

CERTIFICATE OF INCORPORATION

FIRST: The name of the corporation is: NYDS Acquisition Corp. *changed 20-7-88*

SECOND: Its principal office in Puerto Rico is located at:
Plaza Scotiabank, Sixth floor, 273 Ponce de León Avenue, Hato
Rey, Puerto Rico 00917. *extended 16 Nov 1994*

Its Resident Agent is: Mr. Fernando Goyco, 6th Floor
Plaza Scotiabank, 273 Ponce de León Ave., Hato Rey, P. R. 00917.

THIRD: The incorporators are:

<u>Name</u>	<u>Address</u>
Carmen Vasallo	Plaza Scotiabank, 6th Floor 273 Ponce de León Avenue Hato Rey, Puerto Rico
Orlando Ocasio	"
Rómulo Ortiz	"

FOURTH: The corporation is organized for pecuniary/profit,
is to have perpetual existence, and its business, objects and
purposes are: to operate a chain of retail department stores. *6*

In furtherance and not in limitation of the powers
conferred by law, the corporation shall have the following
powers:

A. To take all action whatsoever which may be necessary or appropriate to promote its business, including, without limitation, the development and exploitation of commercial and industrial techniques, processes and operations; the collection, evaluation and exchange of information in the fields of economics, industry, business, invention and finance, and the licensing of inventions, developments, techniques and processes, whether or not protected by letters patent.

B. To purchase or otherwise acquire, apply for, obtain, register, lease, take as licensee, maintain, protect, hold, use, own, develop, manufacture under, sell and otherwise dispose of, grant as licensor, assign, and generally deal with trademarks, trade names, patents, franchises, designs, copyrights, and rights analogous thereto.

C. To purchase or otherwise acquire, hold, own, administer, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of any of the shares of capital stock or any voting trust certificates in respect of such shares, scrip, warrants, rights, bonds, debentures, notes, trust receipts and other securities, obligations, choses in action and evidences of indebtedness issued or created by any corporation, joint stock company, syndicate, association, firm, trust or person, public or private, or by the Government of the United States, the Government of Puerto Rico, or any foreign government, or by any state, territory, province, municipality or other political subdivision thereof or by any governmental agency thereof, and as owner thereof to exercise all rights,

edness created by, or guarantee dividends of a certain amount per share in liquidation of the capital stock of, or otherwise assist financially or in any other manner, any corporation, company, partnership, trust, association or person, in furtherance of the business of this corporation; and in connection therewith, to take as collateral security, or otherwise deal with any and all kinds of personal and real property.

I. To purchase, hold, sell and transfer the shares of its own capital stock; provided that it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law, and provided further that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

J. To undertake, conduct, assist, promote and participate in every kind of commercial, industrial, manufacturing or mercantile enterprise, business, undertaking, venture or operation permitted to a corporation of this character.

K. To transact any other lawful business, and take any action which is calculated directly or indirectly to enhance the value of or render profitable any of the corporation's business, property or rights, or which may be necessary, proper or convenient for the accomplishment of any of the purposes, or the attainment of any of the objects, or the furtherance of any of the powers hereinbefore set forth, or which is incidental to

powers and privileges of ownership, including the right to execute consents and vote thereon, and to take all action necessary or advisable for the preservation, protection and enhancement in value thereof.

D. To purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of personal property of every class and description.

E. To purchase or otherwise acquire, lease, use and sell or otherwise dispose of, mortgage, encumber and exploit real property, and to erect buildings and other structures on such property, provided that the corporation may not engage in the business of buying and selling real property in Puerto Rico, and subject in all other respects to the limitations of Section 14, Article VI of the Constitution of the Commonwealth of Puerto Rico.

F. To enter into, make, perform and carry out contracts and obligations of every kind with any natural or juridical person or governmental body, foreign or domestic.

G. To borrow money and enter into all kinds of contracts and obligations for the financing of the business of the corporation; to issue its bonds, notes, debentures, or other evidences of indebtedness, and to secure the same by mortgage, pledge, conveyance or assignment in trust, or any other form of security, of any or all of its property, whether at that time owned or later acquired.

H. To loan money to, act as guarantor for or as surety on, the bonds, notes, debentures or other evidences of

or connected with the aforesaid business or power, so far as permitted by law so to do, and to do any and all of the things hereinbefore set forth throughout the world, as principal for its own account and in its own name, as joint venturer or partner with others, as agent, attorney-in-fact, factor, dealer, commission merchant or broker for and in the name of others, or in any other capacity whatsoever.

The foregoing clauses shall be construed both as objects and powers, but no recitation, expression or declaration of specific or special powers or purposes herein enumerated shall be deemed to be exclusive; and all other lawful powers not inconsistent therewith are hereby included.

FIFTH: The management of the business of the corporation shall be vested in a Board of Directors, the number of which shall be determined under the By-Laws, but must never be less than three. Directors shall be elected annually by the stockholders, and shall hold office until their successors are elected and qualified. Directors need not be stockholders, and their election need not be by ballot unless the By-laws so require. Meetings of the Board may be held outside Puerto Rico.

In furtherance and not in limitation of its powers, the Board of Directors is authorized:

(a) To make, alter, or repeal by By-laws of the Corporation, subject to the power of the stockholders to alter or repeal the By-laws made by the Board of Directors.

(b) To determine to what extent and at what times and places and under what conditions the accounts and books and

documents of the corporation shall be open to inspection by the stockholders, or by any other person.

(c) To authorize and issue obligations of the corporation, secured or unsecured, and to include therein such provisions as to redeemability, convertibility or otherwise, as the Board of Directors in its sole discretion may determine, and to authorize the mortgaging or pledging of, and to authorize and cause to be executed mortgages and liens upon, any property of the Corporation, real or personal, including after-acquired property.

(d) To determine whether any, and if any what part, of the net profits of the corporation or of its net assets in excess of its capital shall be declared in dividends and paid to the stockholders, and to direct and determine the use and disposition thereof.

(e) To set apart a reserve or reserves, and to abolish any such reserve or reserves, or to make such other provisions, if any, as the Board of Directors may deem necessary or advisable for working capital, for additions, improvements and betterments to plant and equipment, for expansion of the business of the Corporation (including the acquisition of real and personal property for that purpose), and for any other business purpose.

(f) To establish bonus, profit-sharing, pension, thrift, and other types of incentive, compensation or retirement plans for the officers and employees, including officers and employees who are also directors of the corporation, and to fix

the amounts of profits to be distributed or shared or contributed and the amounts of the corporation's funds otherwise to be devoted thereto, and to determine the persons to participate in any such plans and the amounts of their respective participations.

(g) To issue, or grant options for the purchase of, shares of stock of the Corporation to employees (including officers and directors) of the Corporation and its subsidiaries, for such consideration and on such terms and conditions as the Board of Directors may, from time to time, determine.

(h) To designate one or more committees, each committee to consist of two or more of the directors of the corporation which to the extent provided in a resolution or resolutions or in the By-laws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation. Such committee or committees shall have such name or names as may be stated in the By-laws of the corporation or as may be determined from time to time by resolution accepted by the Board of Directors.

(i) To exercise all the powers of the Corporation, except such as are conferred by law, or by this Certificate of Incorporation, or by the By-laws of the Corporation, upon the stockholders.

SIXTH: No contract or other transaction between the Corporation and any other corporation, whether or not such other corporation is related to the Corporation through the direct or

indirect ownership by such other corporation of a majority of the shares of the capital stock of the Corporation, or by the Corporation of a majority of the shares of the capital stock of such other corporation, and no other act of the Corporation, shall, in the absence of fraud or misconduct, be affected or invalidated by the fact that any of the directors of the Corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation, or by the fact that such other corporation is so related to the Corporation. Any director of the Corporation, individually, or any firm or association of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, provided the fact that he individually, or such firm or association, is so interested, and the extent of such interest, shall be disclosed to the Board of Directors. Any director of the Corporation who is also a director or officer of such other corporation, or who is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors which shall authorize any such contract or transaction.

SEVENTH: Any director of the corporation shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the corporation, including the books of account, reports made to the corporation by its officials, and reports or opinions rendered by certified public accountants, appraisers and counsel.

EIGHTH: Each director or officer of the Corporation (and

each director or officer of any other corporation serving as such at the request of the Corporation because of the Corporation's interest in such other corporation) whether or not then in office, shall be indemnified by the Corporation against all costs and expenses reasonably incurred by or imposed upon him in connection with any claim, lawsuit or proceeding in which he may be involved or to which he may be made party by reason of his being or having been a director or officer of the Corporation, or of such other corporation, except for matters as to which he shall be held liable by a Court or similar authority for negligence or misconduct in the performance of his duties. In case of settlement of any such claim, lawsuit or proceeding, such director or officer shall be indemnified by the Corporation against the cost and expense of such settlement reasonably incurred by or imposed upon him.

The foregoing rights of indemnification shall apply to the heirs, executors, and administrators of any such director or officer of the Corporation or of any other such corporation, and shall not be exclusive of any other rights to which any director or officer (or his heirs, executors or administrators) may be entitled under any provision of the By-laws of the Corporation, any agreement or any vote of the stockholders, or as a matter of law, or otherwise.

NINTH: The minimum amount of capital with which the corporation will commence business is one thousand dollars.

The authorized capital is \$1,000,000 divided into 10,000 shares of common stock of a par value of 100.00 each.

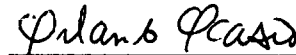
After an initial issue of shares, the stockholders shall have preemptive rights to acquire future issues of stock in proportion to their holdings.

TENTH: The Corporation reserves the right to amend this Certificate of Incorporation by repealing or changing any provision or by adding other provisions, and all rights and powers herein conferred are granted subject to this reservation.

IN WITNESS WHEREOF, we subscribe this Certificate, this 25th day of May, 1988, at San Juan, Puerto Rico.



Carmen Vasallo



Orlando Ocasio

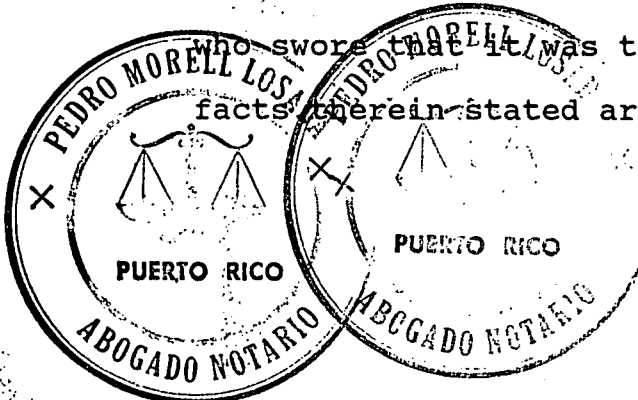


Romulo Ortiz

Affidavit Number: 1778

Sworn and subscribed before me by Carmen Vasallo, of legal age, single, proprietor and resident of Guaynabo, Puerto Rico; Orlando Ocasio, of legal age, married, proprietor and resident of Rio Piedras, Puerto Rico and Rómulo Ortiz, of legal age, single, proprietor and resident of Cataño, Puerto Rico, all personally known to me, on the date and place indicated above,

who swore that it was their respective act and deed, and that the facts therein stated are true.





NOTARY



Commonwealth of Puerto Rico
DEPARTMENT OF STATE
San Juan, Puerto Rico 00904

June 30, 1988

Brown Newson & Córdova
Scotiabank
6th Floor
Suite 600
Hato Rey, Puerto Rico

Sir:

This will advise you that on **May 25, 1988**, at
8:10 a.m., there was filed and recorded in this Department a
Certificate of Incorporation of

NYDS ACQUISITION CORP.

a corporation organized under the laws of Puerto Rico, file number
69,893.

Herewith please find form number 25 for filing of first corpora-
tion Annual Report, not later than April 15, **1989**, accordingly to
our General Corporation Law, as ammended Article 1301 (14 PRLA, Sec.
2301).

Penalties shall be impose for failure to file such report (14 PRLA,
Sec. 2302).

Cordially yours,

Isabel Correa de Rivas
Acting Director
Corporation Division

ICDR/mlh
D-1570449 - \$101.00