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In the office of the Secretary of State
of the State of California
JAN 15 1995

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**AGREEMENT OF MERGER
OF
RPM MORTGAGE, INC.
AND
DIVERSIFIED CAPITAL FUNDING CORP.**

Bill Jones
Secretary of State

This Agreement of Merger is entered into effective December 12, 1994 by and between Diversified Capital Funding Corp., a California corporation ("Disappearing Corporation") and RPM Mortgage, Inc., a California corporation ("Surviving Corporation").

1a. Disappearing Corporation is a California corporation organized on 12/26/89 and has 2,000 shares of its capital Common Stock outstanding.

1b. Surviving Corporation is a California corporation organized on March 15, 1993 and has 50,000 shares of its Capital Stock outstanding, which shares is owned by Finet Holdings Corporation, a Delaware corporation ("Parent").

2. Disappearing Corporation shall be merged into Surviving Corporation.

3. Upon such merger, each outstanding share of Disappearing Corporation, other than shares held by shareholders who perfect their rights as dissenting shareholders under California law, shall be converted to 18.0175 shares of the Common Stock of Parent.

4. The articles of incorporation of Disappearing Corporation, Surviving Corporation and Parent are not amended by the merger.

5. The conversion of shares as provided by this Agreement shall occur automatically upon the effective date without action by the holders thereof. Each holder of such shares thereupon shall surrender his share certificate or certificates to Parent's Secretary and shall be entitled to receive in exchange therefor a certificate or certificates representing the number of shares into which his shares theretofore represented by a certificate or certificates so surrendered shall have been converted as aforesaid.

6. Notwithstanding that the conversion of shares pursuant to this Agreement is automatic at the effective date of the merger without action on the part of the shareholder and that such automatic conversion is effective with respect to voting of shares, dividends shall not be paid on the converted shares until the surrender of certificates as provided in paragraph 5, but the amount of such dividends shall be set aside. Upon such surrender of the certificate or certificates, the dividends thus set aside shall be paid without interest.

7. Upon such merger, the separate existence of Disappearing Corporation ceases and Surviving Corporation shall succeed, without other transfer, to all the rights and property of Disappearing Corporation and shall be subject to all the debts and liabilities thereof in the same manner as if Surviving Corporation had itself incurred them. All rights of creditors and all liens upon the property of each corporation shall be preserved unimpaired, provided that such liens upon property of Disappearing Corporation shall be limited to the property affected thereby immediately prior to the time the merger is effective.

8. After the merger becomes effective, Disappearing Corporation, through the persons who were its officers immediately prior to the merger, shall execute or cause to be executed such further assignments, assurances or other documents as may be necessary or desirable to confirm title to properties, assets and rights in Surviving Corporation.

9. The parties to this Agreement and Parent are also parties to a Reorganization Agreement. The two agreements are intended to be construed together in order to effectuate their purposes.

10. Any or all parts of this Agreement, ~~excepting~~ its principal terms, may be amended without shareholder approval, by mutual consent of the board of directors of the respective corporations.

11. This Agreement may be terminated and the proposed merger abandoned at any time prior to the effective date of the merger and whether before or after approval of this Agreement by the board of directors or shareholders of either corporation, as follows:

A. By mutual consent of the board of directors of the respective corporations.

B. By any party hereto if in the opinion of its board of directors the consummation of this Agreement and the merger are not, for any reason, in the best interests of such corporation and its shareholders.

C. Upon termination of the Reorganization Agreement.

12. The effective date of the merger is the date upon which a copy of this Agreement is filed with the Secretary of State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement.

DIVERSIFIED CAPITAL FUNDING CORP.

BY: 

Clay Rodriguez, President & Secretary

RPM MORTGAGE, INC.

BY: 

E. Robert Hirt, President & Secretary

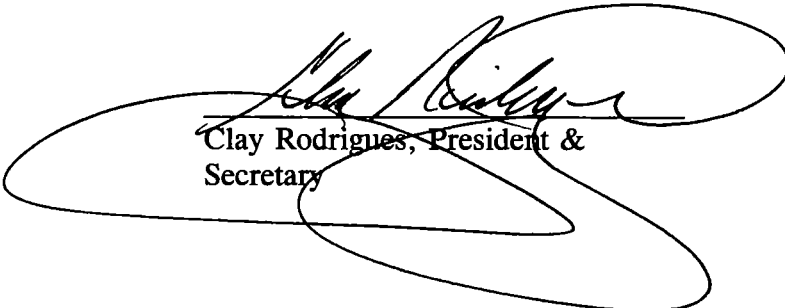
CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER

Clay Rodrigues hereby certifies that:

1. He is the President and Secretary of Diversified Capital Funding Corp., a California corporation.
2. The Agreement of Merger in the form attached was duly approved by the Board of Directors of the corporation.
3. The corporation has only one class of shares and the total number of outstanding shares is 2,000. The principal terms of the Agreement of Merger were approved by the vote of a number of shares which equaled or exceeded the vote required. The percentage vote required is 100%.

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 my own knowledge.

Dated: 12/13/94


Clay Rodrigues, President &
Secretary

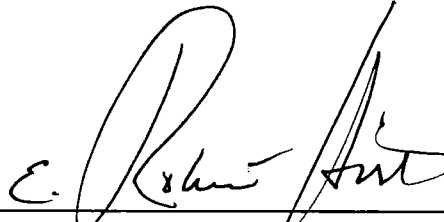
CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER

E. Robert Hirt hereby certifies that:

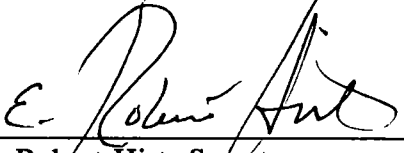
1. He is the President and Secretary of RPM Mortgage, Inc, a California corporation.
2. The Agreement of Merger in the form attached was duly approved by the Board of Directors of the corporation.
3. The corporation has only one class of shares and the total number of shares is 50,000. The principal terms of the Agreement of Merger were approved by the vote of a number of shares that equalled or exceeded the vote required. The percentage vote required is 100%.
4. Equity securities of the corporation's Parent corporation, Finet Holdings Corporation, a corporation organized under the laws of the State of Delaware, are to be issued in the merger. Parent's Board of Directors approved the transaction and no vote of the shareholders of the Parent corporation was required.

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 my own knowledge.

Dated: 12-13-94



E. Robert Hirt, President



E. Robert Hirt, Secretary