

SECURITIES AND EXCHANGE COMMISSION

FORM 10SB12G/A

Form for initial registration of a class of securities for small business issuers pursuant to Section
12(g) [amend]

Filing Date: **1999-09-10**
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FILER

ARCHER SYSTEMS LTD INC

CIK: **1088789** | State of Incorporation: **DE** | Fiscal Year End: **0430**
Type: **10SB12G/A** | Act: **34** | File No.: **000-26955** | Film No.: **99709294**
SIC: **9995** Non-operating establishments

Business Address
75 LINCOLN HIGHWAY RTE 27
SUITE 201
ISELIN NJ 08830
7326039456

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-SB/A
Amendment No.2

GENERAL FORM FOR REGISTRATION OF SECURITIES OF SMALL BUSINESS ISSUERS
Under Section 12(b) or (g) of the Securities Exchange Act of 1934

Archer Systems Limited, Inc.

(Name of Small Business Issuer in its charter)

Delaware

22-3652650

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

75 Lincoln Highway Route 27, Iselin, New Jersey

08830

(Address of principal executive offices)

(Zip Code)

Issuer's telephone number, (732) 906-9060

Securities to be registered under Section 12(b) of the Act:

Title of each class
to be registered

Name of each exchange on which
each class is to be registered

Securities to be registered under Section 12(g) of the Act:

Common Stock, \$.0001 par value

(Title of class)

ITEM 1. DESCRIPTION OF BUSINESS

Archer Systems Limited, Inc., (the "Company") was established by Archer Limited, a foreign corporation based in London, England. Archer Systems Limited,

Inc., was incorporated under the laws of the State of Delaware on March 19, 1986.

The Company was organized in June of 1986 for the purpose of acquiring the name and all the outstanding common stock of Computer Technology International, Inc., ("CTI") a publicly traded computer related technology company through the exchange of stock. One share of the Company was exchanged for each share of CTI. CTI was not merged into the Company and remained a wholly owned subsidiary. The intended business purpose of the transaction, the entering into the retail computer sales market with a publicly recognized name was never realized. The Company, shortly after its acquisition of CTI abandoned all plans to actively engage in business and remained dormant until December of 1998 when a new Board of Directors was elected and new officers were appointed.

CTI in 1985, prior to its acquisition by Archer, had only one asset. That asset was its wholly owned subsidiary Micro Merchants Inc. ("MM"), that CTI acquired on November 15, 1982. CTI had been formed for the purpose of acquiring MM. MM originally consisted of one retail computer store and later expanded into a chain of such stores. In 1985 due to a series of business reversals and the intense competition in the retail personal computer business, CTI decided to liquidate MM in a state insolvency proceeding i.e. via an assignment for the benefit of creditors filed in Bergen County, New Jersey, on September 25, 1985. The liquidation of MM was completed in November of 1985. As a result of the liquidation CTI's sole assets in 1985 consisted of MM, an inactive corporation whose assets were liquidated, CTI's name and a large shareholder base consisting of approximately 3,000 shareholders.

There was no activity in the Company subsequent to the purchase of CTI until all the common shares of CTI owned by the Company was sold to an individual on December 14, 1998.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The Company is considered to be in the development stage as defined in the Statement of Financial Accounting Standards ("FASB") No. 7. There have been no operations since the date of incorporation. Management believes it will be able to satisfy its cash requirements through debt financing and sales of equity through private placements during the next twelve months. However, there can be no assurance that the Company will be able to raise the financing required. The Company intends to acquire, develop and/or operate Internet and Technology related companies through majority owned subsidiaries or investment in other Internet companies through venture capital arrangements. If successful in such acquisition program, the number of employees would increase in proportion to the companies acquired. At the present time, the Company has not submitted any proposals for potential acquisition.

In the next twelve months, the Company plans to seek out business opportunity candidates. To date, the Company has not undertaken any efforts to locate business opportunity candidates. The Company believes that this plan of operations can be conducted through the efforts of a current officer and will not require any additional funds. The Company anticipates that business opportunities will be available to us through the contacts of Richard Margulies, the Company's President. The Company anticipates that the investigation of specific business opportunities and the negotiation, drafting and execution of relevant agreements, and other instruments will be done by Richard Margulies or under his direction. The Company plans to investigate, to the extent believed reasonable by us, such potential business opportunities. Due to our limited experience and resources in business analysis, the Company may not discover or adequately evaluate adverse facts about a potential business opportunity.

for business opportunities, the Company will not be able to expend significant funds on a complete and exhaustive investigation of potential business opportunities. The Company anticipates that it will incur nominal expenses in the implementation of our business plan described herein. Because the Company has no capital with which to pay these expenses, our present management, which consists of Richard Margulies, President, and Walter Krzanowski, Secretary, Treasurer, the Company's President Mr. Margulies intends to pay all expenses with personal funds as capital contributions to the Company. Mr. Margulies does not expect repayment of these contributions. As such, the contributions will be reflected as capital contributions in future financial statements.

The Company's management has no future obligation to provide us with future loans or contributions. The failure of our management to provide loans or contributions in the future could prevent the Company's plan to seek out business opportunities.

To date, the Company has not developed any criteria for the selection of business opportunities, and the Company may not develop such criteria in the future. The Company cannot assure that the Company will be able to ultimately effect any business opportunity, successfully integrate any business into our operations or otherwise successfully develop our operations.

In the future, the Company does not plan to develop criteria for the selection of potential business opportunities. As such, the Company anticipates that Richard Margulies, President will investigate, to the extent believed necessary by him, the business opportunity.

No significant effort has been made as of the filing date of this Form 10SB12gA to secure sources of financing. In the event the Company is unsuccessful in securing debt or equity financing, the Company will be unable to either acquire or develop any business opportunity.

ITEM 3. DESCRIPTION OF PROPERTY

The Company currently has no material assets, and the Company does not own or lease any real or personal property. The Company currently operates without charge out of space donated by the Company's President, Richard Margulies, at 75 Lincoln Highway, Iselin, New Jersey 08830. The Company believes that this space is sufficient for the Company at this time. The Company has indicated a capital contribution of \$600 per month of activity for the donation of such space on our financial statements under subsequent events.

The Company has are no preliminary agreements or understandings with respect to the office facility subsequent to the completion of a business opportunity. Upon closure of a business opportunity, the Company plans to relocate our office to that of the business opportunity candidate.

The Company has no policy with respect to investments in real estate or interests in real estate and no policy with respect to investments in real estate mortgages. Further, the Company has no policy with respect to investments in securities of or interests in persons primarily engaged in real estate activities.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of the date of this report, the stock ownership of each person known by the Company to be the beneficial owner of five percent or more of the Company's Common Stock, each executive officer and director individually and all executive officers and directors of the Company as a group. No other class of voting securities is outstanding. Each person is believed to have sole voting and investment power over the shares except as noted.

(a) Security ownership of certain beneficial owners

<TABLE>
<CAPTION>

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner (1) | Percent of Class (2) |
|----------------|--|---|----------------------|
| <S> Common | <C> Henry Guell 264 Skyline Lake Drive Ringwood, NJ 07302 | <C> 90,000,000 | <C> 17.3% |
| Common | Peter J. Jegou (3) c/o Archer Systems Ltd., Inc. 75 Lincoln Hwy, 2nd Fl. Iselin, NJ 08830 | 51,000,000 | 9.8% |

</TABLE>

(b) Security ownership of management.

<TABLE>
<CAPTION>

| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner (1) | Percent of Class (2) |
|----------------|---|---|----------------------|
| <S> Common | <C> Richard J. Margulies (4) 75 Lincoln Hwy, Rt. 27 Iselin, NJ 08830 | <C> 13,000,000 | <C> 2.5% |
| Common | Walter J. Krzanowski (5) 75 Lincoln Hwy, Rt. 27 Iselin, NJ 08830 | 500,000 | 0.1% |
| Common | Includes all Officers and directors of the Company as a group (2 persons) | 13,500,000 | 2.6% |

(1) Includes the amount of shares each person or group has the right to acquire within 60 days pursuant to options, warrants, rights, conversion privileges or similar obligations.

(2) Based upon 520,496,750 shares outstanding, plus the amount of shares each person or group has the right to acquire within 60 days pursuant to options, warrants, rights, conversion privileges or similar obligations.

(3) Peter J. Jegou individually owns 35,000,000 shares. Also, included are 2,000,000 shares owned by the Jegou Family Foundation which is controlled by Peter J. Jegou and his wife, Carol A. Kulina-Jegou. Included in the table is 14,000,000 shares owned by Zamora Funding,

Inc., a privately held company of which Peter J. Jegou is President and Director.

- (4) Richard Margulies is President and a Director of the Company.
- (5) Walter J. Krzanowski is Secretary, Treasurer and a Director of the Company. Walter J. Krzanowski individually owns 50,000 shares and Dolores A. Krzanowski, his wife, individually owns 450,000 shares.

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</TABLE>

ITEM 5. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

| Name | Age | Position With Company | Year First Became Director or Officer |
|----------------------|-----|---------------------------------|--|
| Richard J. Margulies | 50 | President/Director | 1998 |
| Walter J. Krzanowski | 57 | Secretary/Treasurer Director | 1998 |

Each director serves until the next annual meeting of Shareholders and until his respective successor is duly elected and qualifies; Executive officers are elected by the Board to serve at the discretion of the directors.

RICHARD J. MARGULIES - President/Director- Has been an officer and director of the Company since December 1998. Mr. Margulies has served as a management and financial public relations consultant to a number of private and publicly held companies over the past 20 years. From November 1988 to May of 1999 Mr. Margulies was an officer and director of Greenleaf Technologies Corporation, a company which is in the business of developing encryption and compression software. From 1993 to December of 1997 Mr. Margulies was an officer and director of Creative Media International, Inc. a public company that was in the financial public relations and printing business. On or about February 1998, Creative Media International, Inc. filed for reorganization under section 11 of the U.S. Bankruptcy Code. From 1987 to the present, Mr. Margulies has been an officer and director of Nightwing Entertainment Group, Inc., a publicly traded company that is in the entertainment business. From December 1998 to the present, Mr. Margulies has been a director and officer of Creative Gaming, Inc., a company that presently is inactive. From 1982 to 1983, Mr. Margulies was with the Dratel Group, Inc., a NYSE member firm. From 1979 to 1982, he was a Vice President with the firm Bear Stearns & Co., Inc. and from 1974 to 1979, he was an account executive with Bache & Co.

WALTER J. KRZANOWSKI - Secretary/Treasurer-Director - Has been an officer and director of the Company since December 1998. From March 1998 to November 1998, Mr. Krzanowski was the interim Controller of a privately held laundry service management company. Mr. Krzanowski had been the Chief Financial Officer and Treasurer of Creative Gaming, Inc., a publicly traded company from July 1995 to December 1997. From January to June 1995, Mr. Krzanowski served as an independent consultant providing financial services to Creative Gaming, Inc. From September 1993 to December 1994, Mr. Krzanowski was self-employed, acting as a consultant to a number of companies providing accounting, financial reporting and data processing services. From April 1986 to August 1993, Mr. Krzanowski held financial and management information services positions with Zenith Laboratories, Inc., a generic pharmaceutical company. Prior to joining Zenith Laboratories, Mr. Krzanowski held various financial management positions with Hoffmann-LaRoche, Inc., a major pharmaceutical company, from 1966 to 1986.

ITEM 6. EXECUTIVE COMPENSATION

No compensation has been awarded to, earned by, or paid to Richard J. Margulies, President or Walter J. Krzanowski, Secretary and Treasurer, during the last completed fiscal year or as of the date of the filing of this Form 10-SB.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company presently shares office space at 75 Lincoln Highway, Iselin, N.J. The space is leased by GRQ Financial, Inc. which is solely owned by Richard J. Margulies, President of Archer Systems Limited, Inc.

ITEM 8. LEGAL PROCEEDINGS

None

ITEM 9. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market Information:

The Company's Common Stock is traded over-the-counter on the Electronic Bulletin Board maintained by the National Association of Securities Dealers under the Symbol "ARYNE." There is no assurance that the Common Stock will continue to be quoted or that any liquidity exists for the Company's Shareholders.

The following table sets forth the quarterly quotes of high and low prices for the Company's Common Stock on the OTC Bulletin Board during fiscal 1997 and 1998.

Fiscal 1998:

| | High | Low |
|------------------|---------|---------|
| Quarter ended: | | |
| July 31, 1998 | \$0.001 | \$0.001 |
| October 31, 1998 | \$0.001 | \$0.001 |
| January 31, 1999 | \$0.250 | \$0.125 |
| April 30, 1999 | \$0.035 | \$0.020 |

Fiscal 1997:

Quarter ended:

| | | |
|------------------|---------|---------|
| July 31, 1997 | * | * |
| October 31, 1997 | * | * |
| January 31, 1998 | \$0.001 | \$0.001 |
| April 30, 1998 | \$0.001 | \$0.001 |

* Not available; last prior trade dated 12/23/98.

The source of this information is Bloomberg quotation services and broker-dealers making a market in the Company's Common Stock. These prices reflect inter-dealer prices, without retail markup, mark-down or commission and may not represent actual transactions.

The closing sales price of the Common Stock as reported on the Electronic Bulletin Board on August 26, 1999 was \$.006.

(b) Holders.

As of August 1999, there were approximately 3,000 holders of record of the Company's Common Stock (this number does not include beneficial owners who hold shares at broker/dealers in "street-name").

(c) Dividends

The Company has paid no cash dividends on its Common Stock and management does not anticipate that such dividends will be paid in the foreseeable future.

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ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

None

ITEM 11. DESCRIPTION OF SECURITIES COMMON SHARES

The Company's securities consist of 600,000,000 authorized common shares, par value \$.0001 of which 520,496,750 shares are presently issued and outstanding. Dividends may be declared by the board of directors at any regular or special meetings. Section 170 of the Delaware Corporate Law which provides in pertinent part, that the directors of every corporation, subject to any restrictions contained in its certificate of incorporation, may declare and pay dividends upon the shares of its capital stock, or to its members if the corporation is a nonstock corporation organized for profit, either (1) out of its surplus, as defined in and computed in accordance with section 154 and 244 of this title, or (2) in case there shall be no such surplus out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Each share represents one vote at any shareholder meeting. There are no preemption rights.

Archer Systems Limited, Inc.'s common stock is covered by a Securities and Exchange Commission rule that imposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors, generally institutions with assets in excess of \$5,000,000 or individuals with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell our securities and also may affect the ability of purchasers of our stock to sell their shares in the secondary market.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 7 of Article VII of the corporate by-laws provides as follows:

The corporation shall indemnify its officers, directors, employees and agents to the extent permitted by the General Corporation Law of Delaware.

Section 145 of the Delaware Corporation Law provides:

(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the corporation) by reason of the fact that [he] such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent for another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by [him] such person in connection with such action, suit or proceeding if [he] such person acted in good faith and in a manner [he] such person reasonably believed to be in or not opposed to the best interest of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe [his] such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which [he] such person reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that [his] such person's conduct was unlawful.

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(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that [he] such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), actually and reasonably incurred by [him] such person in connection with the defense or settlement of such action or suit if [he] such person acted in good faith and in a manner [he] such person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon allocation that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former director [, officer, employee or agent] or officer of a corporation has been successful on the merits or otherwise in defense or any action, suit or proceeding referred to in subsections (a) and (b), or in defense or any claim, issue or matter therein, [he] such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by [him] such person in connection therewith.

(d) Any indemnification under subsections (a) and (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because [he] such person has met the applicable standard of conduct set forth in subsections (a)

and (b). Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are not such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4), by the stockholders.

(e) Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that [he] such person is not entitled to be indemnified by the corporation as authorized in this Section. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the [board of directors] corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in [his] such person's official capacity and as to action in another capacity while holding such office.

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(g) A corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against and liability asserted against [him] such person and incurred by [him] such person in any such capacity, or arising out [his] such person's status as such, whether or not the corporation would have the power to indemnify [him] such person against such liability under the provisions of this section.

(h) For purposes of this Section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as [he] such person would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this Section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, beneficiaries; and a person who acted in good faith and in a manner [he] such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section. (As amended by Ch. 120, Laws of 1997.)

ITEM 13. FINANCIAL STATEMENTS

The information required by Item 13 and an index thereto commences on page F-1, which pages follow the signature page.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

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ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

- a. Financial Statements for fiscal year ending April 30, 1999 and 1998 are enclosed as part of Item 13 and commences on page F-1.
- b. List of Exhibits

| Exhibit Number | Description |
|----------------|--|
| 3(a) | Certificate of Incorporation of Company filed with the Secretary of State of Delaware on March 19, 1986. |
| 3(a)(1) | Certificate for renewal and revival of Charter of the company filed with the Secretary of State Division of Corporations on December 2, 1998. |
| 3(a)(2) | Certificate of Amendment of the Certificate of Incorporation of Archer Systems Limited, Inc. filed with the Secretary of State Division of Corporation on February 22, 1999. |
| 3(a)(3) | Certificate of Correction to Certificate of Amendment of the Certificate of Incorporation of Archer Systems Limited Inc. filed February 22, 1999 with the Secretary of State Division of Corporations. |
| 3(b) | Copy of the by-laws of the Company. |
| 4(a) | Speciman Stock Certificate. |
| 27 | Financial Data Schedule |

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SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the Registrant caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

ARCHER SYSTEMS LIMITED, INC.

Date: September 10, 1999

By:/s/Richard J. Margulies

Richard J. Margulies
President

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Archer Systems Limited, Inc.
(A Development Stage Company)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Stockholders and Board of Directors
 Archer Systems Limited, Inc.
 75 Lincoln Highway, Route 27, 2nd Floor
 Iselin, NJ 08130

Gentlemen and Madames:

We have audited the accompanying balance sheet of Archer Systems Limited, Inc. (A Development Stage Co.) as of April 30, 1999 and the related statements of operations, accumulated deficits, cash flows and statement of stockholder's equity (deficiency) for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of April 30, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

The financial statements for the year ended December 13, 1998 were prepared by management and accordingly we express no opinion or any other form of assurance on them.

/s/GERALD BRIGNOLA, CPA, PA
 Hackensack, New Jersey
 July 27, 1999

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ARCHER SYSTEMS LIMITED, INC.
 (A Development Stage Company)

Balance Sheet
 April 30, 1999 and December 13, 1998

ASSETS

For the

For the Period

Period From
Reactivation
From Dormancy
December 14, 1998
Thru April 30, 1999

From Inception
March 19, 1986
To Reactivation
From Dormancy
December 13, 1998
(Unaudited)

Current Assets

| | | |
|--|--------|-------|
| Receivable from Sale of Capital Asset..... | \$ 200 | \$ 0 |
| | ----- | ----- |
| Total Assets..... | \$ 200 | \$ 0 |
| | ===== | ===== |

LIABILITIES AND STOCKHOLDER'S DEFICIT

Current Liabilities

| | | |
|--|--------|-------|
| Accrued Rent and Administration Related Party | \$ 0 | \$ 0 |
| Accounts Payable..... | 20,000 | 0 |
| | ----- | ----- |
| Total Liabilities..... | 20,000 | 0 |
| | ----- | ----- |

Stockholder's Deficit

| | | |
|---|----------|-------|
| Common stock, \$.0001 Par Value, 600,000,000 Shares Authorized 520,496,750 Shares Issued (\$52,050 Less Par in Excess of Capital \$52,050)..... | 0 | 0 |
| Deficit Accumulated during the Development Stage..... | (19,800) | 0 |
| | ----- | ----- |
| Total Liabilities & Stockholder's Deficit.... | \$ 200 | \$ 0 |
| | ===== | ===== |

See accountants' report and notes to financial statements

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ARCHER SYSTEMS LIMITED, INC.
(A Development Stage Company)

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
For the Fiscal Year Ended April 30, 1999 and Period Ended December 13, 1998

| | |
|--|--|
| For the Period From Reactivation | For the Period From Inception March 19, 1986 |
|--|--|

| | From Dormancy December 14, 1998 Thru April 30, 1999 ----- | To Reactivation From Dormancy December 13, 1998 (Unaudited) ----- |
|--|--|---|
| <S> | <C> | <C> |
| Income | | |
| Revenues During Development Stage..... | \$ 0 | \$ 0 |
| Expenses | | |
| Fair Value of Rent and Administration Donated by Related Party..... | 0 | 0 |
| Fees - Audit..... | (20,000) ----- | 0 ----- |
| Net Operating Loss During Initial Year of Development Stage Reactivation | (20,000) | 0 |
| Extraordinary Item | | |
| Sale of Operating Name - Computer Technology International, Inc.... | 200 ----- | 0 ----- |
| Net Loss After Extraordinary Item, During Reactivation from Dormancy..... | (19,800) ----- | 0 ----- |
| Accumulated Deficit Reported Prior to Reactivation from Dormancy..... | 0 ----- | 0 ----- |
| Accumulated Deficit - Ending..... | (19,800) ===== | 0 ===== |
| Net Loss Per Share Before and After Extraordinary Item (Based on Shares Outstanding of 520,496,750)..... | \$ (.000038) ===== | \$ 0 ===== |

</TABLE>

See accountants' report and notes to financial statements

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ARCHER SYSTEMS LIMITED, INC.
(A Development Stage Company)

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended April 30, 1999 and Period Ended December 13, 1998

<TABLE>

<CAPTION>

| | For the Period From Reactivation From Dormancy December 14, 1998 Thru April 30, 1999 ----- | For the Period From Inception March 19, 1986 To Reactivation From Dormancy December 13, 1998 (Unaudited) ----- |
|---|--|---|
| <S> | <C> | <C> |
| Cash Flows From Operations | | |
| Net Loss After Extraordinary..... | \$ (19,800) | \$ 0 |
| Adjustments to Reconcile Net Increase to Net Cash Provided by Operations | | |
| Increase in Current Assets | (200) | 0 |
| Increase in Current Liabilities..... | 20,000 ----- | 0 ----- |
| Net Cash Provided by Operations..... | 0 | 0 |
| Cash Balance Beginning of Year..... | 0 ----- | 0 ----- |
| Cash Balance End of Year..... | \$ 0 ===== | \$ 0 ===== |

</TABLE>

See accountants' report and notes to financial statements

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ARCHER SYSTEMS LIMITED, INC.
(A Development Stage Company)

STATEMENT OF STOCKHOLDER'S EQUITY (DEFICIENCY)

For the period from inception (March 19, 1986) through December 14, 1998
(Unaudited) and April 30, 1999

<TABLE>
<CAPTION>

| | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital (Deficiency) | Retained Earnings (Deficit) |
|--|------------------------|------------------------|--|-----------------------------------|
| <S> | <C> | <C> | <C> | <C> |
| Balance, Inception March 19, 1986 No Par..... | 100 | \$ 0 | \$ 0 | \$ 0 |
| June 1986 Cancellation of No Par Stock..... | (100) | 0 | 0 | 0 |
| Authorization of 600,000,000 shares, \$.0001 | | | | |

| | | | | |
|--|-------------|----------|------------|------------|
| Par Value and Issuance for Investment all shares of Computer Technology International Inc., as of June 1986..... | 520,496,750 | 52,050 | (52,050) | 0 |
| Balance, December 14, 1998..... | 520,496,750 | 52,050 | (52,050) | 0 |
| Net Loss for Reactivation Period December 14, 1998 to April 30, 1999..... | 0 | 0 | 0 | (19,800) |
| Balance, April 30, 1999..... | 520,496,750 | \$52,050 | \$(52,050) | \$(19,800) |

</TABLE>

See accountants' report and notes to financial statements

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Archer Systems Limited, Inc.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENT
April 30, 1999

Note 1 - Organization and Summary of Significant Accounting Policies

- A. Organization: Archer Systems Limited, Inc. was incorporated on March 19, 1986, under the laws of the State of Delaware. The Company was established by Archer Limited, a foreign corporation based in London, England which is no longer in existence. The Company adopted a fiscal year ending, April 30.

The Company was organized to acquire the name and all the common stock of a publicly traded computer related technology company. The Company exchanged common stock on a one for one basis for the shares of the computer technology company. On December 14, 1998, the Company sold the name of Computer Technology International, Inc. to an individual for \$200.

Archer Systems Limited, Inc. intends to acquire, develop and/or operate Internet and Technology related companies through majority owned subsidiaries or investment in other internet companies through venture capital arrangements. At the present time, the Company has not submitted any proposals for potential acquisition.

Because of the speculative nature of the Company, there are significant risks which are summarized as follows:

- Newly formed company has no operating history and minimal assets.
- Limited funds available for acquisitions.
- Management is inexperienced and offers limited time commitment.
- Conflict-of-interest, as all employees have other part-time or full-time employment.
- The Company is considered to be in the development stage as defined in the Statement of Financial Accounting Standards No. 7.

There have been no operations since incorporation.

- B. The preparation of financial statements in conformity with generally accepted principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

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Archer Systems Limited, Inc.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENT
April 30, 1999

- C. Method of Accounting: The financial statements have been prepared in accordance with the accrual basis method of accounting. Under this method of accounting, income and expenses are identified with specific periods of time and are recorded as earned or incurred without regard to date of receipt or disbursements of cash.
- D. Earnings Per Share: Computed by dividing the net loss by the weighted average number of shares outstanding during the year. Common stock warrants attached to the predecessor Computer Technology, Inc. shares expired prior to 1986, 15 months after issuance. They are excluded from the earnings per share computation because of their expiration date as well as their anti-dilutive effect on the loss per share if there were such common stock equivalents.

Note 2 - Stockholders' Equity

Incorporation Shares: Upon incorporation, the Company had authorized 100 shares of common stock, no par value.

In June 1986, the company's officers approved a change in the authorized shares from 100 shares of common stock, no par value, to 600,000,000 shares of common stock, \$.0001 par value. The increase in authorized shares was ratified by the majority stockholder and directors on December 14, 1998.

In June 1986, the Company exchanged 520,496,750 shares of common stock of the Company for all the issued and outstanding common shares, on a one for one basis, of Computer Technology International, Inc. (see Note #1A).

Note 3 - Subsequent Events - Related Party Sublease and Administration

As of June 1, 1999, the Company now shares office space at 75 Lincoln Highway, Iselin, New Jersey. The space is leased by GRQ Financial, Inc. which is solely owned by Richard J. Margulies, President of the Company. No rent is presently charged to the Company by GRQ Financial, Inc. and no formal lease exists between GRQ Financial, Inc. and Company. The fair market value of donated rent and administrative costs assumed by GRQ Financial, Inc. are represented by the related party to accrue to \$600 per month.

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EXHIBIT INDEX

<TABLE>
<CAPTION>

| Exhibit No | Description | Page |
|------------|--|------|
| ----- | ----- | ---- |
| <S> | <C> | <C> |
| 3 (a) | Certificate of Incorporation of Company filed with the Secretary of State of Delaware on March 19, 1986. | 2 |
| 3 (a) (1) | Certificate for renewal and revival of Charter of the company filed with the Secretary of State Division of Corporations on December 2, 1998. | 3 |
| 3 (a) (2) | Certificate of Amendment of the Certificate of Incorporation of Archer Systems Limited, Inc. filed with the Secretary of State Division of Corporation on February 22, 1999. | 4 |
| 3 (a) (3) | Certificate of Correction to Certificate of Amendment of the Certificate of Incorporation of Archer Systems Limited Inc. filed February 22, 1999 with the Secretary of State Division of Corporations. | 5 |
| 3 (b) | Copy of the by-laws of the Company. | 6 |
| 4 (a) | Specimen Stock Certificate | 18 |
| 27 | Financial Data Schedule | |

</TABLE>

CERTIFICATE OF INCORPORATION
of
ARCHER SYSTEMS LIMITED, INC.

FIRST. The name of this corporation is ARCHER SYSTEMS LIMITED, INC.

SECOND. Its registered office in the State of Delaware is to be located at _____ 725 Market Street _____ in the _____ City of Wilmington county of _____ New Castle _____ The registered agent in charge thereof is _____ The Company Corporation _____ at _____ same as above _____ .

THIRD. The nature of the business and, the objects and purposes to be transacted, promoted and carried on, are to do any or all the things herein mentioned, as fully and to the same extent as natural persons might or could do, and in any part of the world, viz:

"The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware."

FOURTH. The amount of the total authorized capital stock of the corporation is _____ 100 _____ shares of _____ No _____ Par Value.

FIFTH. The name and mailing address of the incorporator is as follows:
NAME: ADDRESS: _____ MARSHA MILLS _____ 725 MARKET ST., WILMINGTON, DE 19801

SIXTH. The powers of the incorporator are to terminate upon filing of the certificate of incorporation, and the name(s) and mailing address(s) of persons who are to serve as director(s) until the first annual meeting of stockholders or until their successors are elected and qualify are as follows: Name and address of director(s) ARCHER LIMITED, 23 COLLEGE HILL, LONDON EC4R 2RD

SEVENTH. The Directors shall have the power to make and to alter or amend the By-Laws; to fix the amount to be reserved as working capital, and to authorize and cause to be executed, mortgages and liens without limit as to the amount, upon the property and franchise of the Corporation.

With the consent in writing, and pursuant to a vote of the holders of a majority of the capital stock issued and outstanding, the Directors shall have the authority to dispose, in any manner, of the whole property of this corporation.

The By-Laws shall determine whether and to what extent the accounts and books of this corporation, or any of them shall be open to the inspection of the stockholders; and no stockholder shall have any right of inspecting any account, or book or document of this Corporation, except as conferred by the law or the By-Laws, or by resolution of the stockholders.

The stockholders and directors shall have power to hold their meetings and keep the books, documents and papers of the Corporation outside of the State of Delaware, at such places as may be from time to time designated by the By-Laws or by resolution of the stockholders or directors, except as otherwise required by the laws of Delaware.

It is the intention that the objects, purposes and powers specified in the Third paragraph hereof shall, except where otherwise specified in said paragraph, be nowise limited or restricted by reference to or inference from the terms of any other clause or paragraph in this certificate of incorporation, but that the objects, purposes and powers specified in the Third paragraph and in each of the clauses or paragraphs of this charter shall be regarded as independent objects, purposes and powers.

I, THE UNDERSIGNED, for the purpose of forming a Corporation under the laws of the State of Delaware, do make, file and record this Certificate and do certify that the facts herein are true; and I have accordingly hereunto set my hand.

DATED AT: 3/19/86
State of Delaware
County of New Bath

/s/Marsha Mills

CERTIFICATE FOR RENEWAL AND REVIVAL OF
CHARTER OF

ARCHER SYSTEMS LIMITED, INC.

Archer System Limited, Inc., a corporation organized under the laws of Delaware, the Certificate of Incorporation of which was filed in the office of the Secretary of State on the 19th day of March, 1986, and recorded in the office of the Recorder of Deeds for Kent, County, the charter of which was voided for non-payment of taxes, now desires to procure a restoration, renewal and revival of its charter, and hereby certifies as follows:

[1] The name of the Corporation is:

ARCHER SYSTEMS LIMITED, INC.

[2] Its registered office in the State of Delaware is located at 15 East North Street, Dover, Delaware, 19901, County of Kent, and the names of its registered agent is Incorporating Services, Ltd., at that address.

[3] The date when the restoration, renewal and revival of the charter of the Corporation is to commence is the 28th day of February, 1989, same being prior to the date of the expiration of the charter. This renewal and revival of the charter of the Corporation is to be perpetual.

[4] The Corporation was duly organized and carried on the business authorized by its charter until the 1st day of March, 1989, A.D., at which time its charter became inoperative and void for non-payment of taxes and this certificate for renewal and revival is filed by authority of the duly elected directors of the Corporation in accordance with the Laws of the State of Delaware.

IN TESTIMONY WHEREOF, and in compliance with the provisions of Section 312 of the General Corporation Law of the State of Delaware, as amended, providing for the renewal, extension and restoration of charters, the last and acting President of Archer Systems Limited, Inc., have hereunto set their hands to this certificate on this 2nd day of December, 1998.

/s/Richard J. Margulies
Richard J. Margulies
Last and Acting President

CERTIFICATE OF AMENDMENT OF
THE CERTIFICATE OF INCORPORATION OF
ARCHER SYSTEMS LIMITED, INC.

Pursuant to Section 242 of the Delaware Code, as amended

WE, THE UNDERSIGNED, Richard J. Margulies and Walter J. Krzanowski, being the President and the Secretary, respectively, of Archer Systems Limited, Inc., a corporation organized and existing by virtue of the General Corporation Law of the State of Delaware, do hereby certify and set forth:

FIRST: That at a meeting of the Board of Directors of Archer Systems Limited, Inc., duly held and convened on the 14th day of January 1999, resolutions were adopted setting forth a proposed amendment to the Certificate of Incorporation of said Corporation and declaring said amendment advisable. The resolution setting forth the proposed amendment is as follows:

RESOLVED that the Certificate of Incorporation of this Corporation be, and it hereby is, amended by changing the Article thereof numbered Fourth, to read as follows:

FOURTH: The aggregate number of shares of stock which the Corporation shall have the authority to issue is six hundred million (600,000,000) common shares, each being at \$.0001 par value.

IN WITNESS WHEREOF, Archer Systems Limited, Inc., has caused this Certificate to be signed by its President and attested by its Secretary, on this 22nd day of February, 1999.

ARCHER SYSTEMS LIMITED, INC.

By:/s/ Richard J. Margulies

Richard J. Margulies, President

Attested

By:/s/ Walter J. Krzanowski

Walter J. Krzanowski, Secretary

CERTIFICATE OF CORRECTION OF
CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF
INCORPORATION OF ARCHER SYSTEMS LIMITED, INC.
FILED 2/22/1999 WITH THE SECRETARY OF STATE

Pursuant to Section 103 of the Delaware Code, as amended

WE, THE UNDERSIGNED, Richard J. Margulies and Walter J. Krzanowski, being the President and the Secretary, respectively, of Archer Systems Limited, Inc., a corporation organized and existing by virtue of the General Corporation Law of the State of Delaware, do hereby certify and set forth:

FIRST: That the Certificate of Amendment of the Certificate of Incorporation of Archer Systems Limited, Inc., filed February 22, 1999 reflects an incorrect date for the meeting of the Board of Directors and an incorrect date for the adoption of the resolution proposing the amendment.

The correct form of the portion of the instrument adjusted reads as follows:

FIRST: That at a meeting of the Board of Directors of Archer Systems Limited, Inc., duly held and convened on the 14th day of December 1998, resolutions were adopted setting forth a proposed amendment to the Certificate of Incorporation of said Corporation and declaring said amendment advisable. The resolution setting forth the proposed amendment is as follows:

IN WITNESS WHEREOF, Archer Systems Limited Inc., has caused this certificate of correction to be signed by its President and attested by its Secretary, on this 3rd day of June, 1999.

ARCHER SYSTEMS LIMITED, INC.

By:/s/Richard J. Margulies

Richard J. Margulies, President

Attested

By:/s/Walter J. Krzanowski

Walter J. Krzanowski, Secretary

Archer Systems Limited, Inc.

* * * * *

BY - LAWS

* * * * *

ARTICLE I

OFFICES

Section 1. The registered office is 15 East North Street, Dover, Delaware, 19901, County of Kent with its principal office at 75 Lincoln Highway Route 27, Iselin, NJ 08830.

Section 2. The corporation may also have offices at such other places both within and without the State of New Jersey as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETING OF STOCKHOLDERS

Section 1. All meetings of the stockholders for the election of directors shall be held in the State of New Jersey at such place as may be fixed from time to time by the board of directors, or at such other place either within or without the State of New Jersey as shall be designated from time to time by the board of directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of New Jersey, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders, commencing with the year 2000, shall be held on the 1st day of May, if not a legal holiday, and if a legal holiday, then on the next secular day following, at 1 P.M., or at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than three nor more than sixty days before the date of the meeting.

Section 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than three nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of 51% of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been.

transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 10. Unless otherwise provided in the certificate of incorporation each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

At all elections of directors of the corporation each stockholder having voting power shall be entitled to exercise the right of cumulative voting as provided in the certificate of incorporation.

Section 11. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be give to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS

Section 1. The number of directors, which shall constitute the whole board, shall be neither less than one (1) nor more than eight (8). The first board shall consist of one (1) director. Thereafter, within the limits above specified, the number of directors shall be determined by resolution of the board of directors or by the stockholders at the annual meeting. The directors shall be elected at the annual meeting of the stockholders, except

as provided in Section 2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 3. The business of the corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of New Jersey.

Section 5. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice give as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board may be called by the president on one days notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors unless the board consists of only one director; in which case special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the sole director.

Section 8. At all meetings of the board of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meetings at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws of the corporation; and, unless, the resolution or the certificate of incorporation so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 12. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 13. Unless otherwise restricted by the certificate of incorporation or these by-laws, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

REMOVAL OF DIRECTORS

Section 14. Unless otherwise restricted by the certificate of incorporation or by law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE V

OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice-president, a secretary and a treasurer. The board of directors may also choose additional vice-presidents,

and one or more assistant.

secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these by-laws otherwise provides.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a president, one or more vice-presidents, a secretary and a treasurer.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the stockholders and the board of directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or gent of the corporation.

THE VICE-PRESIDENTS

Section 8. In the absence of the president or in the event of inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, the in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as

the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety of sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever

kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors or if there be no such determination, then in the order of their election, shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI

CERTIFICATE OF STOCK

SECTION 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the chairman or vice-chairman of the board of directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue or represent such class or series of stock, provided that, except as otherwise provided in the General Corporation Law of Delaware, in lieu of the fore-going requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Any of or all the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were

such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates therefore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorized such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, requires the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFER OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

FIXING RECORD DATE

Section 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting: provided, however, that the board of directors may fix a new record for the adjourned meeting.

REGISTERED STOCKHOLDERS

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directions may modify or abolish any such reserve in the manner in which it was created.

ANNUAL STATEMENT

Section 3. The board of directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 5. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

INDEMNIFICATION

Section 7. The corporation shall indemnify its officers, directors, employees and agents to the extent permitted by the General Corporation Law of Delaware.

ARTICLE VIII

AMENDMENTS

Section 1. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the stockholders or by the board of directors, when such power is conferred upon the board of directors by the certificate of incorporation at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new by-laws be contained in the notice of such special meeting. If the power to adopt, amend or repeal by-laws is conferred upon the board of directors by the certificate of incorporation is shall not divest or limit the power of the stockholders to adopt, amend or repeal by-laws.

By:/s/Richard J. Margulies
Richard J. Margulies
Chairman of the Board
President

Date: December 14, 1998

COMMON

STOCK
SEE REVERSE FOR

CERTAIN

DEFINITIONS

ARCHER SYSTEMS LIMITED, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

NU

CUSIP 039507 10 8

FULLY PAID AND NON-ASSESSABLE SHARES, OF THE PAR VALUE OF \$.0001 EACH, OF THE
COMMON STOCK OF ARCHER SYSTEMS LIMITED, INC.

transferable on the books of the Corporation by the holder hereof in person
or by duly authorized attorney upon surrender of this certificate properly
endorsed. This certificate is not valid unless countersigned by the Transfer
Agent. WITNESS the facsimile seal of the Corporation and the facsimile
signatures of its duly authorized officers.

DATED:

Secretary

President

18

CERTIFICATE FEE \$5.00

The following abbreviations, when used in the inscription on the face of
this certificate, shall be construed as though they were written out in full
according to applicable laws or regulations:

| | |
|---|---|
| TEN COM - as tenants in common | UNIF GIFT MIN ACT - _____ Custodian _____ |
| TEN ENT - as tenants by the entireties | (Cust) (Minor) |
| JT TEN - as joint tenants with right of survivorship and not as tenants in common | under Uniform Gifts to Minors Act _____ (State) |

Additional abbreviations may also be used through not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

_____ Shares
of the capital stock represented by the within Certificate, and do hereby
irrevocably constitute and appoint

_____ Attorney
to transfer the said stock on the books of the within named Corporation with
full power of substitution in the premises.

Dated _____

NOTICE: _____
The signature of this assignment must correspond with
the name as written upon the face of the Certificate in
every particular, without alteration or enlargement or any
change whatever.

SIGNATURE(S) GUARANTEED: _____
The signature(s) must be guaranteed by an eligible guarantor institution
(Bank, Stockbrokers, Savings and Loan Associations and Credit Unions with
Membership in an approved signature Guarantee Medallion program), pursuant to
S.E.C. Rule 17Ad-15.

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