

Articles of Incorporation for *The Compass Publishing Corporation*

**State of Alabama**

**FOR-PROFIT CORPORATION**

**ARTICLES OF INCORPORATION GUIDELINES**

**INSTRUCTIONS**

STEP 1: CONTACT THE OFFICE OF THE SECRETARY OF STATE AT (334)242-5324 TO RESERVE A CORPORATE NAME.  
STEP 2: To INCORPORATE, FILE THE ORIGINAL, TWO COPIES OF THE ARTICLES OF INCORPORATION AND THE CERTIFICATE OF NAME RESERVATION IN THE COUNTY WHERE THE CORPORATION'S REGISTERED OFFICE IS LOCATED. THE JUDGE OF PROBATE'S FILING FEE IS \$35 AND THE SECRETARY OF STATE'S FILING FEE IS \$50.

PURSUANT TO THE PROVISIONS OF THE ALABAMA BUSINESS CORPORATION ACT, THE UNDERSIGNED HEREBY ADOPTS THE FOLLOWING ARTICLES OF INCORPORATION.

**Article I** The name of the corporation.

**The Compass Publishing Corporation**

The Compass Publishing Corporation may also operate under the name of one of its divisions, including each of the following:  
"Compass New Directions", "Compass Special Editions", "Compass Rose Editions", "Compass New Age", and "New Directions Services"

**Article II** The duration of the corporation is perpetual, unless otherwise stated.

**Article III** The corporation has been organized for the following purpose(s):

The Compass Publishing Corporation hereafter referred to either by that name or as "the corporation" has been organized to function as a publisher of books and other materials. The Compass Publishing Corporation may also produce clothing, promotional, or specialty products intended to increase brand recognition or sales. It will serve the wholesale market by providing books and other printed materials or drawings to other vendors that deal directly with the retail market. It will provide services through its Compass Services division related to electronic publishing or internet commerce, computer programming, as well as services designed to provide engineering and technical studies necessary to produce related documents. These documents and drawings, containing the results of technical studies, and the associated services, may be offered on a wholesale or retail basis to other corporate, government, or private entities as appropriate.

**Article IV** The number of shares which the corporation shall have the authority to issue is established as follows:

The Director, when referred to in this document, is Del John Ventruella.

The corporation shall have the authority to issue up to 5,000,000 shares of common stock. Common shares in The Compass Publishing Corporation may receive dividends upon a vote by the board of directors in a given quarter after review of appropriate financial information. Any party wishing to sell or trade stock in The Compass Publishing Corporation or wishing to transfer ownership or permanent control over such shares shall submit a request to do so in writing no less than six weeks before the sale or trade is to occur. (Note that proxy voting of shares at one meeting of the board by a designated legal representative is allowed if proper documentation of the proxy representatives right to do so are provided to the board of directors or their authorized agents prior to the voting of shares and the board meeting.) The only grounds necessary for the Director's decision regarding allowing the transfer, trading, or sale of shares of stock shall be the judgement of the Director. The Director shall be permitted the time he deems necessary to evaluate the proposed sale or trade of the corporation's stock in terms of its long and short term impact on the

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operation of the corporation, the value of its stock, the organization of the corporation in terms of applicable tax law, and the relationship of The Compass Publishing Corporation to other corporations and legal entities.

The Director of The Compass Publishing Corporation may, at the Director's discretion, require that any shares being transferred in ownership or offered in sale or trade by any shareholder be first offered to the corporation or other persons (separately, consecutively, or simultaneously). The Director may also require that the trading, sale, or transfer of shares of common stock take place at a price established to be fair according to market levels for that class of stock in The Compass Publishing Corporation. The director may require that any transactions involving preferred stock take place at the face or redemption value of preferred shares.

At no time shall more than 48% of the number of available shares of common stock be issued by the corporation. The remaining 52% of the available common shares shall be held by the corporation. The Director of The Compass Publishing Corporation shall control the shares held by the corporation and all voting privileges associated with them. All shares of common stock held by the corporation shall be automatically voted against any attempt to decrease the number of shares of common stock held by the corporation and controlled by the Director to less than 52% of the number of available shares of The Compass Publishing Corporation stock.

The Director may increase the number of shares of stock offered by the company at any time that it is deemed necessary to raise additional capital upon a vote by the board of directors, but no more than 48% (forty-eight percent) of the new shares of common stock may be offered for sale.

**Limitations on resale.** Except as provided by applicable law, securities acquired in a transaction with The Compass Publishing Corporation cannot be resold without registration under the Securities and Exchange Commission Act or an exemption therefrom. The Director and all board members shall exercise reasonable care to assure that the purchasers of the securities issued by The Compass Publishing Corporation are not underwriters within the meaning of section 2(11) of the Act, which reasonable care may be demonstrated by the following:

- (1) Reasonable inquiry to determine if the purchaser is acquiring the securities for himself or for other persons;
- (2) Written disclosure to each purchaser prior to sale that the securities have not been registered under the Act and, therefore, cannot be resold unless they are registered under the Act or unless an exemption from registration is available; and
- (3) Placement of a legend on the certificate or other document that evidences the securities stating that the securities have not been registered under the Act and setting forth or referring to the restrictions on transferability and sale of the securities.

While taking these actions will establish the requisite reasonable care, it is not the exclusive method to demonstrate such care. Other actions by the issuer may satisfy this provision. In addition, incorporation of this notice within the articles of incorporation of The Compass Publishing Corporation shall serve as delivery of written disclosure of the limitations on resale to investors.

At the discretion of the Director and applicable laws a board of directors may be seated if shares of common stock are issued. This board shall not consist of more than 12 members, and shall include the Director of The Compass Publishing Corporation. The Director shall select the board members for any initial meeting of the board based on the number of shares that have been issued and applicable law. Shareholders shall be given the opportunity to vote upon the members of the board of directors according to applicable laws. Only shares shall vote. The number of votes that each shareholder shall cast shall consist of one vote for each share of common stock owned by that shareholder or controlled by the Director. A simple majority of votes is all that is necessary to elect or confirm a nominee or member of the board of directors.

Up to six voting members of the Board of Directors shall be selected based on the percentage of the 48% of common stock in the corporation that is not held by The Compass Publishing Corporation and controlled by the Director. One seat on the board of directors shall be established and voted upon for each 8% of the available 48% of common stock that is not held by the corporation and that is owned by shareholders with a maximum of six seats. No seat on the board of directors shall be established until the entire 8% share in the common stock of the corporation that seat is to represent has been sold and is no longer held by the corporation.



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The Director of The Compass Publishing Corporation shall hold six votes in recognition of the 52% of the stock in the corporation that the Director shall control, and shall cast an additional deciding vote in the event that any vote of the board results in a failure to achieve a plurality. The Director shall also have an additional vote for every 8% share of the 48% of the shares of the common stock of the corporation that is available for sale that is held by the corporation. The number of voting seats on the board of directors shall be adjusted based on the number of 8% increments in the 48% of the common stock in the corporation available for sale that are not held by the corporation. A voting board member whose seat is eliminated by the board due to an increase in the number of shares in the corporation held by the corporation may be appointed to a position as a non-voting board member at the discretion of the Director.

The Director may appoint up to six non-voting members to the board of directors based on the 52% (fifty-two percent) of the shares of common stock that the Director shall control. These non-voting members shall serve as consultants and advisors to the Director during board meetings. It is understood that they must act with the best interests of The Compass Publishing Corporation in mind, and that they must notify the Director in writing at least twenty-four hours before any board meeting of their intention to oppose a position or proposal offered by the Director and the reason they intend to take such action. The Director may then elect to dispense of that non-voting member of the board of directors and replace them without giving notice to the other members of the board of directors or the shareholders. This shall not constitute a breach of trust or an action inconsistent with the best interests of the corporation. Shareholders of The Compass Publishing Corporation shall waive their right to take any legal action or to seek redress against the Director for dismissing or replacing a non-voting member of the board of directors based on the dismissal of a non-voting member, whether notice of the dismissal is given, or the time associated with notice of the dismissal.

The voting and non-voting members of the board of directors shall make every reasonable effort to attend meeting of the board of directors. Any motions or amendments to the articles of incorporation or the bylaws of the corporation shall be submitted at least six months before the meeting of the board of directors. Any motions relating to the day-to-day operation of the corporation shall be submitted at least six months in advance of a meeting of the board of directors. The Director of the corporation may, at the Director's discretion, allow motions to be made with less notice. Any board member who can not be present at a meeting of the board of directors shall present in writing to the Director of the corporation a notarized proxy statement indicating the manner in which the member of the board of directors intends to vote on each issue before the board. The Director or a party appointed by the Director shall be responsible for publishing all motions upon which the board of directors is to vote at least twelve weeks before the meeting of the board of directors.

The Compass Publishing Corporation shall not initiate a relationship with any other corporation that may cause it to become part of a group of corporations or to function as a subsidiary of another corporation without the approval of the Director and any board of directors that may exist according to voting rights established in these articles of incorporation. The Compass Publishing Corporation shall not offer preferred shares of stock without the approval of the Director and the board if it is established. If preferred stock is offered in The Compass Publishing Corporation it shall serve only as an instrument of long term debt and shall have no voting rights associated with it. The decision to function as a subsidiary or to become part of a group of corporations or to offer preferred stock shall be evaluated in terms of the corporate organization and applicable tax laws.

The Compass Publishing Corporation may offer preferred shares in a quantity of up to 1,000,000 shares upon the approval of the Director and other board members via a vote of shares controlled by the Director and the board. These preferred shares of stock may be entitled to receive the net assets of the corporation upon dissolution. The Director shall be given the option, in writing, with no time constraint, to receive at least 500,000 shares of such preferred stock should it be issued at no cost to the Director. The common shares in the corporation shall not be entitled to receive the net assets of the corporation upon dissolution. The directors of The Compass Publishing Corporation, prior to voting for dissolution of the corporation, may elect to establish a fund from which they may offer to redeem and retire shares of common stock at a price established by the board of directors.

### **Article V** The street address (NO PO BOX) of registered office is:

140 Palm Drive  
Alabaster, Alabama  
35007

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and the name of the registered agent at that office

Del John Ventrueella

**Article VI** The name(s) and address(es) of the Director(s):

Del John Ventrueella – Director  
140 Palm Drive  
Alabaster, Alabama  
35007

**Article VII** The name(s) and address(es) of the Incorporator(s):

Del John Ventrueella  
140 Palm Drive  
Alabaster, Alabama  
35007

**Any provision, not inconsistent with the law, for the regulation of the internal affairs of the corporation or for the restriction of the transfer of shares may be added.**

**Article VIII** Special Provisions:

The Compass Publishing Corporation shall maintain as its registered trademarks "a ship encircled by a compass" and the name "The Compass Publishing Corporation". The ship encircled by a compass with the name of the corporation, "The Compass Publishing Corporation", appearing in proximity to it shall serve as the seal of the corporation and be set upon official documents in printed, imprinted, embossed, or stamped form. It shall be noted that the image of "a ship encircled by a compass" shall also be copyrighted and held in ownership by its creator, Del John Ventrueella. The corporation shall maintain the right to use as trademarks various division names corresponding to specific lines of books and services that it may offer including "Compass New Directions", "Compass Special Editions", "Compass Rose Editions", "Compass New Age", and "New Directions Services". The trademark of each of these divisions shall be the first letter of each word in the name of the division encircled. The trademark of Compass New Directions shall be the letters "CND" encircled. The trademark of Compass Special Editions shall be "CSE" encircled. The trademark of Compass Rose Editions shall be "CRE" encircled. The trademark of New Directions Services shall be "NDS" encircled. The trademark of Compass New Age shall be "CNA" encircled.

The Compass Publishing Corporation shall be formed at the end of ninety (90) days from the date of execution of these articles.

**IN WITNESS THEREOF, the undersigned incorporator executed these Articles of**

Incorporation on this, the Twenty-sixth day of July, 1999.

THIS DOCUMENT PREPARED BY:

Del John Ventrueella

Type or Print Name of Incorporator

Del John Ventrueella  
Signature of Incorporator



# STATE OF ALABAMA

I, Jim Bennett, Secretary of State of the State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that

pursuant to the provisions of Section 10-2B-4.02, Code of Alabama 1975, and upon an examination of the corporation records on file in this office, the following corporate name is reserved as available:

The Compass Publishing Corporation

This domestic corporation name is proposed to be incorporated in Shelby County and is for the exclusive use of Del Ventrueella, 140 Palm Dr, Alabaster, AL 35007 for a period of one hundred twenty days beginning July 29, 1999 and expiring November 27, 1999.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the City of Montgomery, on this day.



July 29, 1999  
Date

Jim Bennett

A handwritten signature in cursive script that reads 'Jim Bennett'.

Secretary of State

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