

FEB 17 2004

ARTICLES OF MERGER
OF DOMESTIC CORPORATIONS INTO SECRETARY OF STATE
CASUALTY & SURETY, INC.

Pursuant to the provisions of Section 10-2B-11.01 et seq. of the Code of Alabama, Casualty & Surety, Inc. and Apex Insurance Managers, Inc. do hereby adopt the following Articles of Merger for the purpose of merging into Casualty & Surety, Inc.:

First: The names of the merging corporations and the states under the laws of which they are respectively organized are:

<u>Name of Corporation</u>	<u>State</u>
Casualty & Surety, Inc.	Alabama
Apex Insurance Managers, Inc.	Alabama

The Articles of Incorporation for both Casualty & Surety, Inc. and Apex Insurance Managers, Inc. were filed in Shelby County, Alabama.

Second: The laws of the State of Alabama permit such a merger.

Third: The name of the surviving corporation of the merger is Casualty & Surety, Inc. The surviving corporation is to be governed by the laws of the State of Alabama.

Fourth: The Articles of Incorporation of Casualty & Surety, Inc. shall be the Articles of Incorporation until amended or changed as provided by law.

Fifth: The Plan of Merger and Agreement of Merger, attached hereto and incorporated by reference as if fully set out herein, were approved by the Shareholders of the undersigned, Casualty & Surety, Inc. and Apex Insurance Managers, Inc., in the manner prescribed by the laws of the State of Alabama.

Sixth: As to each of the undersigned merging corporations, the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on such Plan, are as follows:

<u>to Vote as a Class</u>	<u>Number of</u>	<u>Entitled</u>
Shares	Designation	Number of

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SECRETARY OF STATE

<u>Name of Corporation</u>	<u>Outstanding</u>	<u>of Class</u>	<u>Shares</u>
Casualty & Surety, Inc.	100	common	100
Apex Insurance Managers, Inc.	100	common	100

Seventh: As to each of the undersigned Corporations, the total number of shares voted for and against such plan, respectively, and, as to each class entitled to vote thereon as a class, the number of shares of such class voted for and against such Plan, respectively, are as follows:

<u>Name of Corporation</u>	<u>Total</u> <u>For</u>	<u>Total</u> <u>Voted</u> <u>Against</u>	<u>Class</u>	<u>Number of Shares</u> <u>Entitled to Vote as a Class</u>	
				<u>Voted</u> <u>For</u>	<u>Voted</u> <u>Against</u>
Casualty & Surety, Inc.	100	0	common	100	0
Apex Insurance Managers, Inc.	100	0	common	100	0

IN WITNESS WHEREOF, this Agreement has been signed by duly authorized officers of each of the Merging Corporations on this the 30th day of December, 2003.

CASUALTY & SURETY, INC.

Its:  President

By: _____

APEX INSURANCE MANAGERS, INC.

Its:  President

By: _____

PLAN OF MERGER

PLAN OF MERGER made and entered into this 30th day of December, 2003, (hereinafter sometimes referred to as the "Plan"), by and between APEX INSURANCE MANAGERS, INC. ("APEX"), a corporation organized and existing under the laws of the State of Alabama, and CASUALTY & SURETY, INC. ("CASUALTY & SURETY"), a corporation organized and existing under the laws of the State of Alabama (said corporations being hereafter sometimes referred to collectively as the "Merging Corporations"),

WITNESSETH:

WHEREAS, APEX, is a corporation duly organized and existing under the laws of the State of Alabama, having been incorporated on August 28, 2000, and CASUALTY & SURETY is a corporation duly organized and existing under the laws of the State of Alabama, having been incorporated on October 29, 1999; and

WHEREAS, the authorized capital stock of APEX, consists of one hundred (100) shares of common stock having a par value of one cent (\$.01) per share all of which are outstanding; and

WHEREAS, the authorized capital stock of CASUALTY & SURETY consists of one hundred (100) shares of voting common stock, having a par value of one cent (\$.01) per share all of which are outstanding; and

WHEREAS, the address of the principal office of APEX is 300 Corporate Parkway, Suite G-1, Birmingham, Alabama 35242, and the address of the principal office of CASUALTY & SURETY is 300 Corporate Parkway, Suite G-1, Birmingham, Alabama 35242; and

WHEREAS, the Boards of Directors of APEX and CASUALTY & SURETY deem it advisable for the general welfare and advantage of the Merging Corporations and their respective shareholders that the Merging Corporations merge into a single corporation pursuant to this Plan; and

WHEREAS, the Boards of Directors of APEX and CASUALTY & SURETY have, by resolution, duly approved and adopted this Plan and Plan of Merger; and

WHEREAS, APEX and CASUALTY & SURETY, respectively, desire to so merge pursuant to this Plan and pursuant to the applicable provisions of the laws of the State of Alabama; and

NOW, THEREFORE, in consideration of the premises and the mutual provisions, agreements, covenants, conditions and grants herein contained, APEX and CASUALTY & SURETY, by their respective Boards of Directors and in accordance with the applicable provisions of the laws of the State of Alabama, have agreed and do hereby agree with each other as follows:

I. Merger and Effective Date. Upon the effective date of the merger, as hereinafter defined, APEX shall be merged with and into CASUALTY & SURETY pursuant to the general corporate laws of the State of Alabama and specifically pursuant to the Business Corporation Act of the state. CASUALTY & SURETY shall continue its corporate existence under the laws of the State of Alabama and shall be the corporation surviving the merger (said corporation hereinafter sometimes referred to as the "Surviving Corporation"). The separate entity of APEX shall cease. The Plan shall be effective on the on the close of business on December 31, 2003, subject to the Articles of Merger, in substantially the form attached hereto as Exhibit A, and this

Plan being filed in the office of the Secretary of State of the State of Alabama and after satisfaction of the requirements and applicable laws of said state requisite to such filing.

II. Name and Jurisdiction. The name of the Surviving Corporation is CASUALTY & SURETY, INC. The Surviving Corporation is to be governed by the laws of the State of Alabama.

III. Articles of Incorporation. The Articles of Incorporation of CASUALTY & SURETY shall be the Articles of Incorporation until further amended or changed as provided by law.

IV. Officers and Directors. The directors and officers of CASUALTY & SURETY shall continue as set forth in the Plan of Merger.

V. Conversion of Shares and Merger. The mode of affecting the merger provided in this Plan and the manner and basis of converting the shares of the Merging Corporations into shares of the Surviving Corporation, as of the effective date, are as follows:

(a) APEX, Voting Common Stock. Each issued and outstanding share of APEX voting common stock, having a par value of one cent (\$.01) per share and all rights in respect thereof shall, by virtue of the merger herein provided, be converted into and become shares of CASUALTY & SURETY voting common stock having a par value of one cent (\$.01) per share at a ratio of one (1) share of CASUALTY & SURETY common stock for every one (1) share of APEX common stock.

(b) Surrender of APEX Certificates. As soon as practicable after the merger becomes effective, the stock certificates, representing APEX stock issued and outstanding at the time of the merger, shall be surrendered for exchange of stock in CASUALTY & SURETY as

hereinabove provided. Until so surrendered for exchange, each such certificate nominally representing shares of APEX stock shall be deemed, for all corporate purposes, evidence of ownership of the number of shares of common stock of CASUALTY & SURETY which the holder would be entitled to receive upon its surrender to the Surviving Corporation.

VI. Effect of Merger. At the effective time of the merger, the Surviving Corporation shall succeed to, without other transfer, and shall possess and enjoy, all the rights, privileges, immunities, powers and franchises, both of a public and private nature, and be subject to all the restrictions, disabilities and duties of each of the Merging Corporations, and all of the rights, privileges, immunities, powers and franchises of each of the Merging Corporations and all property, real, personal and mixed, and all debts due to either of said Merging Corporations on whatever account, for stock subscriptions as well as for all other things in action or belonging to each of the Merging Corporations, shall be vested in the Surviving Corporation and all property rights, privileges, immunities, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as if they were of the respective Merging Corporations, and the title of any real estate vested by deed or otherwise in either of said Merging Corporations shall not revert or be in any way impaired by reason of the merger; provided, however, all rights of creditors and all liens upon any property of either of said Merging Corporations shall be preserved unimpaired, limited in lien to the property affected by such liens at the effective time of the merger, and all debts, liabilities and duties of said Merging Corporations, respectively, shall henceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by the Surviving Corporation. It is the intention of the parties hereto that the merger

shall constitute a tax-free reorganization pursuant to § 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended.

VII. Accounting. The assets and liabilities of the Merging Corporations, as of the effective time of the merger, shall be taken up on the books of the Surviving Corporation as the amounts by which they shall be carried at the time on the books of the respective Merging Corporations. The surplus in capital of the Surviving Corporation after the merger shall be available to be used for any legal purpose for which surplus may be used.

VIII. Approval of Shareholders and Filing of Articles of Merger. This Plan shall be submitted to the shareholders of each of the Merging Corporations as required by the laws of the State of Alabama at meetings that shall be held on or before December 31, 2003. The respective designation and number of shares of each class of capital stock of the Merging Corporations outstanding on the date hereof and a statement as to the shares of each class of capital stock of the Merging Corporations entitled to vote upon the adoption and approval of the merger is set forth in the Agreement of Merger. This Plan shall be filed with the Secretary of State of the State of Alabama pursuant to the laws of the State of Alabama.

IX. Termination. Notwithstanding anything to the contrary, this Plan may be terminated and abandoned at any time before the effective date of the merger upon the following:

- (a) Mutual consent of the Boards of Directors of the Merging Corporations.
- (b) If, prior to the effective time of the merger, the conditions hereinabove set forth shall not have been met.

X. Entire Plan. This Plan embodies the entire agreement between the parties and there have been and are no agreements, representations or warranties between the parties other

than those set forth herein or herein provided for. Either party may waive any inaccuracies in the representations and warranties by the other and compliance by the other with any of the covenants or conditions herein; any such waiver by either party shall be sufficiently authorized for the purposes of this Plan if approved and ratified by the Board of Directors of such party.

XI. Amendment. This Plan may be amended in writing, at any time by the mutual consent of the Boards of Directors of CASUALTY & SURETY and APEX.

XII. Notices. All notices, requests, demands and other communications herein shall be in writing and shall be deemed to have been duly given if delivered as follows:

(a) If to CASUALTY & SURETY to James H. Godfrey, President,
CASUALTY & SURETY, 300 Corporate Parkway, Suite G-1, Birmingham, Alabama 35242; or

(b) If to APEX to Robin Dale Roberts, President, APEX, 300 Corporate
Parkway, Suite G-1, Birmingham, Alabama 35242.

IN WITNESS WHEREOF, the parties to this Plan, pursuant to the approval and authority duly given by resolution adopted by their respective Boards of Directors have caused these presents to be executed by the President and attested by the Assistant Secretary of each party hereto as the respective act, deed and agreement of each of said corporations, on the day and year first hereinabove written.

APEX INSURANCE MANAGER, INC.

ATTEST:

By: 

Secretary


President

By: _____

CASUALTY & SURETY, INC.

ATTEST:

By:

Secretary

President

By: _____

STATE OF ALABAMA)
Shelby COUNTY)

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that JAMES H. GODFREY JR whose name, as President of APEX INSURANCE MANAGERS, INC., is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and on behalf of said corporation.

Given under my hand and official seal this 30 day of December 2003.

MY COMMISSION EXPIRES
DECEMBER 11, 2005

Public

Mary Gorman

Notary

STATE OF ALABAMA)
_____ COUNTY)

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that _____, whose name, as Secretary of APEX INSURANCE MANAGERS, INC., is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and on behalf of said corporation.

Given under my hand and official seal this _____ day of _____, 2003.

Public

Notary

STATE OF ALABAMA)

Shelby COUNTY)

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that James H. Gorman, Jr., whose name, as President of CASUALTY & SURETY, INC., is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and on behalf of said corporation.

MY COMMISSION EXPIRES
DECEMBER 11, 2005

Given under my hand and official seal this 30 day of December 2003.

Public Mary Gorman

Notary

STATE OF ALABAMA)
Shelby COUNTY)

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that James H. Gorman, Jr. whose name, as Secretary of CASUALTY & SURETY, INC., is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and on behalf of said corporation.

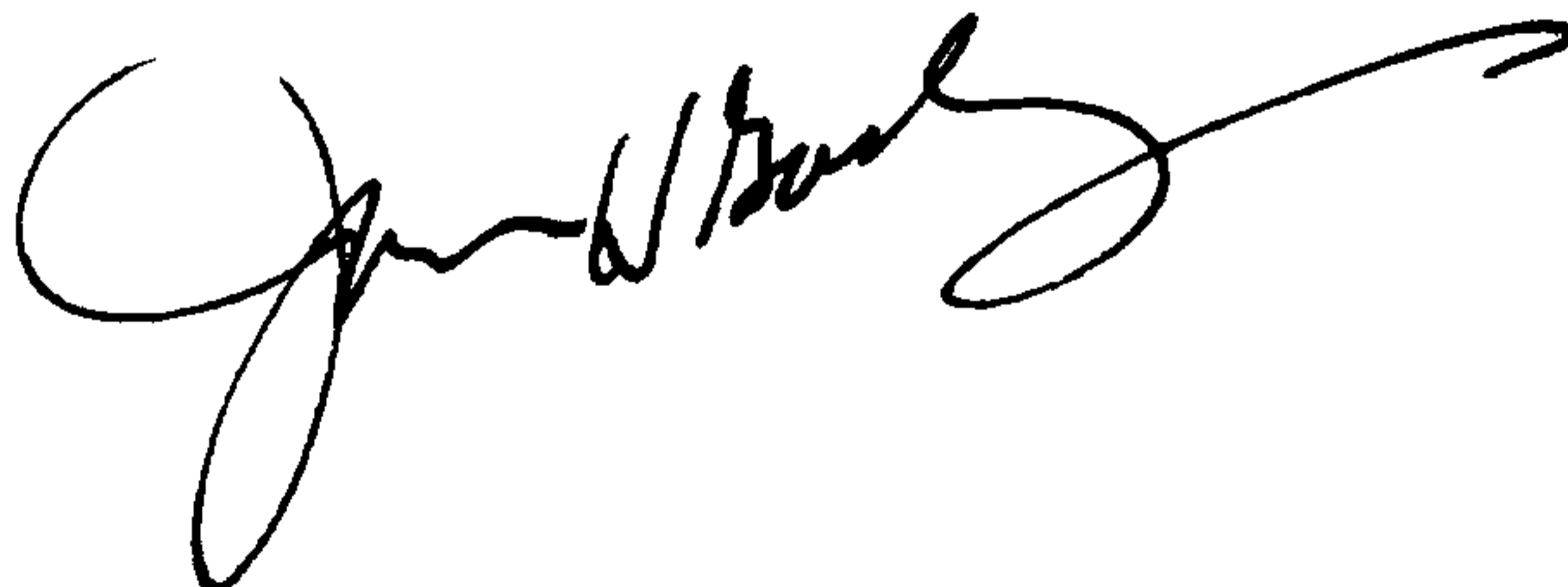
Given under my hand and official seal this 30 day of December, 2003.

MY COMMISSION EXPIRES
DECEMBER 11, 2005

Public Mary Gorman

Notary

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CERTIFICATE

I, James H. Gorman Jr., Secretary of APEX INSURANCE MANAGERS, INC., a corporation organized and existing under the laws of the State of Alabama, hereby certify, as such Secretary that the Agreement of Merger and Plan of Merger to which this certificate is attached has been duly signed on behalf of said Corporation and was duly submitted to the stockholders of said APEX INSURANCE MANAGERS, INC., for the purpose of considering and taking action upon said Agreement of Merger and Plan of Merger, that one hundred (100) shares of stock of said Corporation were on said date issued and outstanding having voting power and that the proposed Agreement of Merger and Plan of Merger was approved by the stockholders by an affirmative vote representing all of the outstanding stock of said Corporation entitled to vote thereon, and that thereby the Agreement of Merger and Plan of Merger was duly adopted as the act of the stockholders of said APEX INSURANCE MANAGERS, INC., and the duly adopted agreement of the said Corporation.

WITNESS my hand on this 30th day of December, 2003.


Secretary of
APEX INSURANCE MANAGERS, INC.

STATE OF ALABAMA)

Shelby COUNTY)

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that on this 30th day of December, 2003, personally appeared before me James H. Gorman Jr., who, being by me first duly sworn declared that he is the Secretary of APEX INSURANCE MANAGERS, INC., that he signed the foregoing document as Secretary of the Corporation and that the statements therein contained are true.

Notary Public

MY COMMISSION EXPIRES
DECEMBER 11, 2005

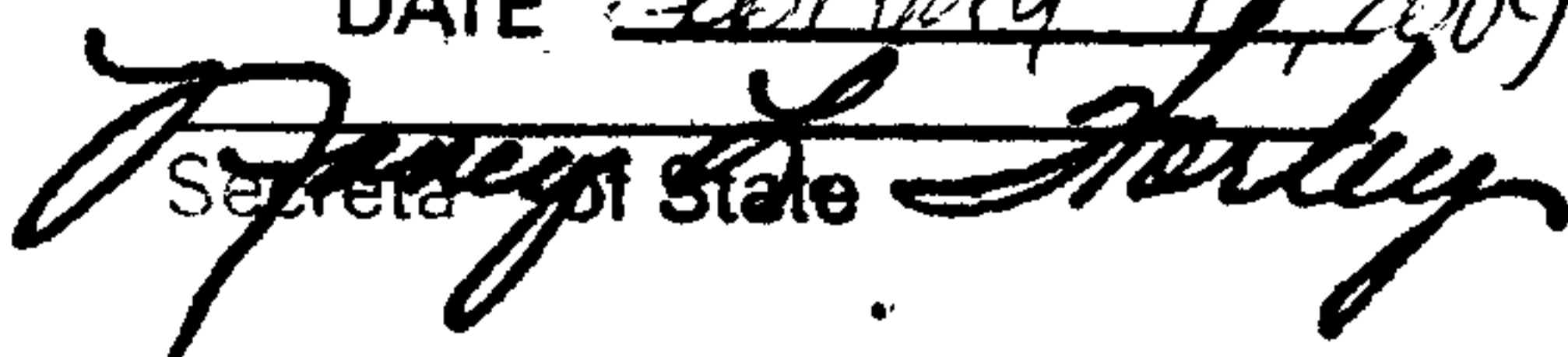


Secretary of State

Office of The Secretary of State

I hereby certify that this is a
true and correct copy of the
document(s) filed in this office
and certificate issued by this

office on February 17, 2004
DATE February 18, 2004


Secretary of State