

A0819556

1916951

AMENDED and RESTATED
ARTICLES of INCORPORATION of
MISCHLER FINANCIAL GROUP, INC.

FILED
 Secretary of State
 State of California

OCT 09 2018

acc

The undersigned hereby certify that:

1. They are the president and secretary, respectively, of Mischler Financial Group, Inc., a California corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

ARTICLE I**NAME**

The name of this corporation is Mischler Financial Group, Inc.

**EFFECTIVE
DATE**

OCT 15 2018

ARTICLE II**PURPOSE**

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**CERTAIN DEFINED TERMS**

For purposes of these articles of incorporation, the following terms have the meanings specified therefor:

"*Agents*" means the Corporation's "agents", as defined in CCC Section 317.

"*Articles of Incorporation*" means these articles of incorporation, as hereafter further amended or restated.

"*Board*" means the Corporation's board of directors.

"*Bylaws*" means the Corporation's bylaws.

"*Capital Basis*" means, with respect to each issued and outstanding share of Series B Preferred Stock as of any specified date of determination, the sum of:

- (i) The amount the original holder thereof paid for such share, *less* the aggregate amount distributed with respect to such share to the holders thereof since the date it was issued in excess of the amount that *paragraph 3* ("Dividends") of *Article VI* required be distributed with respect to such share through and including such specified date of determination.
- (ii) Dividends previously declared with respect to such share, but not yet paid.
- (iii) If the dividend for the immediately preceding calendar year that *paragraph 3* of *Article VI* requires be distributed with respect to such share has not yet been declared, an amount equal to the portion of Retained Earnings that the Board reasonably estimates for such calendar year as of such specified date of determination that would be declared as a dividend and allocated to such share pursuant to *paragraph 3* of *Article VI*.

- (iv) An amount equal to the portion of Retained Earnings for the then-current calendar year that *paragraph 3 of Article VI* would require be declared as a dividend and allocated to such share if such specified date of determination were the end of such calendar year.

"CCC" means the California Corporations Code, as amended.

"Corporation" means this corporation.

"Director" means a member of the Board.

"IRR" means, with respect to any specified Shareholder, the rate of return that makes the net present value of all cash outflows to, and inflows from, such specified Shareholder equal to zero, as determined based on the dates of each such cash flows from and to such specified Shareholder.

"Junior Securities" means the Common Stock and all other common equity securities of the Corporation, and any shares of Preferred Stock other than the Series B Preferred Stock.

"Liquidation Amount" means, with respect to each issued and outstanding share of Series B Preferred Stock, an amount in cash equal to the Capital Basis of such share.

"Liquidation Event" means the voluntary or involuntary liquidation, dissolution, and winding up of the Corporation, or the sale or disposition of all or substantially all of the Corporation's assets.

"Liquidation Value" means the amount which, at the time of determination thereof, would be required to be distributed to a Shareholder, which, when considered together with all amounts previously distributed to such Shareholder, would result in such Shareholder's having achieved a 6.0% IRR on such Shareholder's net investment in the shares of the Corporation's capital stock then being purchased and redeemed.

"Retained Earnings" means, with respect to any specified calendar year and as of any specified date of determination, the Corporation's net profits less the aggregate amount of dividends and other distributions paid to Shareholders, in each case calculated in accordance with GAAP, from the beginning of such specified calendar year to such specified date of determination.

"SDV" means a "service-disabled veteran" as defined in 38 CFR 74.1, as hereafter amended or replaced, or comparable replacement designation under applicable federal law.

"SDV Director" means a Director who is an SDV.

"SDV Shareholder" means a Shareholder who is an SDV.

"SDVOSBC" means a "service-disabled veteran-owned small business concern" as defined in 38 CFR 74.1, as hereafter amended or replaced, or comparable replacement designation under applicable federal law.

"Shareholders" means, collectively, the holders of the Corporation's issued and outstanding capital stock.

ARTICLE IV**SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERN**

The Corporation is intended to be and remain qualified as an SDVOSBC. None of the Corporation, the Board, or the Shareholders may take any action, whether through the Bylaws, any agreement among the Shareholders, or otherwise, that is inconsistent with such intent.

ARTICLE V**DIRECTORS**

The number of Directors comprising the entire Board is hereby fixed at three. One Director must be an SDV. If two or more Directors are SDVs, each Director will have one vote on all matters before the Board. If only one Director is an SDV, that Director will have three votes on all matters before the Board and each other Director will have one vote.

ARTICLE VI**CAPITAL STOCK****1. Authorized Capital Stock**

The Corporation is hereby authorized to issue two class of shares, designated "*Common Stock*" and "*Preferred Stock*", respectively. The Corporation is hereby authorized to issue 25,000 shares of Common Stock and 2,500 shares of Preferred Stock. The Corporation is hereby authorized to issue two series of Common Stock shares, designated the "*SDV Common Stock*" and the "*Ordinary Common Stock*". The Corporation is hereby authorized to issue one series of Preferred Stock shares, designated the "*Series B Preferred Stock*". The Board may fix by resolution the number of shares of each designated series of Common Stock and Preferred Stock that the Corporation is authorized to issue. The Corporation may not issue shares of Ordinary Common Stock or any other security or securities exercisable or exchangeable for, or convertible into, shares of Ordinary Common Stock, or enter into any contract or arrangement to issue any of the foregoing, if, after giving effect to any such issuance, contract, or arrangement, the number of issued and outstanding shares of Ordinary Common Stock on a fully-diluted basis would exceed 49.0 percent of the then issued and outstanding shares of Common Stock of all series, and voting Preferred Stock, in the aggregate. The Corporation may not issue shares of Ordinary Common Stock or Series B Preferred Stock or any other security or securities exercisable or exchangeable for, or convertible into, shares of Ordinary Common Stock or Series B Preferred Stock, or enter into any contract or arrangement to issue any of the foregoing, if, after giving effect to any such issuance, contract, or arrangement, the number of issued and outstanding shares of Ordinary Common Stock and Series B Preferred Stock on a fully-diluted basis would exceed 49.0 percent of the then issued and outstanding shares of the Corporation's capital stock of all classes and series in the aggregate. The rights, preferences, and privileges granted to, and the restrictions imposed upon, the Common Stock and the Preferred Stock are set forth below in this *Article VI*.

2. Common Stock

The Corporation may issue shares of SDV Common Stock only to individuals that qualify as an SDV, and then only if any such SDV, after giving effect to such issuance, would be the unconditional record and beneficial owner of such shares. The Board may establish by resolution such policies and procedures it deems appropriate for the Corporation to gain reasonable assurances that any individual to whom it wishes to issue SDV Common Stock qualifies as an SDV. If any holder of shares of SDV Common Stock transfers any such shares to a person that does not qualify as an SDV, such transferred shares will immediately and automatically convert into an equal number of shares of Ordinary Common Stock. If any holder of shares of Ordinary Common Stock transfers any such shares to a

person that qualifies as an SDV, such transferred shares will immediately and automatically convert into an equal number of shares of SDV Common Stock. In either case, the transferee Shareholder shall promptly deliver to the Corporation for cancellation of certificates evidencing the transferred and converted shares in exchange for new certificates evidencing the correct series of Common Stock. When recording any such transfer in the Corporation's stock ledger, the Corporation shall record the applicable conversion of shares and issue new certificates evidencing the correct series of Common Stock upon receipt of the converted share certificates for cancellation. Except as expressly provided in the Articles of Incorporation or the Bylaws, the SDV Common Stock and the Ordinary Common Stock will have the same voting, conversion, and redemption rights, and other rights, preferences, privileges, and restrictions. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of SDV Common Stock and Ordinary Common Stock, solely for purposes of effecting the conversion thereof as this *paragraph 2* contemplates, a sufficient number of shares of SDV Common Stock and Ordinary Common Stock, respectively, to effect the conversion of all such shares. If at any time the number of authorized but unissued shares of SDV Common Stock or Ordinary Common Stock is not sufficient for such purposes, the Corporation shall take such corporate actions as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of SDV Common Stock or Ordinary Common Stock, as the case may be, so that the number of such shares that are available for such purposes is sufficient.

3. Dividends

The Board may at any time declare dividends on the Series B Preferred Stock or the Common Stock, whether in cash, securities, or other assets of the Corporation out of funds or other assets legally available therefor. The Board may not, however, declare any dividends on the Common Stock unless it simultaneously declares dividends on the Series B Preferred Stock in equal amounts per share on all shares of the Series B Preferred Stock and the Common Stock without distinction between them on a share-for-share basis. Each of the holders of the Series B Preferred Stock may elect, in its sole and absolute discretion, to defer payment of all or any portion of any dividend payable to it. In the event any payment is so deferred, the electing Shareholder will have the right to require payment of such deferred dividends at any time thereafter upon five days' prior notice to the Corporation. In all events, any and all deferred dividends shall be paid in cash in full before any amount is paid to any other Shareholder following a Liquidation Event and before any amounts in excess of Retained Earnings are otherwise distributed or paid. So long as any of the Series B Preferred Stock is issued and outstanding, the Board may not, without the prior written approval of the holders of a majority of the Series B Preferred Stock declare dividends that in the aggregate exceed the Retained Earnings allocable to the period beginning as of the date the Series B Preferred Stock was first designated *less* any dividends paid during such period, or otherwise pay or distribute any amounts other than dividends to any or all of its Shareholders.

4. Liquidation

Upon a Liquidation Event, each holder of Series B Preferred Stock will be entitled, after provision for the payment of the Corporation's debts and other liabilities, to be paid in full, and before any distribution is made on any Junior Securities, whenever issued, the Liquidation Amount per share of Series B Preferred Stock that such holder holds. If, upon a Liquidation Event, the Corporation's net assets distributable among the holders of all outstanding shares of Series B Preferred Stock is insufficient to permit the payment of the Liquidation Amount in full, then the Corporation shall distribute all of its net assets remaining after the provision for the payment of the Corporation's debts and other liabilities among the holders of the Series B Preferred Stock ratably in proportion to the full preferential amounts to which such holders would otherwise be respectively entitled on account of their Series B Preferred Stock. Upon a Liquidation Event, after the Corporation has paid in full to the holders of Series B Preferred Stock the Liquidation Amounts to which they are entitled as provided above in this *paragraph 4*, the Corporation shall distribute its remaining net assets to the holders of the

Common Stock as their respective interests may appear, and the holders of the Series B Preferred Stock will not be entitled to share in such distributions or any other distributions of the Corporation's assets.

5. Voting

Each holder of Common Stock is entitled to one vote for each share of Common Stock such person holds. The holders of Series B Preferred Stock are not entitled to any voting rights, except to the extent applicable law expressly requires. The affirmative vote or written consent of holders of at least a majority of the then outstanding Series B Preferred Stock, voting separately as a class, is required to alter or change the rights, preferences, privileges, or restrictions of the Series B Preferred Stock.

6. No Other Preferential Rights

Except as the Articles of Incorporation expressly provide or to the extent applicable law otherwise expressly requires, the Series B Preferred Stock will not have any preferences or relative, participating, optional, or other special rights of any kind.

ARTICLE VII

ELIMINATION OF DIRECTOR PERSONAL LIABILITY

The personal liability of the Corporation's directors for monetary damages is hereby eliminated to the fullest extent California law permits.

ARTICLE VIII

INDEMNIFICATION OF AGENTS

The Corporation is hereby authorized to indemnify Agents to the fullest extent California law permits, including in excess of the indemnification CCC *Section 317* expressly permits for Agents for breach of duty to the Corporation or Shareholders.

ARTICLE IX

EFFECTIVE TIME

These articles of incorporation will take effect at 9:00 a.m., Pacific Time, on Monday, October 15, 2018.

3. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the board of directors.
4. The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Sections 902 and 903 of the California Corporations Code. The total number of outstanding shares of the corporation is 13,300, comprised of 10,000 shares of Common Stock and 3,300 shares of Series A Preferred Stock. The number of shares of Common Stock and Series A Preferred Stock voting in favor of the amendment and restatement equaled or exceeded the vote required. The percentage vote required with respect to the Common Stock and the Series A Preferred Stock was more than 50%.

We 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 own knowledge.

Date: October 10, 2018



DEAN A. CHAMBERLAIN

President



DOYLE HOLMES

Secretary