and restrictions granted to and imposed upon the Preferred Stock or any series thereof with respect to any wholly unissued class or series of Preferred Stock, and to fix the number of shares of any series of Preferred Stock and the designation of any such series of Preferred Stock. The Board of Directors of this Corporation, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors of this Corporation originally fixing the number of shares constituting any series, may increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issue of that series.

SECTION 3. Upon the filing of this foregoing amendment and restatement of the Articles of Incorporation of this Corporation, each outstanding share of Common Stock shall be split into 10 shares of Common Stock and each outstanding share of Preferred Stock shall be converted into one share of the Series A Convertible Preferred Stock (as defined below).

##### B. Designation of Preferred Stock and Determination of Powers, Preferences and Rights.

SECTION 1 Designation, Rank. This series of preferred stock shall be designated the "Series A Convertible Preferred Stock," \$.001 par value (the "Series A Preferred Stock"). The Series A Preferred Stock will rank, with respect to dividend rights and rights on liquidation, winding-up and dissolution, senior to (i) all classes of common stock of the Corporation, as they

exist on the date hereof or as such stock may be constituted from time to time (the "Common Stock"); and (ii) each other class of capital stock or series of preferred stock established by the Board (collectively, together with the Common Stock, the "Junior Securities") to the extent the terms of such stock do not expressly provide that it ranks on a parity with the Series A Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution (the "Parity Securities"). The establishment of the Parity Securities is subject to Section 8 below.

SECTION 2 Authorized Number. The authorized number of shares constituting the Series A Preferred Stock shall be 1,000,000 shares.

SECTION 3 Dividends. Holders of the Series A Preferred Stock will be entitled to receive, when, as and if declared by the Board of Directors of the Corporation (the "Board") out of funds of the Corporation legally available therefor, non-cumulative cash dividends in the amount of seven percent (7%) per annum of the Original Series A Issue Price (as defined below) before any dividends can be paid to the holders of Common Stock.

In the event that the Corporation shall have declared but unpaid dividends outstanding immediately prior to, and in the event of, a conversion of the Series A Preferred Stock (as provided in Section 6 hereof), the Corporation shall, at the option of each such holder, pay in cash to each holder the Series A Preferred Stock subject to conversion the full amount of any such dividends or allow such dividends to be converted into Common Stock in accordance with, and pursuant to the terms specified in, Section 6 hereof.

SECTION 4 Liquidation Rights. The "Stated Value" of each share of the Series A Preferred Stock shall be \$3.00 (as adjusted for any stock dividends, combinations or splits with respect to such shares), which is 120% of the Original Series A Issue Price (as defined below). For purposes of these Articles, "Original Series A Issue Price" shall mean \$2.50. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after satisfaction of the claims of creditors and before any payment or distribution of assets and any surplus funds is made on any Junior Securities, including, without limitation, the Common Stock, (a) the holders of the Series A Preferred Stock shall receive a liquidation preference equal to the Stated Value of their shares and shall receive an amount equal to all declared and unpaid dividends with respect to their respective shares through and including the date of distribution, and (b) the holders of any Parity Securities shall be entitled to receive an amount equal to the full respective liquidation preferences (including any premium) to which they are entitled and shall receive an amount equal to all declared and unpaid dividends with respect to their respective shares through and including the date of distribution. If, upon such a voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the assets of the Corporation are insufficient to pay in full the amounts described above as payable with respect to the Series A Preferred Stock and any Parity Securities, the holders of the Series A Preferred Stock and such Parity Securities will share ratably in any distribution of assets of the Corporation in proportion to their respective liquidation preferences until such preferences are paid in full. Thereafter, the remaining assets of the Company will be distributed exclusively to the holders of Common Stock. No other distributions shall be made to the holders of the Series A Preferred Stock. The sale or transfer of all or substantially all of the assets of the Corporation and the merger or consolidation of the

Corporation into or with any other corporation shall be deemed to be a liquidation for purposes of liquidation preference to the extent that the shareholders of the Corporation immediately preceding such event do not own a majority of the outstanding shares of the surviving corporation.

SECTION 5 Voting Rights. The holders of the Series A Preferred Stock will be entitled to that number of votes on all matters presented to the shareholders equal to the number of shares of Common Stock then issuable upon conversion of such shares of the Series A Preferred Stock.

SECTION 6 Conversion.

(a) Right to Convert. Each share of the Series A Preferred Stock (the rights to convert described in this Section 6(a) are referred to as the "Conversion Rights") (i) will convert at the option of the individual holders, (ii) shall automatically convert upon the election of holders of a majority of the then outstanding shares of the Series A Preferred Stock, voting together as a class, (iii) shall automatically convert upon the consummation a merger transaction in which the Corporation's Common Stock is valued at or above \$5.00 per share, and (iv) shall automatically convert upon the closing of a "Qualified Public Offering" (as defined below). The term "Qualified Public Offering" means a firm commitment underwritten initial public offering of shares of Common Stock of the Company (A) which is registered under the Securities Act of 1933, as amended, on Form S-1 (or successor form for the registration of the sale of securities without qualification as to the size of the issuer or the offering, type of purchaser or any limitation on the availability of audited financial statements of the issuer), (B) at an offering price of at least \$5.00 per share, and (C) resulting in gross proceeds to the Company of \$10,000,000. The Series A Preferred Stock shall convert into that number of shares of Common Stock equal to the quotient of (i) the product of the number of shares of Series A Preferred Stock to be converted multiplied by the Original Series A Issue Price, divided by (ii) the Conversion Price (as defined below).

(b) Redemption. The Series A Preferred Stock shall not be redeemable.

(c) Anti-dilution Provisions. The "Conversion Price," for purposes of determining the number of shares of Common Stock issuable upon conversion of the Series A Preferred Stock shall be \$2.50, which is the Original Series A Issue Price, and is subject to adjustment after the issuance of the Series A Preferred Stock from time to time as follows:

(i) Adjustment for Stock Splits and Combinations. If the Corporation at any time or from time to time effects a subdivision or combination of the outstanding Common Stock, the Conversion Price then in effect immediately before the subdivision shall be inversely proportionately increased or decreased. Any adjustment under this Section 6(c)(i) shall become effective as of the date and time the subdivision or combination becomes effective. For example, if the Corporation effects a 2-for-1 stock dividend, whereby holders of Common Stock receive one additional share of Common Stock for each share of Common Stock outstanding, then the Conversion Price will be reduced in half.

(ii) Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Conversion Price then in effect shall be decreased as of the time of such issuance or, in the event such a record date is fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction: (A) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and (B) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that if such record date is fixed and such dividend is not fully paid, or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed to reflect that such dividend was not fully paid or that such distribution was not fully made as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this Section as of the time of actual payment of such dividends or distributions.

(iii) Adjustments for Other Dividends and Distributions. Subject to Section 8 below, in the event the Corporation at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation other than shares of Common Stock, then and in each such event provision shall be made so that the holder shall receive upon exercise of the conversion rights, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Corporation which the holder would have received had the shares of the Series A Preferred Stock been converted into Common Stock on the date of such event and had it thereafter, during the period from the date of such event to and including the date of conversion, retained such securities receivable by it as aforesaid during such period, subject to all other adjustments called for during such period under this Section 6(c) with respect to the rights of the holder.

(iv) Adjustment for Reclassification, Exchange and Substitution. If the Common Stock issuable upon the conversion of shares of the Series A Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets, provided for elsewhere in this Section 6(c)), then and in such event each holder shall have the right thereafter, upon conversion, to receive the kind and amount of stock and other securities and property receivable upon such reorganization or other change in an amount equal to the amount that the holder would have been entitled to have had it immediately prior to such reorganization, reclassification or change converted such shares, but only to the extent such shares are actually converted, all subject to further adjustment as provided herein.

(v) Reorganization, Mergers, Consolidations or Sales of Assets. If at any time or from time to time there is a capital reorganization of the Common Stock (other than a

recapitalization, subdivision, combination, reclassification or exchange of the Common Stock provided for elsewhere in this Section 6(c)) or merger or consolidation of the Corporation with or into another corporation, or the sale of all or substantially all of the Corporation's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holder shall thereafter be entitled to receive upon conversion of shares of the Series A Preferred Stock (and only to the extent such shares are converted), the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such merger or consolidation or sale, to which a holder of Common Stock, or other securities, deliverable upon the conversion of such shares would otherwise have been entitled on such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustments shall be made in the application of the provisions of this Section 6(c) (including adjustments of the Conversion Price then in effect and the number of shares of Common Stock purchasable upon conversion of such shares) which shall be applicable after such events; provided, however, that any such adjustments shall be made so as to insure that the provisions of this Section 6(c) applicable after such events shall be as equivalent as may be practicable to the provisions of this Section 6(c) applicable before such events.

(d) Certificate of Adjustment. In any case of an adjustment or readjustment of the Conversion Price or the number of shares of Common Stock, or other securities issuable upon conversion, the Corporation shall promptly compute such adjustment or readjustment in accordance with the provisions hereof and its chief financial officer shall prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by express mail or recognized express delivery (such as DHL), postage prepaid, to the holder at the holder's address as shown in the Corporation's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based including a statement of: (A) the Conversion Price at the time in effect, and (B) the type and amount, if any, of other property which at the time would be received upon conversion of the shares of the Series A Preferred Stock.

(e) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock, and any portion of the Series A Preferred Stock surrendered for conversion which would otherwise result in a fractional share of Common Stock shall be redeemed for cash in an amount equal to the product of such fraction multiplied by the fair market value of the Common Stock on the last business day prior to conversion as determined by the Board.

(f) Mechanics of Conversion. Before any holder of the Series A Preferred Stock may voluntarily convert such stock into shares of Common Stock and receive certificates therefor, such holder shall surrender the certificate or certificates for the Series A Preferred Stock to be converted, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice to the Corporation at such office that such holder elects to convert the same. The Corporation shall, within five (5) days after such delivery, issue and deliver at such office to such holder of the Series A Preferred Stock (or to any other person specified in the notice delivered by such holder) a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid and a check payable to the

holder for any cash amounts payable as the result of a conversion into fractional shares of Common Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of the Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date. In case any certificate for shares of the Series A Preferred Stock shall be surrendered for conversion of only a part of the shares represented thereby, the Corporation shall deliver within five (5) days at such office to or upon the written order of the holder thereof, a certificate or certificates for the number of shares of the Series A Preferred Stock represented by such surrendered certificate which are not being converted. Notwithstanding the foregoing, the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing the Series A Preferred Stock are either delivered to the Corporation or its transfer agent or the Corporation or its transfer agent shall have received evidence satisfactory to it evidencing that such certificates have been lost, stolen or destroyed and the holder of such Series A Preferred Stock executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The issuance of certificates of shares of Common Stock issuable upon conversion of shares of the Series A Preferred Stock shall be made without charge to the converting holder for any tax imposed in respect of the issuance thereof; provided that the Corporation shall not be required to pay any tax which may be payable with respect to any transfer involved in the issue and delivery of any certificate in a name other than that of the holder of the shares of the Series A Preferred Stock being converted. If the conversion is in connection with a Qualified Public Offering, the conversion shall be conditioned upon the closing of such public offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to such closing.

(g) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations.

(i) The Conversion Price of the Series A Preferred Stock shall be subject to adjustment from time to time as follows:

(A) If the Corporation shall issue, after the date upon which any shares of Series A Preferred Stock were first issued (the "Purchase Date" with respect to such series), any Additional Stock (as defined below) (1) without consideration, or (2) for a consideration per share less than the Conversion Price for such series in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (not including shares excluded from the definition of Additional Stock by Section 6(g)(ii)(B)) plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (not



including shares excluded from the definition of Additional Stock by Section 6(g)(ii)(B) plus the number of shares of such Additional Stock. The number of shares issuable upon such conversion shall be equal to the total consideration received by the Corporation for the outstanding shares of Series A Preferred Stock divided by the adjusted Conversion Price.

However, the foregoing calculation shall not take into account shares deemed issued pursuant to Section 6(g)(i)(E) below on account of options, rights or convertible or exchangeable securities (or the actual or deemed consideration therefor), except to the extent (i) such options, rights or convertible or exchangeable securities have been exercised, converted or exchanged or (ii) the consideration to be paid upon such exercise, conversion or exchange per share of underlying Common Stock is less than or equal to the per share consideration for the Additional Stock which has given rise to the Conversion Price adjustment being calculated.

(B) No adjustment of the Conversion Price for the Series A Preferred Stock shall be made in an amount less than one cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three (3) years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in Sections 6(g)(i)(E)(3) and 6(g)(i)(E)(4), no adjustment of such Conversion Price pursuant to this Section 6(g)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by this Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(E) In the case of the issuance (whether before, on or after the applicable Purchase Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this Section 6(g)(i) and Section 6(g)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in Section 6(g)(i)(C) and Section 6(g)(i)(D)), if any, received by the Corporation upon the issuance of such options or rights plus the minimum

exercise price provided in such options or rights for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in Sections 6(g)(i)(C) and 6(g)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to this Corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Conversion Price of the Series A Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of the Series A Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Sections 6(g)(i)(E)(1) and 6(g)(i)(E)(2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section 6(g)(i)(E)(3) or Section 6(g)(i)(E)(4).

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 6(g)(i)(E)) by this Corporation after the Purchase Date other than:

(A) Common Stock issued pursuant to a transaction described in Section 6(g)(iii) below,

(B) Shares of Common Stock issuable or issued to employees, directors or consultants (if in transactions with primarily non-financing purposes) of this Corporation directly or pursuant to a stock option plan or restricted stock plan approved by the Board of Directors of this Corporation at any time when the total number of shares of Common Stock so issuable or issued (and not repurchased at cost by the Corporation in connection with the termination of employment) approved by a majority of the Board of Directors of the Company;

(C) shares of Common Stock issued or issuable in connection with acquisition transactions.

(D) shares of Common Stock issued or issuable to financial institutions or lessors in connection with commercial credit arrangements, equipment financing or similar transactions;

(E) shares of Common Stock issued upon conversion of the Series A Preferred Stock;

(F) the issuance of Common Stock in a public offering;

(G) the issuance of Common Stock pursuant to currently outstanding options, warrants, notes, or other rights to acquire Common Stock of the Company;

(H) stock splits, stock dividends or like transactions.

(iii) In the event the Corporation should at any time or from time to time after the Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock

Equivalents determined from time to time in the manner provided for deemed issuances in Section 6(g)(i)(E).

(iv) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Series A Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

SECTION 7 Reserved Shares. So long as any shares of the Series A Preferred Stock remain outstanding, the Corporation agrees to keep reserved for issuance in connection with the conversion of the Series A Preferred Stock at all times a number of authorized but unissued shares of Common Stock at least equal to the number of shares of Common Stock issuable upon conversion at the Conversion Price of all of the Series A Preferred Stock outstanding at such time. The Corporation shall take all action necessary so that Common Stock so issued will be validly issued, fully paid and non-assessable.

SECTION 8 Protective Provisions. In addition to such other consent requirements as may be provided by applicable law, the consent of the holders of at least a majority of all outstanding shares of Series A Preferred Stock of the Company voting as a single class shall be required to (i) amend, repeal or add any provisions to the Articles of Incorporation or Bylaws of the Corporation which would adversely alter or change the rights, preferences or privileges of the Series A Preferred Stock, (ii) increase or decrease the number of authorized shares of Series A Preferred Stock, (iii) authorize or issue shares of any class or series having preference superior to the Series A Preferred Stock, (iv) pay or declare dividends on any Common Stock (except dividends payable solely in shares of Common Stock), (v) redeem any shares of Common Stock (other than repurchases from employees, consultants, officers or directors approved by a disinterested majority of the Board of Directors of the Corporation), or (vi) effect any recapitalization of the Corporation which would adversely alter or change the rights, preferences or privileges of the Series A Preferred Stock.

SECTION 9 Preemptive Rights. The Series A Preferred Stock is not entitled to any preemptive or subscription rights in respect of any securities of the Corporation.

SECTION 10 Notices. Except as otherwise provided herein, all notices, requests, demands, and other communications under this Article shall be in writing and shall be deemed to have been duly given if delivered by certified or registered mail or when sent by telex or telecopier (with receipt confirmed), provided a copy is also sent by express (overnight, if possible) courier, addressed (i) in the case of a holder of Series A Preferred Stock, to such holder's address as it appears on the books of the Corporation, and (ii) in the case of the Corporation, to the Corporation's principal executive offices to the attention of the Corporation's Chairman.

SECTION 11 Severability of Provisions. Whenever possible, each provision of this Article shall be interpreted in a manner as to be effective and valid under applicable law, but if

any provision hereof is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions hereof. If a court of competent jurisdiction should determine that a provision hereof would be valid or enforceable if a period of time were extended or shortened or a particular percentage were increased or decreased, then such court may make such change as shall be necessary to render the provision in question effective and valid under applicable law.


3. The foregoing Amended and Restated Articles of Incorporation have been duly approved by the Board of Directors of the Corporation.

4. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 of the California Corporations Code. The total number of outstanding shares of Common Stock is 468,750 shares and the total number of outstanding shares of Preferred Stock is 24,671 shares. The number of shares of Common Stock and of Preferred Stock voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than fifty percent (50%) of the outstanding Common Stock voting as a separate class and more than fifty percent (50%) of the outstanding Series A Preferred Stock voting as a separate class.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate are true and correct of our my knowledge.

Executed in the City of Los Angeles, State of California, on this 5 day of November, 1999.



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Larry Lai, Chief Executive Officer and Secretary



CERTIFICATE OF MAILING UNDER 37 CFR 1.8(a).

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513 on April 14, 2003.

Ellen Morrissey Hughes

(Print or type name of person signing certificate)

Ellen Morrissey Hughes

(Signature of person signing certificate)

April 14, 2003

(Date of signature)

Commissioner of Trademarks

April 14, 2003

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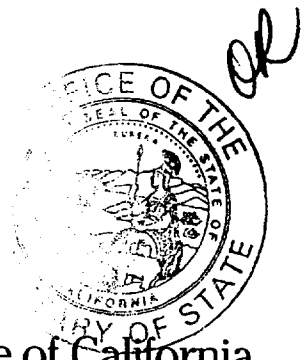
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                  Certificate of Mailing

c:        Charles E. Peeler, Esq.





SECRETARY OF STATE



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

That the attached transcript of 13 page(s) 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 day of

NOV - 8 1999

*Bill Jones*

Secretary of State

