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

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 1, 2001

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-1088

KELLY SERVICES, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	38-1510762
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

999 WEST BIG BEAVER ROAD, TROY, MICHIGAN 48084

(Address of principal executive offices)
(Zip Code)

(248) 362-4444

(Registrant's telephone number, including area code)

No Change

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

At August 3, 2001, 32,345,486 shares of Class A and 3,494,209 shares of Class B common stock of the Registrant were outstanding.

KELLY SERVICES, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

STATEMENTS OF EARNINGS
(UNAUDITED)
(In thousands of dollars except per share data)

	13 Weeks Ended		26 Weeks Ended	
	July 1, 2001	July 2, 2000	July 1, 2001	July 2, 2000
Sales of services	$ 1,066,255	$ 1,106,740	$ 2,153,453	$ 2,186,809
Cost of services	887,936	909,731	1,793,760	1,801,826
Gross profit	178,319	197,009	359,693	384,983
Selling, general and administrative expenses	167,448	160,342	340,647	321,748
Earnings from operations	10,871	36,667	19,046	63,235
Interest (expense) income, net	(101)	(167)	(276)	120
Earnings before income taxes	10,770	36,500	18,770	63,355
Income taxes	4,310	14,675	7,510	25,470
Net earnings	$ 6,460	$ 21,825	$ 11,260	$ 37,885
Earnings per share:				
Basic	$ .18	$ .61	$ .31	$ 1.06
Diluted	.18	.61	.31	1.06
Average shares outstanding (thousands):				
Basic	35,834	35,714	35,799	35,709
Diluted	35,919	35,779	35,908	35,777
Dividends per share	$ .25	$ .25	$ .50	$ .49

See accompanying Notes to Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

BALANCE SHEETS AS OF JULY 1, 2001 AND DECEMBER 31, 2000
(In thousands of dollars)

ASSETS	2001 (UNAUDITED)	2000
CURRENT ASSETS:		
Cash and equivalents	$ 67,252	$ 43,318
Short-term investments	1,314	2,394
Accounts receivable, less allowances of $13,166 and $13,614, respectively	581,898	631,771
Prepaid expenses and other current assets	25,371	24,903
Deferred taxes	51,532	52,209
Total current assets	727,367	754,595
PROPERTY AND EQUIPMENT:		
Land and buildings	57,217	44,971
Equipment, furniture and leasehold improvements	273,359	253,666
Accumulated depreciation	(114,577)	(97,552)
Total property and equipment	215,999	201,085
INTANGIBLES AND OTHER ASSETS	123,944	133,896
TOTAL ASSETS	$ 1,067,310	$ 1,089,576

LIABILITIES & STOCKHOLDERS' EQUITY	2001	2000
CURRENT LIABILITIES:		
Short-term borrowings	$ 45,138	$ 57,839
Accounts payable	68,249	69,375
Payroll and related taxes	241,567	234,807
Accrued insurance	59,427	55,272
Income and other taxes	42,458	48,814
Total current liabilities	456,839	466,107
STOCKHOLDERS' EQUITY:		
Capital stock, $1.00 par value		
Class A common stock, shares issued 36,608,540 at 2001 and 36,609,040 at 2000	36,609	36,609
Class B common stock, shares issued 3,507,326 at 2001 and 3,506,826 at 2000	3,507	3,507
Treasury stock, at cost		
Class A common stock, 4,263,275 shares at 2001 and 4,363,578 shares at 2000	(82,315)	(84,251)
Class B common stock, 13,017 shares at 2001 and 12,817 shares at 2000	(376)	(371)
Paid-in capital	16,871	16,371
Earnings invested in the business	668,747	675,388
Accumulated foreign currency adjustments	(32,572)	(23,784)
Total stockholders' equity	610,471	623,469
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 1,067,310	$ 1,089,576

See accompanying Notes to Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands of dollars)

	13 Weeks Ended July 1, 2001	13 Weeks Ended July 2, 2000	26 Weeks Ended July 1, 2001	26 Weeks Ended July 2, 2000
Capital Stock				
Class A common stock				
Balance at beginning of period	$ 36,609	$ 36,606	$ 36,609	$ 36,602
Conversions from Class B	-	3	-	7
Balance at end of period	36,609	36,609	36,609	36,609
Class B common stock				
Balance at beginning of period	3,507	3,510	3,507	3,514
Conversions to Class A	-	(3)	-	(7)
Balance at end of period	3,507	3,507	3,507	3,507
Treasury Stock				
Class A common stock				
Balance at beginning of period	(82,498)	(84,888)	(84,251)	(80,538)
Exercise of stock options, restricted stock awards and other	139	96	1,485	1,196
Treasury stock issued for acquisitions	44	-	451	164
Purchase of treasury stock	-	-	-	(5,614)
Balance at end of period	(82,315)	(84,792)	(82,315)	(84,792)
Class B common stock				
Balance at beginning of period	(376)	(248)	(371)	(248)
Purchase of treasury stock	-	(36)	(5)	(36)
Balance at end of period	(376)	(284)	(376)	(284)
Paid-in Capital				
Balance at beginning of period	16,808	16,167	16,371	15,761
Exercise of stock options, restricted stock awards and other	54	45	398	412
Treasury stock issued for acquisitions	9	-	102	39
Balance at end of period	16,871	16,212	16,871	16,212
Earnings Invested in the Business				
Balance at beginning of period	671,247	631,067	675,388	623,564
Net earnings	6,460	21,825	11,260	37,885
Dividends	(8,960)	(8,927)	(17,901)	(17,484)
Balance at end of period	668,747	643,965	668,747	643,965
Accumulated Foreign Currency Adjustments				
Balance at beginning of period	(31,687)	(20,850)	(23,784)	(16,282)
Equity adjustment for foreign currency	(885)	(2,282)	(8,788)	(6,850)
Balance at end of period	(32,572)	(23,132)	(32,572)	(23,132)
Stockholders' Equity at end of period	$ 610,471	$ 592,085	$ 610,471	$ 592,085
Comprehensive Income				
Net earnings	$ 6,460	$ 21,825	$ 11,260	$ 37,885
Other comprehensive income - Foreign currency adjustments	(885)	(2,282)	(8,788)	(6,850)
Comprehensive Income	$ 5,575	$ 19,543	$ 2,472	$ 31,035

See accompanying Notes to Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
(UNAUDITED)
FOR THE 26 WEEKS ENDED JULY 1, 2001 AND JULY 2, 2000
(In thousands of dollars)

	2001	2000
Cash flows from operating activities:		
Net earnings	$ 11,260	$ 37,885
Noncash adjustments:		
Depreciation and amortization	21,447	19,308
Decrease (increase) in accounts receivable, net	37,105	(40,837)
Changes in certain working capital components	14,124	26,345
Net cash from operating activities	83,936	42,701
Cash flows from investing activities:		
Capital expenditures	(23,751)	(24,007)
Acquisition of building	(11,783)	-
Proceeds from sales and maturities of short-term investments	381,416	532,384
Purchases of short-term investments	(380,336)	(532,834)
Decrease (increase) in other assets	5,089	(8,951)
Acquisition of companies, net of cash received	(180)	(1,534)
Net cash from investing activities	(29,545)	(34,942)
Cash flows from financing activities:		
Decrease in short-term borrowings	(12,701)	(2,583)
Dividend payments	(17,874)	(17,460)
Purchase of treasury stock	(5)	(5,650)
Stock options and other	123	57
Net cash from financing activities	(30,457)	(25,636)
Net change in cash and equivalents	23,934	(17,877)
Cash and equivalents at beginning of period	43,318	54,032
Cash and equivalents at end of period	$ 67,252	$ 36,155

See accompanying Notes to Financial Statements.

KELLY SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
(In thousands of dollars)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with Rule 10-01 of Regulation S-X and do not include all the information and notes required by generally accepted accounting principles for complete financial statements. All adjustments, consisting only of normal recurring adjustments, have been made which, in the opinion of management, are necessary for a fair presentation of the results of the interim periods. The results of operations for such interim periods are not necessarily indicative of results of operations for a full year. The unaudited consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the fiscal year ended December 31, 2000 (the 2000 consolidated financial statements).

2. Segment Disclosures

The Company's reportable segments, which are based on the Company's method of internal reporting, are: (1) U.S. Commercial Staffing, (2) Professional, Technical and Staffing Alternatives (PTSA) and (3) International. The following table presents information about the reported sales and earnings from operations of the Company for the 13-week and 26-week periods ended July 1, 2001 and July 2, 2000. Segment data presented is net of intersegment revenues. Asset information by reportable segment is not presented, since the Company does not produce such information internally.

	13 Weeks Ended		26 Weeks Ended	
	2001	2000	2001	2000
Sales:				
U.S. Commercial Staffing	$ 529,660	$ 574,338	$ 1,078,878	$ 1,123,438
PTSA	270,680	260,745	537,170	518,857
International	265,915	271,657	537,405	544,514
Consolidated Total	$ 1,066,255	$ 1,106,740	$ 2,153,453	$ 2,186,809
Earnings from Operations:				
U.S. Commercial Staffing	$ 31,014	$ 45,671	$ 63,040	$ 85,933
PTSA	13,568	16,466	25,952	32,212
International	1,994	7,264	3,571	12,128
Corporate	(35,705)	(32,734)	(73,517)	(67,038)
Consolidated Total	$ 10,871	$ 36,667	$ 19,046	$ 63,235

3. Contingencies

The Company is subject to various legal proceedings, claims and liabilities which arise in the ordinary course of its business. Litigation is subject to many uncertainties, the outcome of individual litigated matters is not predictable with assurance and it is reasonably possible that some of the foregoing matters could be decided unfavorably to the Company. Although the amount of the liability at July 1, 2001 with respect to these matters cannot be ascertained, the Company believes that any resulting liability will not be material to the financial statements of the Company at July 1, 2001.

KELLY SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (continued)
(UNAUDITED)
(In thousands of dollars)

4. Earnings Per Share
The reconciliations of earnings per share computations for the 13-week and 26-week periods ended July 1, 2001 and July 2, 2000 were as follows:

	13 Weeks Ended		26 Weeks Ended	
	2001	2000	2001	2000
Net earnings	$ 6,460	$ 21,825	$ 11,260	$ 37,885
Determination of shares (thousands):				
Weighted average common shares outstanding	35,834	35,714	35,799	35,709
Effect of dilutive securities:				
Stock options	-	-	13	-
Restricted and performance awards and other	85	65	96	68
Weighted average common shares outstanding - assuming dilution	35,919	35,779	35,908	35,777
Earnings per share - basic	$ .18	$ .61	$ .31	$ 1.06
Earnings per share - assuming dilution	$ .18	$ .61	$ .31	$ 1.06

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

Results of Operations:
Second Quarter
Sales of services in the second quarter of 2001 were $1.066 billion, a decrease of 3.7% from the same period in 2000. Sales declined in the U.S. Commercial Staffing segment by 7.8% in the second quarter as compared to last year. Sales declined 6% in April, 8% in May and 9% in June. The trend worsened over the course of the quarter, leading the Company to expect continued negative U.S. Commercial sales comparisons for the third quarter.

Professional, Technical and Staffing Alternatives (PTSA) sales grew collectively by 3.8% compared to last year. Although this is a slight increase over the first quarter PTSA growth rate of 3.1%, individual business unit performance was mixed.

Kelly Staff Leasing (KSL) sales grew over 10% in the second quarter, reflecting a new management team and operational changes in the business. Without this improvement in KSL growth, the overall PTSA growth rate would have been only 2%. In the remainder of PTSA, the slowdown was not uniform across all business units. Kelly Healthcare Resources and Kelly Finance and Accounting Resources had strong sales growth, while the Automotive Services Group and the Kelly Law Registry had lower year-over-year sales in the second quarter.

The impact of unfavorable foreign currency translation on international revenue continues to be significant. Translated U.S. dollar sales in the International segment decreased by 2.1% as compared to the second quarter of 2000. However, on a constant currency basis, international revenue growth was approximately 4%, which reflected slowing from the 7% growth rate in the first quarter.

Cost of services, consisting of payroll and related tax and benefit costs of employees assigned to customers, decreased 2.4% in the second quarter as compared to the same period in 2000.

Gross profit of $178.3 million was 9.5% lower than the second quarter of 2000, and gross profit as a percentage of sales was 16.7% in 2001, which was down from the 17.8% rate in 2000. However, the 16.7% gross profit rate was consistent with the first quarter rate. The gross profit rates of all three of the Company's business segments showed decreases, as compared to last year, primarily due to an ongoing shift in mix of sales to larger customers, combined with decreases in recruitment fee income.

Selling, general and administrative expenses were $167.4 million in the second quarter, an increase of 4.4% over the same period in 2000. Expenses averaged 15.7% of sales in the second quarter of 2001, a 1.2% increase versus the 14.5% rate in 2000. That is an improvement over the $173.2 million or 15.9% of sales in the first quarter of this year. The Company implemented a number of expense reduction initiatives that began to show results during the second quarter.

Earnings from operations of $10.9 million were 70.4% lower than the second quarter of 2000. U.S. Commercial earnings totaled $31.0 million, a decrease of 32.1% compared to earnings of $45.7 million last year. Although U.S. Commercial expenses were held virtually flat versus last year, the 7.8% sales decrease, combined with the decrease in gross profit rate, produced the significant earnings decline.

PTSA earnings totaled $13.6 million, a 17.6% decrease compared to earnings of $16.5 million last year. During the last year, the Company continued to invest heavily in the professional and technical businesses, opening over twenty-five new branches, which impacted the expense rates in the first and second quarters. In addition, recruitment fee income decreased significantly in many business units, which negatively impacted the gross profit rate.

International earnings totaled $2.0 million, down 72.5%, compared to earnings of $7.3 million last year. The strong U.S. dollar significantly weakened both translated sales and profit results. In addition to the currency effects, the continued slowing of staffing demand in Canada, Puerto Rico and Australia further reduced operating results. Operating earnings in the U.K., although still running below last year, showed improvement as compared to the first quarter.

Net interest expense was $101 thousand, a 39.5% improvement compared to last year's net interest expense of $167 thousand. The improvement is primarily attributable to higher cash levels than last year, offset by lower interest rates.

Earnings before income taxes were $10.8 million, a decrease of 70.5%, compared to pretax earnings of $36.5 million earned for the same period in 2000. Income taxes were 40.0% of pretax income in the second quarter of 2001 and 40.2% in the second quarter of 2000.

Net earnings were $6.5 million in the second quarter of 2001, a decrease of 70.4% from the second quarter of 2000. Diluted earnings per share were $.18, a decrease of 70.5% as compared to $.61 in the same period last year.

Year-to-Date

Sales of services totaled $2.153 billion during the first six months of 2001, a decrease of 1.5% from 2000. Sales in the U.S. Commercial Staffing segment declined by 4.0%, while PTSA sales grew by 3.5% compared to last year. International sales declined by 1.3% as compared to the first six months of 2000. The strong U.S. dollar significantly weakened translated sales for the international segment.

Gross profit of $359.7 million was 6.6% lower than the second quarter of 2000, and gross profit as a percentage of sales was 16.7% in 2001, which decreased 0.9% compared to the 17.6% rate recorded last year. This reflected modest decreases in the gross profit rates of all three business segments.

Selling, general and administrative expenses of $340.6 million were 5.9% higher than last year. The expense rate was 15.8% of sales in 2001 and 14.7% in 2000. Compared to last year, increased depreciation and the opening of new professional and technical branches contributed to the increase.

Earnings before taxes were $18.8 million, a decrease of 70.4% from 2000. These earnings averaged a pretax margin of 0.9% in the first six months of 2001 and 2.9% in 2000. Income taxes were 40.0% of pretax earnings in the first six months of 2001 and 40.2% in 2000.

Net earnings were $11.3 million or 70.3% below the first six months of 2000. Basic and diluted earnings per share were $.31, a decrease of 70.8% as compared to $1.06 in the first six months of 2000.

Financial Condition

Assets totaled $1.067 billion at July 1, 2001, a decrease of 2.0% from the $1.090 billion at December 31, 2000. Working capital decreased $18.0 million during the six-month period. The current ratio was 1.6 at July 1, 2001 and December 31, 2000.

During the first six months of 2001, net cash from operating activities was $83.9 million, an increase of 96.6% from the comparable period in 2000. This increase resulted principally from a decrease in the accounts receivable balance offset by a decline in net earnings. The Company's global day's sales outstanding for the second quarter were 50 days in 2001, an improvement of two days over the 52 days reported in 2000.

Capital expenditures for the first six months totaled $23.8 million, consistent with the $24.0 million spent during the same period of 2000. Of the total, over 75% related to information technology investments. Annual capital expenditures are projected to total between $45 to $50 million in 2001.

During the first quarter, the Company acquired a fully leased commercial office building that will be used for future expansion. This transaction was the second leg of a tax-free exchange for undeveloped land the Company initiated in the fourth quarter of 2000. The land was effectively swapped for the building, but in accordance with generally accepted accounting principles, it is shown as a cash acquisition for $11.8 million in the first six months of 2001.

The quarterly dividend rate applicable to Class A and Class B shares outstanding was $.25 per share in the second quarter of 2001.

The Company's financial position continues to be strong. The Company continues to carry no long-term debt and expects to meet its growth requirements principally through cash generated from operations.

Market Risk-Sensitive Instruments And Positions
The Company does not hold or invest in derivative contracts. The Company is exposed to foreign currency risk primarily due to its net investment in foreign subsidiaries. This risk is mitigated by the use of the Company's multi-currency line of credit. This credit facility is used to borrow in local currencies which mitigates the exchange rate risk resulting from foreign currency-denominated net investments fluctuating in relation to the U.S. dollar. In addition, the Company is exposed to interest rate risks through its use of the multi-currency line of credit.

Overall, the Company's holdings and positions in market risk-sensitive instruments do not subject the Company to material risk.

New Accounting Standards
In July 2001, the Financial Accounting Standards Board (FASB) issued Statement No. 141, Business Combinations. Statement 141 requires that the purchase method be used for business combinations initiated after June 30, 2001. The Company does not expect it to have a material impact on the Company's consolidated financial statements.

In July 2001, the FASB issued Statement No. 142, Goodwill and Other Intangible Assets. Statement 142 requires that goodwill no longer be amortized to earnings, but instead be reviewed for impairment. The provisions of this Statement are required to be applied starting with fiscal years beginning after December 15, 2001. This Statement is required to be applied at the beginning of an entity's fiscal year and to be applied to all goodwill and other intangible assets recognized in its financial statements at that date. Impairment losses for goodwill and indefinite-lived intangible assets that arise due to the initial application of this Statement are to be reported as resulting from a change in accounting principle. Goodwill and intangible assets acquired after June 30, 2001, will be subject immediately to the nonamortization and amortization provisions of this Statement. The Company has not completed its determination of the impact that the adoption of this new accounting standard will have on its consolidated financial statements.

Forward-Looking Statements
Except for the historical statements and discussions contained herein, statements contained in this report relate to future events that are subject to risks and uncertainties, such as: competition, changing market and economic conditions, currency fluctuations, changes in laws and regulations, the Company's ability to effectively implement and manage its information technology programs and other factors discussed in the report and in the Company's filings with the Securities and Exchange Commission. Actual results may differ materially from any projections contained herein.

PART II. OTHER INFORMATION AND SIGNATURE

Item 4. Submission of Matters to a Vote of Security Holders.

(a) The annual meeting of stockholders of registrant was held May 14, 2001.

(b) The nominee for director, as listed in the Company's proxy statement dated April 13, 2001, was elected. The directors whose terms of office continued after the meeting are also listed in the proxy statement.

(c) A brief description and the results of the matters voted upon at the meeting follow.

(1) Election of T.E. Adderley as director:

Shares voted "For"	3,325,343
Shares voted "Withhold"	111,498

(2) Ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditors:

Shares voted "For"	3,436,725
Shares voted "Withhold"	116

Item 6. Exhibits and Reports on Form 8-K.

(a) See Index to Exhibits required by Item 601, Regulation S-K, set forth on page 14 of this filing.

(b) No reports on Form 8-K were filed during the quarter for which this report is filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KELLY SERVICES, INC.

Date: August 14, 2001

/s/ William K. Gerber

William K. Gerber

Executive Vice President and
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

INDEX TO EXHIBITS
REQUIRED BY ITEM 601,
REGULATION S-K

Exhibit No.	Description	Document
3	Composite Certificate of Incorporation.	2
4	Rights of security holders are defined in Articles Fourth, Fifth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth and Fifteenth of the Composite Certificate of Incorporation, Exhibit 3.	

Exhibit 3

COMPOSITE
CERTIFICATE OF INCORPORATION
OF
KELLY SERVICES, INC.

ARTICLE FIRST

The name of the corporation is Kelly Services, Inc.

ARTICLE SECOND

Its principal office in the State of Delaware is located at No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name and address of its resident agent is The Corporation Trust Company, No. 100 West Tenth Street, Wilmington, Delaware.

ARTICLE THIRD

The nature of the business, or objects or purposes to be transacted, promoted, or carried on are:

To furnish office, clerical, supervisory and consultant services.

To manufacture, purchase or otherwise acquire, invest in, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with goods, wares and merchandise and personal property of every class and description.

To acquire, and pay for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business of this corporation.

To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds, debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporations, joint stock companies, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To enter into, make and perform contracts of every kind and description with any person, firm, association, corporation, municipality, county, state, body politic or government or colony or dependency thereof.

To borrow or raise moneys for any of the purposes of the corporation and, from time to time, without limit as to amount to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To loan to any person, firm, or corporation any of its surplus funds, either with or without security.

To purchase, hold, sell and transfer the shares of its own capital stock; provided 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.

To operate a private trade school and business school in the State of Michigan after obtaining the necessary license for such operation for the instruction of students in various office skills, including, but not by way of limitation, instruction in the use of various office equipment and machines.

To have one or more offices, to carry on all or any of its operations and business and without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class and description in any of the States, Districts, Territories or Colonies of the United States, and in any and all foreign countries, subject to the laws of such State, District, Territory, Colony or Country.

In general, to carry on any other business in connection with the foregoing, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the General Corporation Law of the State of Delaware, and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The objects and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this certificate of incorporation, but the objects and purposes specified in each of the foregoing clauses of this article shall be regarded as independent objects and purposes.

ARTICLE FOURTH
Division A

(a) The total number of shares of stock which the corporation shall have authority to issue is 110,000,000 shares, the par value of each of the shares is $1.00, amounting in the aggregate to $110,000,000, and the shares are divided into two classes consisting of 100,000,000 shares of Class A Common Stock and 10,000,000 shares of Class B Common Stock.

(b) Each of the 7,021,879 issued shares of Common Stock of the Corporation is hereby reclassified and changed into one and one-half (1-1/2) shares of Class A Common Stock and one-half (1/2) share of Class B Common Stock, provided that no fractional shares of Class A Common Stock or Class B Common Stock shall be issued, but in the case of each holder of issued Common Stock who would otherwise be entitled to a fractional share of Class A Common Stock and Class B Common Stock, the fractional shares shall be combined into a whole share of Class B Common Stock.

Division B

The designations, preferences and relative, participating, optional or other special rights and the qualifications, limitations or restrictions in respect of the shares of each class are as follows:

(a) Dividends. Holders of the Class A Common Stock and the Class B Common Stock shall be entitled to receive dividends, out of funds legally available therefor, when and as declared by the Board of Directors, subject only to the limitations that (1) no cash dividend payable on the shares of the Class B Common Stock shall be declared unless the Board of Directors shall concurrently declare a cash dividend on the shares of the Class A Common Stock at a rate which is not less than the rate of the cash dividend payable on the shares of the Class B Common Stock (but a cash dividend may be declared on the Class A Common Stock without declaring a cash dividend on the Class B Common Stock), and (2) no dividend payable in shares of the Class B Common Stock shall be declared on the Class A Common Stock (but a dividend payable in shares of Class A Common Stock may be declared on the Class A Common Stock or the Class B Common Stock and a dividend payable in shares of Class B Common Stock may be declared on the Class B Common Stock).

(b) Voting Rights. Except on matters where their vote is required by Delaware law, the holders of the Class A Common Stock shall not be entitled to vote on any matter coming before any meeting of stockholders. The holders of the Class B Common Stock shall be entitled to one vote per share upon each matter coming before any meeting of stockholders.

(c) Conversion of Class B Common Stock.

1. Shares of Class B Common Stock shall be convertible, at the option of the respective holders thereof, at any time, into fully paid and non-assessable shares of Class A Common Stock on the basis of one share of Class A Common Stock for each share of Class B Common Stock.

2. No payment or adjustment with respect to dividends on shares of the Class A Common Stock or on the Class B Common Stock shall be made in connection with any conversion of shares of Class B Common Stock into shares of Class A Common Stock.

3. The holders of a certificate or certificates for Class B Common Stock, in order to effect the conversion of shares represented thereby, shall surrender the certificate or certificates to the corporation or to the Transfer Agent for the shares of the Class B Common Stock, with request for conversion. If the shares of the Class A Common Stock issuable upon conversion are to be issued in a name other than that in which the shares of the Class B Common Stock to be converted are registered, the certificate or certificates shall be duly endorsed for transfer or accompanied by a duly executed stock transfer power, and shall also be accompanied by the necessary stock transfer stamps or equivalent funds.

Upon surrender of the certificate or certificates, the corporation shall issue and deliver or cause to be issued and delivered to the person entitled thereto a certificate or certificates for the number of full shares of the Class A Common Stock issuable upon conversion. The corporation shall pay all original issue taxes, if any, payable upon the issue of shares of the Class A Common Stock issued upon any conversion.

The conversion shall be deemed to have been effected on the date of the surrender of the certificate or certificates of shares of the Class B Common Stock, and the person in whose name the certificate or certificates of the shares of the Class A Common Stock issuable upon conversion are to be issued shall be deemed to be the holder of record of the shares as of that date.

4. If there should be any capital reorganization or any reclassification of the Class A Common Stock, the shares of the Class B Common Stock shall thereafter have the right to be converted into the number of shares of stock or other securities or property of the corporation to which outstanding shares of the Class A Common Stock would have been entitled upon the effective date of the reorganization or reclassification. The Board of Directors shall make an appropriate adjustment in the application of the provisions of this paragraph (c) with respect to the conversion rights of the holders of the shares of the Class B Common Stock after the reorganization or reclassification, to the end that the provisions shall be applicable, as nearly as reasonably may be, in respect to any shares or other securities or property thereafter issuable or deliverable upon the conversion of shares of the Class B Common Stock. The provisions of this sub-paragraph shall not apply to a reorganization or reclassification involving merely a subdivision or combination of outstanding shares of the Class A Common Stock.

5. In case the corporation shall be consolidated with or merged into any other corporation or shall sell or transfer its property and business as or substantially as an entirety, then the stock or other securities or other property, including cash, issuable or deliverable in connection with such consolidation, merger or sale in respect of each share of the Class A Common Stock then outstanding, shall thereafter, for the purposes of the conversion rights of the Class B Common Stock, be deemed the equivalent of one share of Class A Common Stock. Upon the exercise of conversion rights, holders of Class B Common Stock shall be entitled to receive on an equivalent basis and at the same rate and on the other terms and conditions set forth in this paragraph (c), the stock or other securities or property, including cash, deemed to be the equivalent of Class A Common Stock. Lawful provisions to this effect shall be made a part of and condition to the consolidation, merger or sale.

6. In case the corporation shall propose (i) to effect any reclassification of the Class A Common Stock or any capital reorganization involving a change in the Class A Common Stock, other than a reclassification or reorganization involving merely a subdivision or combination of outstanding shares of the Class A Common Stock, or (ii) to consolidate with or merger into another corporation, or to sell or transfer its property and business as or substantially as an entirety, then, in each such case, the corporation shall file with each Transfer Agent for the shares of the Class B Common Stock and shall mail to the holders of record of the shares at their respective addresses then appearing on the records of the corporation a statement, signed by an officer of the corporation, with respect to the proposed action, the statement to be so filed and mailed at least 30 days prior to the record date for holders of the Class A Common Stock for the purposes thereof. The statement shall set forth such facts with respect to the proposed action as shall be reasonably necessary to inform each Transfer Agent for the shares of the Class B Common Stock and the holders of those shares as to the effect of the action upon the conversion rights of the holders.

7. The corporation shall at all times have authorized but unissued, or in its treasury, a number of shares of the Class A Common Stock sufficient for the conversion of all shares of the Class B Common Stock from time to time outstanding.

8. In case the shares of the Class A Common Stock or the Class B Common Stock at any time outstanding shall, by reclassification or otherwise, be subdivided into a greater number of shares or combined into a lesser number of shares, the shares of Class B Common Stock or Class A Common Stock, respectively, then outstanding shall, at the same time, be subdivided or combined, as the case may be, on the same basis.

(d) Preemptive Rights. Holders of the Class A Common Stock shall have no preemptive right to subscribe to any securities issued by the corporation. Holders of the Class B Common Stock shall have the preemptive right to subscribe to additional shares of Class B Common Stock, or any other voting stock or any security convertible into Class B Common Stock or other voting stock, hereafter issued by the corporation.

(e) Liquidation Preferences.

1. In the event of dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, holders of the Class A Common Stock and of the Class B Common Stock shall be entitled to payment out of the assets of the corporation ratably in accordance with the number of shares held by them respectively.

2. Neither a consolidation nor a merger of the corporation with or into any other corporation, nor a merger of any other corporation into the corporation, nor the purchase or other acquisition by the corporation of all or a part of the outstanding shares of any class or classes of its stock, nor the sale or transfer of the property and business of the corporation, as or substantially as an entirety, shall be considered a dissolution, liquidation or winding up of the corporation within the meaning of the foregoing provisions.

ARTICLE FIFTH

The business, property and affairs of this corporation shall be managed by a Board of Directors consisting of no fewer than five (5) and no more than nine (9) members, the exact number to be determined from time to time by resolution of the Board of Directors. The directors shall be classified with respect to the term for which they shall severally hold office by dividing them into three classes, as nearly equal in number as may be, the classes to hold office for successive terms of three years, respectively, but all directors of the corporation shall hold office until their successors are elected and qualified. The Board of Directors 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 the by-laws directed or required to be exercised or done by the stockholders.

Newly created directorships resulting from any increase in the authorized number of directors and vacancies in the Board of Directors from death, resignation, retirement, disqualification, removal from office or other cause, shall be filled by a majority vote of the directors then in office, and directors so chosen shall hold office for a term expiring at the annual meeting at which the term of the class to which they shall have been elected expires. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Any director, or the entire Board of Directors, may be removed at any time, but only for cause. The affirmative vote of the holders of 75% of the voting power of all of the stock of this corporation entitled to vote in elections of directors shall be required to remove a director from office. The stockholders of the corporation are expressly prohibited from cumulating their votes in any election of directors of the corporation.

ARTICLE SIXTH

The names and places of residence of the incorporators are as follows:

NAMES	RESIDENCES
L. E. Gray	Wilmington, Delaware
S. M. Brown	Wilmington, Delaware
A. D. Atwell	Wilmington, Delaware.

ARTICLE SEVENTH

By-laws of the corporation may be adopted, amended or repealed by the affirmative vote of a majority of the total number of directors or by the affirmative vote of the holders of 75% of the voting power of all of the stock of this corporation entitled to vote in elections of directors. The by-laws may contain any provision for the regulation and management of the affairs of the corporation and the rights or powers of its stockholders, directors, officers, or employees not inconsistent with the laws of the State of Delaware.

ARTICLE EIGHTH

(a) Except as set forth in paragraph (d) of this Article, the affirmative vote of the holders of 75% of the voting power of all of the stock of this corporation entitled to vote in elections of directors shall be required:

(i) for a merger or consolidation of this corporation or any subsidiary thereof with or into any other corporation, or

(ii) for any sale or lease of all or any substantial part of the assets of this corporation or any subsidiary thereof to any other corporation, person or other entity, or

(iii) for any sale or lease to this corporation or any subsidiary thereof of any assets (except assets having an aggregate fair market value of less than $5,000,000) in exchange for voting securities (or securities convertible into voting securities or options, warrants or rights to purchase voting securities or securities convertible into voting securities) of this corporation or any subsidiary by any other corporation, person or other entity, if as of the record date for the determination of stockholders entitled to notice thereof and to vote thereon the other corporation, person or other entity which is party to the transaction is the beneficial owner, directly or indirectly, of 5% or more in number of shares of the outstanding shares of any class of stock of this corporation entitled to vote in elections of directors.

(b) For purposes of this Article, any corporation, person or other entity shall be deemed to be the beneficial owner of any shares of stock of this corporation,

(i) which it owns directly, whether or not of record; or

(ii) which it has the right to acquire pursuant to any agreement or understanding or upon exercise of conversion rights, warrants or options or otherwise, whether or not presently exercisable; or

(iii) which are beneficially owned, directly or indirectly (including shares deemed to be owned through application of clause (ii) above) by an "affiliate" or "associate" as those terms are defined herein; or

(iv) which are beneficially owned, directly or indirectly by any other corporation, person or entity (including any shares which the other corporation, person or entity has the right to acquire pursuant to any agreement or understanding or upon exercise of conversion rights, warrants or options or otherwise, whether or not presently exercisable) with which it or its "affiliates" or "associates" has any agreement or arrangement or understanding for the purpose of acquiring, holding, voting or disposing of stock of this corporation.

For the purpose of this Article EIGHTH, the outstanding shares of stock of this corporation shall include shares deemed owned through the application of clauses (b)(ii), (iii) and (iv) above, but shall not include any other shares which may be issuable pursuant to any agreement or upon exercise of conversion rights, warrants, options or otherwise.

For the purposes of this Article EIGHTH, the term "affiliate" shall mean any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the corporation, person or other entity. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, or indirectly, of the power to direct or cause the direction of the management and policies of the corporation, person or other entity, whether through the ownership of voting securities, by contract, or otherwise.

For the purposes of this Article EIGHTH, the term "associate" shall mean (1) any corporation or organization (other than this corporation or a majority-owned subsidiary of this corporation) of which the corporation, person or other entity is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities; (2) any trust or other estate in which the corporation, person or other entity has a substantial beneficial interest or as to which the corporation, person or other entity serves as a trustee or in a similar fiduciary capacity; and (3) any relative or spouse of a person, or any relative of a spouse, who has the same home as the person or who is a director or officer of this corporation or any of its subsidiaries.

(c) The Board of Directors shall have the power and duty to determine for the purpose of this Article EIGHTH on the basis of information known to the Board of Directors of this corporation, whether

(i) the other corporation, person or other entity beneficially owns more than 5% in number of shares of the outstanding shares of any class of stock of this corporation entitled to vote in elections of directors;

(ii) a corporation, person or other entity is an "affiliate" or "associate" (as defined in paragraph (b) above) of another; and

(iii) the assets being acquired by this corporation, or any subsidiary thereof, have an aggregate fair market value of less than $5,000,000.

Any such determination shall be conclusive and binding for all purposes of this Article EIGHTH.

(d) The provisions of this Article EIGHTH shall not apply to any merger or other transaction referred to in this Article EIGHTH with any corporation, person or other entity if (1) the Board of Directors of this corporation has approved a memorandum of understanding with the other corporation, person or other entity with respect to the transaction prior to the time that the other corporation, person or other entity shall have become a beneficial owner of more than 5% in number of shares of the outstanding shares of stock of any class of this corporation entitled to vote in elections of directors; or (2) the transaction is otherwise approved by the Board of Directors of this corporation, provided that a majority of the members of the Board of Directors voting for the approval of the transaction were duly elected and acting members of the Board of Directors prior to the time that the other corporation, person or other entity shall have become a beneficial owner of more than 5% in number of shares of the outstanding shares of stock of any class of this corporation entitled to vote in elections of directors. In addition, the provisions of this Article EIGHTH shall not apply to any merger or other transaction referred to in this Article EIGHTH with a subsidiary (which terms shall mean a corporation of which a majority of the outstanding shares of stock entitled to vote in elections of directors is owned by this corporation directly, and/or indirectly through one or more other subsidiaries).

ARTICLE NINTH

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

To fix the amount to be reserved as working capital over and above its capital stock paid in, to authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.

From time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of this corporation (other than the stock ledger), or any of them, shall be open to inspection of stockholders; and no stockholder shall have any right of inspecting any account, book or document of this corporation except as conferred by statute unless authorized by a resolution of the stockholders or directors.

By resolution or resolutions, passed by a majority of the whole board 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 said resolution or resolutions, or in the by-laws of this corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of this corporation, and may have power to authorize the sale of this corporation to be affixed to all papers which may require it. The Committee or committees shall have the name or names as may be stated in the by-laws of this corporation or as may be determined from time to time by resolution adopted by the Board of Directors.

This corporation may, in its by-laws confer powers upon its directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by the statute.

Both stockholders and directors shall have power, if the by-laws so provide, to hold their meetings and to have one or more offices within or without the State of Delaware, and to keep the books of this corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the Board of Directors.

ARTICLE TENTH

Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 3883 of the Revised Code of 1915 of said State, or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 43 of the General Corporation Law of the State of Delaware, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said Court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the Court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

ARTICLE ELEVENTH

The Board of Directors of this corporation, when evaluating any offer of another party to (a) make a tender or exchange offer for any equity security of this corporation; (b) merge or consolidate this corporation with another corporation; or (c) purchase or otherwise acquire all or substantially all of the properties and assets of this corporation, shall, in connection with the exercise of its judgment in determining what is in the best interest of this corporation and its stockholders, give due consideration to such factors as the Board of Directors determined to be relevant, including without limitation, the social, legal, and economic effects of the proposed transaction upon employees, customers, suppliers, and other affected persons, firms and corporations and on the communities in which this corporation and its subsidiaries operate or are located.

ARTICLE TWELFTH

No action required or permitted to be taken at any annual or special meeting of the stockholders of this corporation may be taken without a meeting and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

ARTICLE THIRTEENTH

No director of the corporation shall be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty by such director as a director; provided, however, that this Article THIRTEENTH shall not eliminate or limit liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. The foregoing provisions of this Article THIRTEENTH shall not eliminate the liability of a director for any act or omission occurring prior to the date on which this Article THIRTEENTH becomes effective. No amendment or repeal of this Article THIRTEENTH shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

ARTICLE FOURTEENTH

Special meetings of the stockholders of this corporation for any purpose or purposes may be called at any time by the Board of Directors or by a committee of the Board of Directors which has been duly designated by the Board of Directors and whose powers and authority, as provided in a resolution of the Board of Directors or in the by-laws of this corporation, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

ARTICLE FIFTEENTH

This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding any other provision of the Certificate of Incorporation or the by-laws of this corporation (and in addition to any other vote that may be required by law, this Certificate of Incorporation, or by the by-laws of this corporation), the affirmative vote of the holders of 75% of the voting power of all stock of this corporation entitled to vote in elections of directors shall be required to amend, alter, change, or repeal Article FIFTH, SEVENTH, EIGHTH, NINTH, ELEVENTH, TWELFTH, THIRTEENTH, FOURTEENTH and FIFTEENTH of this Certificate of Incorporation .

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named for the purpose of forming a corporation in pursuance of the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this 26th day of August, A. D. 1952.

s/ L.E. Gray (SEAL)

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s/ S.M. Brown (SEAL)

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s/ A.D. Atwell (SEAL)

As Amended June 20, 1996