

# SENATE BILL No. 926

June 21, 1988, Introduced by Senators V. SMITH and referred to the Committee on Commerce and Technology.

A bill to amend sections 103, 106, 107, 108, 109, 121, 122, 132, 133, 141, 202, 209, 211, 212, 217, 221, 231, 241, 242, 246, 251, 261, 275, 301, 302, 303, 304, 305, 306, 307, 317, 331, 332, 404, 405, 407, 422, 423, 441, 444, 455, 461, 463, 472, 473, 485, 487, 505, 506, 511, 521, 523, 525, 528, 546, 548, 551, 552, 562, 563, 565, 567, 602, 701, 706, 707, 711, 712, 713, 741, 753, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 804, 805, 815, 817, 821, 823, 831, 851, 911, 925, 1023, 1032, 1035, 1041, 1042, and 1062 of Act No. 284 of the Public Acts of 1972, entitled "Business corporation act," sections 132, 212, 707, 711, 911, 1023, and 1062 as amended and section 706 as added by Act No. 407 of the Public Acts of 1982, sections 209, 562, 563, and 565 as amended by Act No. 1 of the Public Acts of 1987, sections 441, 761, and 762 as amended by Act No. 58 of the Public Acts of 1988, and sections 767 and 768 as

amended by Act No. 76 of the Public Acts of 1985, being sections 450.1103, 450.1106, 450.1107, 450.1108, 450.1109, 450.1121, 450.1122, 450.1132, 450.1133, 450.1141, 450.1202, 450.1209, 450.1211, 450.1212, 450.1217, 450.1221, 450.1231, 450.1241, 450.1242, 450.1246, 450.1251, 450.1261, 450.1275, 450.1301, 450.1302, 450.1303, 450.1304, 450.1305, 450.1306, 450.1307, 450.1317, 450.1331, 450.1332, 450.1404, 450.1405, 450.1407, 450.1422, 450.1423, 450.1441, 450.1444, 450.1455, 450.1461, 450.1463, 450.1472, 450.1473, 450.1485, 450.1487, 450.1505, 450.1506, 450.1511, 450.1521, 450.1523, 450.1525, 450.1528, 450.1546, 450.1548, 450.1551, 450.1552, 450.1562, 450.1563, 450.1565, 450.1567, 450.1602, 450.1701, 450.1706, 450.1707, 450.1711, 450.1712, 450.1713, 450.1741, 450.1753, 450.1761, 450.1762, 450.1763, 450.1764, 450.1765, 450.1766, 450.1767, 450.1768, 450.1769, 450.1770, 450.1771, 450.1804, 450.1805, 450.1815, 450.1817, 450.1821, 450.1823, 450.1831, 450.1851, 450.1911, 450.1925, 450.2023, 450.2032, 450.2035, 450.2041, 450.2042, and 450.2062 of the Michigan Compiled Laws; to add sections 301a, 304a, 314, 336, 341a, 342a, 343, 344, 345, 392, 412, 432, 447a, 489, 491a, 492a, 493a, 494, 495, 496, 497, 514, 515a, 541a, 545a, 564a, 564b, 564c, 702, 703a, 724, 735, 754, 772, 773, 773a, 774, 841a, 842a, and 855a; and to repeal certain parts of the act.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Section 1. Sections 103, 106, 107, 108, 109, 121, 122, 132,  
2 133, 141, 202, 209, 211, 212, 217, 221, 231, 241, 242, 246, 251,  
3 261, 275, 301, 302, 303, 304, 305, 306, 307, 317, 331, 332, 404,

1 405, 407, 422, 423, 441, 444, 455, 461, 463, 472, 473, 485, 487,  
2 505, 506, 511, 521, 523, 525, 528, 546, 548, 551, 552, 562, 563,  
3 565, 567, 602, 701, 706, 707, 711, 712, 713, 741, 753, 761, 762,  
4 763, 764, 765, 766, 767, 768, 769, 770, 771, 804, 805, 815, 817,  
5 821, 823, 831, 851, 911, 925, 1023, 1032, 1035, 1041, 1042, and  
6 1062 of Act No. 284 of the Public Acts of 1972, sections 132,  
7 212, 707, 711, 911, 1023, and 1062 as amended and section 706 as  
8 added by Act No. 407 of the Public Acts of 1982, sections 209,  
9 562, 563, and 565 as amended by Act No. 1 of the Public Acts of  
10 1987, sections 441, 761, and 762 as amended by Act No. 58 of the  
11 Public Acts of 1988, and sections 767 and 768 as amended by Act  
12 No. 76 of the Public Acts of 1985, being sections 450.1103,  
13 450.1106, 450.1107, 450.1108, 450.1109, 450.1121, 450.1122,  
14 450.1132, 450.1133, 450.1141, 450.1202, 450.1209, 450.1211,  
15 450.1212, 450.1217, 450.1221, 450.1231, 450.1241, 450.1242,  
16 450.1246, 450.1251, 450.1261, 450.1275, 450.1301, 450.1302,  
17 450.1303, 450.1304, 450.1305, 450.1306, 450.1307, 450.1317,  
18 450.1331, 450.1332, 450.1404, 450.1405, 450.1407, 450.1422,  
19 450.1423, 450.1441, 450.1444, 450.1455, 450.1461, 450.1463,  
20 450.1472, 450.1473, 450.1485, 450.1487, 450.1505, 450.1506,  
21 450.1511, 450.1521, 450.1523, 450.1525, 450.1528, 450.1546,  
22 450.1548, 450.1551, 450.1552, 450.1562, 450.1563, 450.1565,  
23 450.1567, 450.1602, 450.1701, 450.1706, 450.1707, 450.1711,  
24 450.1712, 450.1713, 450.1741, 450.1753, 450.1761, 450.1762,  
25 450.1763, 450.1764, 450.1765, 450.1766, 450.1767, 450.1768,  
26 450.1769, 450.1770, 450.1771, 450.1804, 450.1805, 450.1815,  
27 450.1817, 450.1821, 450.1823, 450.1831, 450.1851, 450.1911,

1 450.1925, 450.2023, 450.2032, 450.2035, 450.2041, 450.2042, and  
 2 450.2062 of the Michigan Compiled Laws, are amended and sections  
 3 301a, 304a, 314, 336, 341a, 342a, 343, 344, 345, 392, 412, 432,  
 4 447a, 489, 491a, 492a, 493a, 494, 495, 496, 497, 514, 515a, 541a,  
 5 545a, 564a, 564b, 564c, 702, 703a, 724, 735, 754, 772, 773, 773a,  
 6 774, 841a, 842a, and 855a are added to read as follows:

7       Sec. 103. This act shall be liberally construed and applied  
 8 to promote its underlying purposes and policies which include:

9       (a) To simplify, clarify, and modernize the law governing  
 10 business corporations.

11       (b) To provide a general corporate form for the conduct OR  
 12 PROMOTION of A lawful business OR PURPOSE with ~~such~~ variations  
 13 and modifications from the form as interested parties in any cor-  
 14 poration may agree upon, subject only to overriding interests of  
 15 this state and of third parties.

16       (c) To give special recognition to the legitimate needs of  
 17 close corporations.

18       Sec. 106. ~~(1) "Capital surplus" means the entire surplus~~  
 19 ~~of a corporation other than its earned surplus.~~

20       (1) ~~(2)~~ "Corporation" or "domestic corporation" means a  
 21 corporation ~~for profit organized~~ FORMED under this act, or  
 22 existing on ~~its effective date~~ JANUARY 1, 1973 and  
 23 ~~theretofore~~ formed under any other statute of this state for a  
 24 purpose for which a corporation may be ~~organized~~ FORMED under  
 25 this act.

1 (2) ~~(3)~~ "Director" means a member of the board of a  
2 corporation, and shall be construed to be synonymous with  
3 "trustee" of a nonprofit corporation.

4 (3) "DISTRIBUTION" MEANS A DIRECT OR INDIRECT TRANSFER OF  
5 MONEY OR OTHER PROPERTY, EXCEPT THE CORPORATION'S SHARES, OR THE  
6 INCURRENCE OF INDEBTEDNESS BY THE CORPORATION TO OR FOR THE BENE-  
7 FIT OF ITS SHAREHOLDERS IN RESPECT TO THE CORPORATION'S SHARES.  
8 A DISTRIBUTION MAY BE IN THE FORM OF A DIVIDEND, A PURCHASE,  
9 REDEMPTION OR OTHER ACQUISITION OF SHARES, A DISTRIBUTION OF  
10 INDEBTEDNESS, OR ANY OTHER DECLARATION OR PAYMENT TO OR FOR THE  
11 BENEFIT OF THE SHAREHOLDERS.

12 Sec. 107. ~~(1) "Earned surplus" means the portion of the~~  
13 ~~surplus of a corporation that represents the accumulated net~~  
14 ~~earnings, gains and profits, after deduction of all losses, that~~  
15 ~~has not been distributed to shareholders as dividends or trans-~~  
16 ~~ferred to stated capital or capital surplus, or applied to other~~  
17 ~~purposes permitted by law, as determined in accordance with sec-~~  
18 ~~tion 381.~~

19 (1) ~~(2)~~ "Foreign corporation" means a corporation for  
20 profit ~~organized~~ FORMED under laws other than the laws of this  
21 state, which includes in its purposes a purpose for which a cor-  
22 poration may be ~~organized~~ FORMED under this act.

23 ~~(3) "Insolvent" means being unable to pay debts as they~~  
24 ~~become due in the usual course of a debtor's business.~~

25 (2) "INDEPENDENT DIRECTOR" MEANS A DIRECTOR WHO MEETS ALL OF  
26 THE FOLLOWING REQUIREMENTS:

(A) WHO IS ELECTED BY THE SHAREHOLDERS.

(B) WHO IS DESIGNATED AS AN INDEPENDENT DIRECTOR BY THE BOARD OR THE SHAREHOLDERS.

(C) WHO HAS AT LEAST 10 YEARS' EXPERIENCE AS A SENIOR EXECUTIVE OR DIRECTOR OF, OR ATTORNEY FOR, A CORPORATION WITH SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, CHAPTER 404, 48 STAT. 881, 15 U.S.C. 78L, OR HAS EQUIVALENT BUSINESS OR FINANCIAL EXPERIENCE.

(D) WHO IS NOT AND DURING THE 3 YEARS PRIOR TO BEING DESIGNATED AS AN INDEPENDENT DIRECTOR HAS NOT BEEN ANY OF THE FOLLOWING:

(i) AN OFFICER OR EMPLOYEE OF THE CORPORATION OR ANY AFFILIATE OF THE CORPORATION.

(ii) ENGAGED IN ANY BUSINESS TRANSACTION FOR PROFIT OR SERIES OF TRANSACTIONS FOR PROFIT, INCLUDING BANKING, LEGAL OR CONSULTING SERVICES, INVOLVING MORE THAN \$10,000.00, WITH THE CORPORATION OR ANY AFFILIATE OF THE CORPORATION.

(iii) AN AFFILIATE, EXECUTIVE OFFICER, GENERAL PARTNER, OR MEMBER OF THE IMMEDIATE FAMILY OF ANY PERSON THAT HAD THE STATUS OR ENGAGED IN A TRANSACTION DESCRIBED IN SUBPARAGRAPH (i) OR (ii).

(E) WHO DOES NOT PROPOSE TO ENTER INTO A RELATIONSHIP OR TRANSACTION DESCRIBED IN SUBDIVISION (D)(i) THROUGH (iii).

(F) WHO HAS NOT SERVED AS A DIRECTOR FOR MORE THAN 3 YEARS.

Sec. 108. ~~(1) "Net assets" means the amount by which the~~

~~total assets of a corporation, defined in section 110, exceeds~~

~~its total liabilities as determined in accordance with generally~~

1 ~~accepted accounting principles. Stated capital and surplus are~~  
2 ~~not liabilities.~~

3       (2) "Person" means an individual, a partnership, a domestic  
4 or foreign corporation, or any other association, corporation,  
5 trust or legal entity.

6       Sec. 109. (1) "Shareholder" shall be construed to be synon-  
7 ymous with "member" in nonstock corporations.

8       (2) "Shares" means the units into which proprietary inter-  
9 ests in a corporation are divided, and shall be construed to be  
10 synonymous with membership in nonstock corporations.

11       ~~(3) "Stated capital" means the sum of (a) the par value of~~  
12 ~~all shares with par value that have been issued, (b) the amount~~  
13 ~~of consideration received for all shares without par value that~~  
14 ~~have been issued, except such part of the consideration therefor~~  
15 ~~as has been allocated to surplus in a manner permitted by law,~~  
16 ~~and (c) such amounts not included in classes (a) and (b) as have~~  
17 ~~been transferred to stated capital, whether upon the issuance of~~  
18 ~~shares or otherwise, less reductions from such sum as have been~~  
19 ~~effected in a manner permitted by law.~~

20       ~~(4) "Surplus" means the excess of the net assets of a corpo-~~  
21 ~~ration over its stated capital.~~

22       Sec. 121. This act applies to every domestic ~~business~~  
23 corporation and to every foreign ~~business~~ corporation which is  
24 authorized TO or ~~transacts~~ DOES TRANSACT business in this state  
25 except as otherwise provided in this act or by other law. This  
26 act also applies to any other ~~domestic~~ corporation ~~or foreign~~  
27 ~~corporation of any type or kind~~ NOT FORMED UNDER THIS ACT to the

1 extent, if any, provided under this act or any law governing  
2 ~~such~~ THE corporation.

3 Sec. 122. (1) A reference in any statute of this state to  
4 parts of any act which are repealed by this act is ~~deemed~~  
5 CONSIDERED to be a reference to this act, unless the context  
6 requires otherwise.

7 (2) The following statutes do not apply to a corporation, as  
8 defined in section 106, or to any kind of nonprofit corporation  
9 subject to Act No. 327 of the Public Acts of 1931, as amended,  
10 being sections ~~450.1~~ 450.98 to 450.192 of the MICHIGAN Compiled  
11 Laws: ~~of 1948.~~

12 (a) Chapter 55 of the Revised Statutes of 1846, entitled  
13 "general provisions relating to corporations", as amended, being  
14 sections 450.504 to 450.525 of the MICHIGAN Compiled Laws. ~~of~~  
15 ~~1948.~~

16 ~~(b) Act No. 112 of the Public Acts of 1889, being sections~~  
17 ~~450.631 and 450.632 of the Compiled Laws of 1948.~~

18 (B) ~~(c)~~ Act No. 156 of the Public Acts of 1955, being  
19 sections 450.701 to 450.704 of the MICHIGAN Compiled Laws. ~~of~~  
20 ~~1948.~~

21 (3) THE UNIFORM FRAUDULENT CONVEYANCE ACT, ACT NO. 310 OF  
22 THE PUBLIC ACTS OF 1919, BEING SECTIONS 566.11 TO 566.23 OF THE  
23 MICHIGAN COMPILED LAWS, SHALL NOT APPLY TO DISTRIBUTIONS GOVERNED  
24 BY THIS ACT.

25 Sec. 132. (1) A document filed with the administrator shall  
26 be in the English language, except that the corporate name need  
27 not be in the English language if written in English letters or



1 Arabic or Roman numerals, and the articles of incorporation of a  
2 foreign corporation need not be in the English language.

3       (2) A document required or permitted to be filed under this  
4 act which is also required by this act to be executed on behalf  
5 of the corporation, shall be signed in ink by the ~~chairman or~~  
6 ~~vice chairman~~ CHAIRPERSON OR VICE-CHAIRPERSON of the board, OR  
7 IF THE BOARD HAS NOT YET MET, BY THE INCORPORATOR OR THE MAJORITY  
8 OF INCORPORATORS IF THERE ARE MORE THAN 1, or BY the president or  
9 a ~~vicepresident~~ VICE-PRESIDENT. If the corporation is in the  
10 hands of a receiver, trustee, or other court appointed officer,  
11 the document shall be signed in ink by the fiduciary or the  
12 majority of them, if there ~~is~~ ARE more than 1. The name of a  
13 person signing the document and the capacity in which he or she  
14 signs, shall be stated beneath or opposite his or her signature.  
15 The document may, but need not, contain:

16       (a) The corporate seal.

17       (b) An attestation by the secretary or an assistant secre-  
18 tary of the corporation.

19       (c) An acknowledgment or proof.

20       Sec. 133. If a document relating to a domestic or foreign  
21 corporation filed with the administrator under this act ~~is~~ WAS  
22 AT THE TIME OF FILING an inaccurate record of the corporation  
23 action referred to in the document, or was defectively or errone-  
24 ously executed, the document may be corrected by filing with the  
25 administrator a certificate of correction on behalf of the  
26 corporation. A certificate, entitled "certificate of correction  
27 of ... (correct title of document and name of corporation)"

1 shall be signed as provided in this act with respect to the  
2 document being corrected and filed with the administrator. The  
3 certificate shall set forth the name of the corporation, the date  
4 the document to be corrected was filed by the administrator, the  
5 provision in the document as ~~corrected or eliminated~~ IT SHOULD  
6 HAVE ORIGINALLY APPEARED, and if the execution was defective, the  
7 proper execution. The corrected document is effective in its  
8 corrected form as of its original filing date except as to a  
9 person who relied upon the inaccurate portion of the document and  
10 was, as a result of the inaccurate portion of the document,  
11 adversely affected by the correction.

12       Sec. 141. When, under this act or the articles of incorpo-  
13 ration or bylaws of a corporation or by the terms of an agreement  
14 or instrument, a corporation or the board or any committee  
15 ~~thereof~~ OF THE BOARD may take action after notice to any person  
16 or after lapse of a prescribed period of time, the action may be  
17 taken without notice and without lapse of the period of time, if  
18 at any time before or after the action is completed the person  
19 entitled to notice or to participate in the action to be taken  
20 or, in case of a shareholder, ~~by~~ his OR HER attorney-in-fact,  
21 submits a signed waiver of ~~such~~ THE requirements.

22       Sec. 202. The articles of incorporation shall contain:

23       (a) The name of the corporation.

24       (b) The purposes for which the corporation is ~~organized~~  
25 FORMED. It is a sufficient compliance with this subdivision to  
26 state substantially, alone or with specifically enumerated  
27 purposes, that the corporation may engage in any activity within

1 the purposes for which corporations may be ~~organized~~ FORMED  
2 under the business corporation act, and all ~~such~~ activities  
3 shall by ~~such~~ THE statement be ~~deemed~~ CONSIDERED within the  
4 purposes of the corporation, subject to expressed limitations.  
5 ~~, if any. Provided, however, That any~~ ANY corporation which  
6 proposes to conduct educational purposes shall state ~~such~~ THE  
7 purposes and shall comply with all requirements of SECTIONS 170  
8 TO 177 OF ACT NO. 327 OF THE PUBLIC ACTS OF 1931, BEING sections  
9 450.170 to 450.177 of the MICHIGAN Compiled Laws. ~~of 1948.~~

10 (c) The aggregate number of shares which the corporation has  
11 authority to issue. ~~, the number and par value of any shares~~  
12 ~~having a par value, and the number of any shares without par~~  
13 ~~value together with a statement that such shares are without par~~  
14 ~~value.~~

15 (d) If the shares are, or are to be, divided into classes,  
16 or into classes and series, the designation of each class and  
17 series, the number of shares in each class and series, and a  
18 statement of the relative rights, preferences and limitations of  
19 the shares of each class and series, to the extent that the des-  
20 ignations, numbers, relative rights, preferences, and limitations  
21 have been determined.

22 (e) If any class of shares is to be divided into series, a  
23 statement of any authority vested in the board to divide the  
24 class of shares into series, and to determine or change for any  
25 series its designation, number of shares, relative rights, pref-  
26 erences and limitations.

1 (f) The street address, and the mailing address if different  
2 from the street address, of the corporation's initial registered  
3 office and the name of the corporation's initial resident agent  
4 at that address.

5 (g) The names and addresses of the incorporators.

6 (h) The duration of the corporation if other than  
7 perpetual.

8 Sec. 209. The articles of incorporation may contain any  
9 provision not inconsistent with any of the following:

10 (a) A provision of this act or another statute of this  
11 state, for management of the business and conduct of the affairs  
12 of the corporation, or creating, defining, limiting, or regulat-  
13 ing the powers of the corporation, its directors and sharehold-  
14 ers, or a class of shareholders.

15 (b) A provision that under this act is required or permitted  
16 to be set forth in the bylaws.

17 (c) A provision providing that a director is not personally  
18 liable to the corporation or its shareholders for monetary dam-  
19 ages for a breach of the director's fiduciary duty. However, the  
20 provision does not eliminate or limit the liability of a director  
21 for any of the following:

22 (i) A breach of the director's duty of loyalty to the corpo-  
23 ration or its shareholders.

24 (ii) Acts or omissions not in good faith or that involve  
25 intentional misconduct or knowing violation of law.

26 (iii) A violation of section 551(1).

1 (iv) A transaction from which the director derived an  
2 improper personal benefit.

3 (v) An act or omission occurring ~~before March 1, 1987~~  
4 PRIOR TO THE DATE WHEN THE PROVISION BECOMES EFFECTIVE.

5 Sec. 211. The corporate name of a domestic corporation  
6 shall contain the word "corporation", "company", "incorporated",  
7 or "limited" or shall contain ~~one~~ 1 of the following abbrevia-  
8 tions, corp., co., inc., or ltd. ~~This section shall not be~~  
9 ~~applicable to non-profit corporations.~~

10 Sec. 212. (1) The corporate name of a corporation formed or  
11 existing under or subject to this act:

12 (a) Shall not contain a word or phrase, or abbreviation or  
13 derivative of a word or phrase, which indicates or implies that  
14 the corporation is ~~organized~~ FORMED for a purpose other than 1  
15 or more of the purposes permitted by its articles of  
16 incorporation.

17 (b) Shall be such as to distinguish the corporate name upon  
18 the records in the office of the administrator from ALL OF THE  
19 FOLLOWING:

20 (i) ~~the~~ THE corporate name of any other domestic corpora-  
21 tion or foreign corporation authorized to transact business in  
22 this state. —

23 (ii) ~~the~~ THE corporate name of any corporation subject to  
24 THE NONPROFIT CORPORATION ACT, Act No. 162 of the Public Acts of  
25 1982, being sections 450.2101 to ~~450.3099~~ 450.3192 of the  
26 Michigan Compiled Laws, or any corporation authorized to conduct  
27 affairs in this state under that act. —

1 (iii) ~~a~~ A corporate name currently reserved, registered,  
2 or assumed under this act or ~~Act No. 162 of the Public Acts of~~  
3 ~~1982, or~~ THE NONPROFIT CORPORATION ACT.

4 (iv) ~~the~~ THE name of any domestic limited partnership or  
5 foreign limited partnership as filed or registered under THE  
6 MICHIGAN REVISED UNIFORM LIMITED PARTNERSHIP ACT, Act No. 213 of  
7 the Public Acts of 1982, being sections 449.1101 to 449.2108 of  
8 the Michigan Compiled Laws, or any name currently reserved or  
9 assumed under that act.

10 (c) Shall not contain a word or phrase, or an abbreviation  
11 or derivative of a word or phrase, the use of which is prohibited  
12 or restricted by any other statute of this state, unless in com-  
13 pliance with that restriction.

14 (2) If a foreign corporation is unable to obtain a certifi-  
15 cate of authority to transact business in this state because its  
16 corporate name does not comply with the provisions of subsection  
17 (1), the foreign corporation may apply for authority to transact  
18 business in this state by adding to its corporate name in the  
19 application a word, abbreviation, or other distinctive and dis-  
20 tinguishing element, or alternatively, adopting for use in this  
21 state an assumed name otherwise available for use. If in the  
22 judgment of the administrator that name would comply with the  
23 provisions of subsection (1), that subsection shall not be a bar  
24 to the issuance to the foreign corporation of a certificate of  
25 authority to transact business in this state. The certificate  
26 issued to the foreign corporation shall be issued in the name  
27 applied for and the foreign corporation shall use that name in

1 all its dealings with the administrator and in the ~~conduct of~~  
2 ~~its affairs~~ TRANSACTION OF BUSINESS in this state.

3       Sec. 217. (1) A domestic or foreign corporation may trans-  
4 act its business under any assumed name or names other than its  
5 corporate name if not precluded from use by section 212, ~~and the~~  
6 ~~same name may be assumed by 2 or more corporations in the case of~~  
7 ~~corporations participating together in any partnership or joint~~  
8 ~~venture~~ by filing a certificate stating the true name of the  
9 corporation and the assumed name under which the business is to  
10 be transacted. ~~Such~~ THE certificate shall be effective, unless  
11 sooner terminated by the filing of a certificate of termination  
12 or by the dissolution or withdrawal of the corporation, for a  
13 period expiring on December 31 of the fifth full calendar year  
14 following the year in which it was filed. It may be extended for  
15 additional consecutive periods of 5 full calendar years each by  
16 the filing of similar certificates not earlier than 90 days pre-  
17 ceding the expiration of any ~~such~~ period. The administrator  
18 shall notify the corporation of the impending expiration of the  
19 certificate of assumed name no later than 90 days before the ini-  
20 tial or subsequent 5-year period will expire. This section does  
21 not create substantive rights to the use of a particular assumed  
22 name.

23       (2) THE SAME NAME MAY BE ASSUMED BY 2 OR MORE CORPORATIONS,  
24 OR BY 1 OR MORE CORPORATIONS AND 1 OR MORE LIMITED PARTNERSHIPS  
25 OR OTHER ENTERPRISES, IN THE CASE OF CORPORATIONS AND OTHER  
26 ENTERPRISES PARTICIPATING TOGETHER IN A PARTNERSHIP OR JOINT

1 VENTURE. EACH PARTICIPANT CORPORATION SHALL FILE A CERTIFICATE  
2 UNDER THIS SECTION.

3 Sec. 221. The corporate existence shall begin on the effec-  
4 tive date of the articles of incorporation as provided in section  
5 131. Filing is conclusive evidence that all conditions precedent  
6 required to be performed under this act have been fulfilled and  
7 that the corporation has been ~~organized~~ FORMED under this act,  
8 except in an action or special proceeding by the attorney  
9 general.

10 Sec. 231. The initial bylaws of a corporation shall be  
11 adopted by its incorporators, its shareholders, or its board.  
12 The shareholders or the board may amend or repeal the bylaws or  
13 adopt new bylaws unless ~~power to do so is reserved exclusively~~  
14 ~~to the shareholders by the articles of incorporation. The share-~~  
15 ~~holders may prescribe in the bylaws that any bylaw made by them~~  
16 ~~shall not be altered or repealed by the board~~ THE ARTICLES OF  
17 INCORPORATION OR BYLAWS PROVIDE THAT THE POWER TO ADOPT NEW  
18 BYLAWS IS RESERVED EXCLUSIVELY TO THE SHAREHOLDERS OR THAT THE  
19 BYLAWS OR ANY PARTICULAR BYLAW SHALL NOT BE ALTERED OR REPEALED  
20 BY THE BOARD. The bylaws may contain any provision for the regu-  
21 lation and management of the affairs of the corporation not  
22 inconsistent with law or the articles of incorporation.

23 Sec. 241. Each domestic corporation and each foreign corpo-  
24 ration authorized to transact business in this state shall have  
25 and continuously maintain in this state:

26 (a) A registered office which may be the same as its place  
27 of business.



1 (b) A resident agent, which agent may be either an  
2 individual resident in this state whose business office OR  
3 RESIDENCE is identical with ~~such~~ THE registered office, a  
4 domestic corporation, or a foreign corporation authorized to  
5 transact business in this state and having a business office  
6 identical with ~~such~~ THE registered office.

7 Sec. 242. A domestic corporation or a foreign corporation  
8 authorized to transact business in this state, may change its  
9 registered office or change its resident agent, or both, upon  
10 filing a statement, which may be executed by any of the individu-  
11 als set forth in section 132 or by the secretary or assistant  
12 secretary of the corporation, setting forth:

13 (a) The name of the corporation.

14 (b) The street address of its then registered office, and  
15 its mailing address if different from its street address.

16 (c) If the address of its registered office is changed, the  
17 street address and the mailing address, if different from the  
18 street address, to which the registered office is to be changed.

19 (d) The name of its then resident agent.

20 (e) If its resident agent is changed, the name of its suc-  
21 cessor resident agent.

22 (f) That the address of its registered office and the  
23 address ~~of the business office~~ of its resident agent, as  
24 changed, will be identical.

25 (g) That the change was authorized by resolution duly  
26 adopted by its board.

1       Sec. 246. (1) The resident agent ~~so~~ appointed by a  
2 corporation is an agent of the corporation upon whom any process,  
3 notice, or demand required or permitted by law to be served upon  
4 the corporation may be served.

5       (2) A person, whether a resident or nonresident of this  
6 state, ~~by acceptance of~~ WHO ACCEPTS election, appointment, or  
7 employment as a director or officer of a corporation organized  
8 under this act or in existence on the effective date of this act,  
9 by ~~such~~ THE acceptance, is held to have appointed the resident  
10 agent of the corporation as his OR HER agent upon whom process  
11 may be served while the person is a director or officer, in any  
12 action commenced in a court of general jurisdiction in this  
13 state, arising out of or founded upon any action of ~~such a~~ THE  
14 domestic corporation or of ~~such~~ A person as a director or offi-  
15 cer of the domestic corporation. Upon accepting service of  
16 ~~such~~ process, the resident agent shall promptly forward it to  
17 the director or officer at his OR HER last known address.

18       Sec. 251. (1) A corporation may be formed under this act  
19 for any lawful business purpose, except to engage in a business  
20 for which a corporation may be formed under any other statute of  
21 this state unless that statute permits formation under this act.

22       (2) In time of war or other national emergency, a corpora-  
23 tion may ~~do~~ TAKE any lawful ~~business in aid thereof~~ ACTION TO  
24 PROVIDE AID, notwithstanding the purposes set forth in its arti-  
25 cles of incorporation, at the request or direction of a competent  
26 governmental authority.

1       Sec. 261. A corporation, subject to any limitation provided  
2 in this act, in any other statute of this state, or in its  
3 articles of incorporation, shall have power in furtherance of its  
4 corporate purposes to:

5       (a) Have perpetual duration.

6       (b) Sue and be sued in all courts and participate in actions  
7 and proceedings, judicial, administrative, arbitratative, or other-  
8 wise, in ~~like cases~~ THE SAME MANNER as natural persons.

9       (c) Have a corporate seal, and alter the seal, and use it by  
10 causing it or a facsimile to be affixed, impressed, or reproduced  
11 in any other manner.

12       (d) Adopt, amend, or repeal bylaws, including emergency  
13 bylaws, relating to the business of the corporation, the conduct  
14 of its affairs, its rights and powers and the rights and powers  
15 of its shareholders, directors, or officers.

16       (e) Elect or appoint officers, employees, and other agents  
17 of the corporation, prescribe their duties, fix their compensa-  
18 tion and the compensation of directors, and indemnify corporate  
19 directors, officers, employees, and agents.

20       (f) Purchase, receive, take by grant, gift, devise, bequest  
21 or otherwise, lease, or otherwise acquire, own, hold, improve,  
22 employ, use and otherwise deal in and with, real or personal  
23 property, or an interest ~~therein~~ IN REAL OR PERSONAL PROPERTY,  
24 wherever situated.

25       (g) Sell, convey, lease, exchange, transfer or otherwise  
26 dispose of, or mortgage or pledge, or create a security interest

1 in, any of its property, or an interest ~~therein~~ IN PROPERTY,  
2 wherever situated.

3 (h) Purchase, take, receive, subscribe for, or otherwise  
4 acquire, own, hold, vote, employ, sell, lend, lease, exchange,  
5 transfer or otherwise dispose of, mortgage, pledge, use and oth-  
6 erwise deal in and with, bonds and other obligations, shares or  
7 other securities or interests issued by others, whether engaged  
8 in similar or different business, governmental, or other activi-  
9 ties, including banking corporations or trust companies. A cor-  
10 poration organized or transacting business in this state under  
11 this act may not guarantee or become surety upon a bond or other  
12 undertaking securing the deposit of public ~~moneys~~ MONEY.

13 (i) Make contracts, give guarantees and incur liabilities,  
14 borrow money at ~~such~~ rates of interest as the corporation may  
15 determine, issue its notes, bonds, and other obligations, and  
16 secure any of its obligations by mortgage or pledge of any of its  
17 property or an interest ~~therein~~ IN PROPERTY, wherever  
18 situated. THIS POWER SHALL INCLUDE THE POWER TO GIVE GUARANTEES  
19 WHICH ARE NECESSARY OR CONVENIENT TO THE CONDUCT, PROMOTION, OR  
20 ATTAINMENT OF THE BUSINESS OF ANY OF THE FOLLOWING CORPORATIONS,  
21 WHETHER OR NOT SUBJECT TO THIS ACT, WHICH GUARANTEES SHALL BE  
22 CONSIDERED TO BE IN FURTHERANCE OF THE CORPORATE PURPOSES OF THE  
23 CONTRACTING CORPORATION:

24 (i) ALL OF THE OUTSTANDING STOCK OF WHICH IS OWNED, DIRECTLY  
25 OR INDIRECTLY, BY THE CONTRACTING CORPORATION.

26 (ii) A CORPORATION WHICH OWNS, DIRECTLY OR INDIRECTLY, ALL  
27 OF THE OUTSTANDING STOCK OF THE CONTRACTING CORPORATION.

1       (iii) ALL OF THE OUTSTANDING STOCK OF WHICH IS OWNED,  
2 DIRECTLY OR INDIRECTLY, BY A CORPORATION, WHETHER OR NOT SUBJECT  
3 TO THIS ACT, WHICH OWNS, DIRECTLY OR INDIRECTLY, ALL OF THE OUT-  
4 STANDING STOCK OF THE CONTRACTING CORPORATION.

5       (j) Lend money, invest and reinvest its funds, and take and  
6 hold real and personal property as security for the payment of  
7 funds so loaned or invested.

8       (k) Make donations for public welfare or for community fund,  
9 hospital, charitable, educational, scientific, civic or similar  
10 purposes, and TO PROVIDE AID in time of war or other national  
11 emergency. ~~in aid thereof.~~

12       (l) Pay pensions, establish and carry out pension, profit  
13 sharing, share bonus, share purchase, share option, savings,  
14 thrift and other retirement, incentive and benefit plans, trusts,  
15 and provisions for any of its directors, officers, and  
16 employees.

17       (m) Purchase, receive, take, otherwise acquire, own, hold,  
18 sell, lend, exchange, transfer, otherwise dispose of, pledge, use  
19 and otherwise deal in and with its own shares, bonds, and other  
20 securities.

21       (n) Participate with others in any corporation, partnership,  
22 limited partnership, joint venture, or other association of any  
23 kind, or in any transaction, undertaking, or agreement which the  
24 participating corporation would have power to conduct by itself,  
25 whether or not the participation involves sharing or delegation  
26 of control with or to others.

(o) Cease its corporate activities and dissolve.

(p) Transact business, carry on its operations, and have offices and exercise the powers granted by this act in any jurisdiction within or without the United States.

(q) Have and exercise all powers necessary or convenient to effect any purpose for which the corporation is formed.

(r) Participate as a member of any mutual insurance company for purposes of insuring property or activities relative to nuclear facilities owned, operated, constructed, or being constructed by the corporation.

Sec. 275. A domestic or foreign corporation, whether or not formed at the request of a lender OR IN FURTHERANCE OF A BUSINESS ENTERPRISE, may by agreement in writing, and not otherwise, agree to pay a rate of interest in excess of the legal rate and ~~in such case~~ the defense of usury ~~is~~ SHALL BE prohibited.

Sec. 301. (1) A corporation may issue the number of shares authorized in its articles of incorporation. The shares may be all of 1 class or may be divided into 2 or more classes. Each class shall consist of shares ~~with par value or shares without par value,~~ having ~~such~~ THE designations and ~~such~~ relative voting, DISTRIBUTION, dividend, liquidation and other rights, preferences, and limitations, consistent with this act, as stated in the articles. ~~of incorporation.~~ The articles may deny, limit or otherwise prescribe the voting rights and may limit or otherwise prescribe the DISTRIBUTION, dividend, or liquidation rights of shares of any class.

1 (2) If the shares are divided into 2 or more classes, the  
2 shares of each class shall be designated to distinguish them from  
3 the shares of the other classes.

4 (3) Subject to the designations, relative rights, prefer-  
5 ences and limitations applicable to separate series, each share  
6 shall be equal to every other share of the same class.

7 SEC. 301A. THE BOARD BY RESOLUTION MAY ADOPT AND FILE AN  
8 AMENDMENT OF THE ARTICLES OF INCORPORATION DELETING ANY REFERENCE  
9 TO PAR VALUE.

10 Sec. 302. (1) If PROVIDED FOR IN the articles of incorpora-  
11 tion, ~~so provide, the shares of~~ a class of ~~stock~~ SHARES may  
12 be divided into and issued in series. ~~If the shares of such a~~  
13 ~~class are to be issued in series,~~ THE SHARES OF each series  
14 shall be ~~so~~ designated ~~as~~ to distinguish ~~the shares thereof~~  
15 THEM from the shares of the other series and classes.

16 (2) Any series of any ~~such~~ class and the variations in the  
17 relative rights and preferences as among different series may be  
18 prescribed by the articles. ~~of incorporation.~~

19 (3) If the articles ~~of incorporation~~ authorize the board,  
20 to the extent that the articles have not established series and  
21 prescribed variations in the relative rights and preferences as  
22 among series, the board may divide any class into series, and,  
23 within the limitations set forth in the articles, prescribe the  
24 relative rights and preferences of the shares of any ~~such~~  
25 series.

26 (4) A certificate containing the resolution of the board  
27 establishing and designating the series and prescribing the

1 relative rights and preferences ~~thereof~~ shall be filed, and  
2 when filed shall constitute an amendment to the articles. ~~of~~  
3 ~~incorporation.~~

4       Sec. 303. (1) When ~~so provided in~~ the articles of incor-  
5 poration ~~and~~ PROVIDE, subject to restrictions in section 304,  
6 a corporation may issue shares convertible ~~at~~ at the option of  
7 the holder or the corporation or upon the happening of a speci-  
8 fied event, into shares of any class or into shares of any series  
9 of any class OR INTO BONDS. SHARES MAY BE CONVERTED INTO BONDS  
10 ONLY IF THE CORPORATION COULD AT THE TIME OF CONVERSION HAVE PUR-  
11 CHASED, REDEEMED, OR OTHERWISE ACQUIRED THE SHARES BY ISSUING THE  
12 BONDS UNDER THE RESTRICTIONS OF SECTION 345. Authorized shares,  
13 issued or unissued, may be made ~~so~~ convertible AS PROVIDED  
14 ABOVE within ~~such~~ THE period and upon ~~such~~ terms and condi-  
15 tions as authorized in the articles.

16       (2) Unless otherwise provided in the articles, ~~of~~  
17 ~~incorporation,~~ and subject to the restrictions of section 304, a  
18 corporation may issue its bonds convertible at the option of the  
19 holder into other bonds or into shares of the corporation within  
20 ~~such~~ THE period and upon ~~such~~ terms and conditions as are  
21 fixed by the board.

22       (3) If there is shareholder approval for the issue of bonds  
23 or shares convertible into shares of the corporation, the  
24 approval may provide that the board is authorized by amendment of  
25 the articles to increase the authorized shares of any class or  
26 series to ~~such~~ THE number as will be sufficient, when added to  
27 the previously authorized but unissued shares of ~~such~~ THE class



1 or series, to satisfy the conversion privileges of any ~~such~~  
2 bonds or shares convertible into shares of ~~such~~ THE class or  
3 series.

4       Sec. 304. (1) Bonds or shares convertible into shares of a  
5 corporation shall not be issued unless either of the following  
6 conditions is satisfied:

7       (a) A sufficient number of authorized but unissued shares of  
8 the appropriate class or series are reserved by the board to be  
9 issued only in satisfaction of the conversion privileges of  
10 ~~such~~ THE convertible bonds or shares when issued.

11       (b) The aggregate conversion privileges of ~~such~~ THE con-  
12 vertible bonds or shares when issued do not exceed the aggregate  
13 of any shares reserved under subdivision (a) and any additional  
14 shares which may be authorized by the board under subsection (3)  
15 of section 303.

16       ~~(2) The consideration for shares issued upon the exercise~~  
17 ~~of a conversion privilege shall be that provided in section 313.~~

18       (2) ~~(3)~~ Bonds which have been converted shall be  
19 canceled. Shares which have been converted shall be restored to  
20 the status of authorized but unissued shares, unless otherwise  
21 provided in the articles of incorporation.

22       SEC. 304A. THE ARTICLES OF INCORPORATION MAY PROVIDE FOR 1  
23 OR MORE CLASSES OR SERIES OF SHARES WHICH ARE REDEEMABLE, IN  
24 WHOLE OR IN PART, AT THE OPTION OF THE SHAREHOLDER, THE CORPORA-  
25 TION, OR UPON THE HAPPENING OF A SPECIFIED EVENT. SUBJECT TO  
26 RESTRICTIONS IMPOSED BY SECTION 345, THE SHARES MAY BE REDEEMABLE

1 IN CASH, BONDS, SECURITIES, OR OTHER PROPERTY AT PRICES, WITHIN  
2 THE PERIODS, AND UNDER CONDITIONS AS ARE STATED IN THE ARTICLES.

3       Sec. 305. (1) A subscription for shares made before or  
4 after organization of a corporation is not enforceable unless in  
5 writing and signed by the subscriber.

6       (2) A subscription for shares of a corporation to be orga-  
7 nized is irrevocable and may be accepted by the corporation for a  
8 period of 6 months, unless otherwise provided by the subscription  
9 agreement or unless all the subscribers consent to its  
10 revocation.

11       (3) A contract with a corporation to purchase its shares to  
12 be issued ~~or its treasury shares~~ is a subscription agreement  
13 and not an executory contract to purchase shares, unless other-  
14 wise provided in the contract.

15       Sec. 306. (1) Unless otherwise provided in the subscription  
16 agreement:

17       (a) A subscription for shares made before or after organi-  
18 zation of a corporation ~~—~~ shall be paid in full at ~~such~~ THE  
19 time, or in ~~such~~ installments and at ~~such~~ THE times, as shall  
20 be determined by the board.

21       (b) A call made by the board for payment on subscriptions  
22 shall be ratable as to all shares of the same class or as to all  
23 shares of the same series.

24       (c) A corporation may retain A SECURITY INTEREST IN any  
25 shares as security for performance by the subscriber of his OR  
26 HER obligations under a subscription agreement and subject to the

1 power of sale or rescission upon default provided in section  
2 307.

3       Sec. 307. (1) In case of default in payment of an install-  
4 ment or call or other amount due under a subscription agreement,  
5 including an amount which may become due as a result of a default  
6 in performance of any provision ~~thereof~~ OF A SUBSCRIPTION  
7 AGREEMENT, the corporation has the following rights and duties:

8       (a) It may collect the amount due in the same manner as any  
9 other debt owing to it. At any time before full satisfaction of  
10 the claim or a judgment, ~~therefor~~, it may proceed as provided  
11 in subdivision (b).

12       (b) It may sell the shares in any reasonable manner. Notice  
13 of the time and place of a public sale or of the time after which  
14 a private sale may be had, together with a statement of the  
15 amount due upon each share, shall be given in writing to the sub-  
16 scriber personally or by registered or certified mail at least 20  
17 days before any ~~such~~ time stated in the notice. Any excess of  
18 net proceeds realized over the amount due plus interest shall be  
19 paid to the subscriber. If the sale is made in good faith, in a  
20 reasonable manner and upon ~~such~~ notice, the corporation may  
21 recover the difference between the amount due plus interest and  
22 the net proceeds of the sale. A good faith purchaser for value  
23 acquires title to the sold shares free of any right of the sub-  
24 scriber even though the corporation fails to comply with 1 or  
25 more of the requirements of this subdivision.

26       (c) It may rescind the subscription, with the effect  
27 provided in section 308, and may recover damages for breach of

1 contract. Unless special circumstances show proximate damages of  
2 a different amount, the measure of damages shall be the differ-  
3 ence between the market price at the time and place of tender of  
4 the shares and the unpaid contract price. Liquidated damages may  
5 be provided for in the subscription agreement. ~~in any amount~~  
6 ~~which is reasonable, including the difficulties of proof of~~  
7 ~~loss.~~ The subscriber may have restitution of the amount by which  
8 the sum of his OR HER payments exceeds the corporation's damages  
9 for breach of contract, whether fixed by agreement or judgment.

10 (2) The rights and duties set forth in this section shall be  
11 interpreted as cumulative so far as is consistent with entitling  
12 the corporation to a full and single recovery of the amount due  
13 or its damages. The subscription agreement may limit the rights  
14 and remedies of the corporation set forth in this section, and  
15 may add to them so far as is consistent with this subsection.

16 SEC. 314. (1) THE POWERS GRANTED IN THIS SECTION TO THE  
17 BOARD MAY BE RESERVED TO THE SHAREHOLDERS BY THE ARTICLES OF  
18 INCORPORATION.

19 (2) THE BOARD MAY AUTHORIZE SHARES TO BE ISSUED FOR CONSID-  
20 ERATION CONSISTING OF ANY TANGIBLE OR INTANGIBLE PROPERTY OR BEN-  
21 EFIT TO THE CORPORATION, INCLUDING BUT NOT LIMITED TO CASH, PROM-  
22 ISSORY NOTES, SERVICES PERFORMED, CONTRACTS FOR SERVICES TO BE  
23 PERFORMED, OR OTHER SECURITIES OF THE CORPORATION.

24 (3) A DETERMINATION BY THE BOARD THAT THE CONSIDERATION  
25 RECEIVED OR TO BE RECEIVED FOR SHARES TO BE ISSUED IS ADEQUATE IS  
26 CONCLUSIVE INSOFAR AS THE NATURE AND AMOUNT OF CONSIDERATION FOR

1 THE ISSUANCE OF SHARES RELATES TO WHETHER THE SHARES ARE VALIDLY  
2 ISSUED, FULLY PAID, AND NONASSESSABLE.

3 (4) WHEN THE CORPORATION RECEIVES THE CONSIDERATION FOR  
4 WHICH THE BOARD AUTHORIZED THE ISSUANCE OF SHARES, THE SHARES  
5 ISSUED ARE FULLY PAID AND NONASSESSABLE AND THE SUBSCRIBER HAS  
6 ALL THE RIGHTS AND PRIVILEGES OF A HOLDER OF THE SHARES.

7 Sec. 317. (1) ~~A holder of or subscriber for shares of a~~  
8 ~~corporation is under no obligation to the corporation or its~~  
9 ~~creditors to pay for the shares other than the obligation to pay~~  
10 ~~to the corporation the unpaid portion of the consideration for~~  
11 ~~which the shares were issued or to be issued, which shall not be~~  
12 ~~less than the amount of the consideration for which the shares~~  
13 ~~could be lawfully issued.~~ A PURCHASER FROM A CORPORATION OF ITS  
14 OWN SHARES IS NOT LIABLE TO THE CORPORATION OR ITS CREDITORS WITH  
15 RESPECT TO THE SHARES EXCEPT TO PAY THE CONSIDERATION FOR WHICH  
16 THE SHARES WERE AUTHORIZED TO BE ISSUED OR SPECIFIED IN THE SUB-  
17SCRIPTION AGREEMENT.

18 (2) A person holding stock in a fiduciary or representative  
19 capacity is not personally liable to the corporation as the  
20 holder of or subscriber for shares of a corporation but the  
21 estate and funds in his OR HER hands are so liable.

22 (3) A person becoming an assignee, transferee, or pledgee of  
23 shares or of a subscription for shares in good faith and without  
24 knowledge or notice that the full consideration ~~therefor~~ has  
25 not been paid is not liable to the corporation or its creditors  
26 for any unpaid portion of the consideration, but the original  
27 holder or subscriber and any assignee or transferee before an

1 assignment or transfer to a person taking in good faith and  
2 without ~~such~~ knowledge or notice remains liable. ~~therefor.~~

3 (4) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF INCORPORA-  
4 TION, A SHAREHOLDER OF A CORPORATION IS NOT PERSONALLY LIABLE FOR  
5 THE ACTS OR DEBTS OF THE CORPORATION EXCEPT THAT HE OR SHE MAY  
6 BECOME PERSONALLY LIABLE BY REASON OF HIS OR HER OWN ACTS OR  
7 CONDUCT.

8 Sec. 331. The shares of a corporation shall be represented  
9 by certificates WHICH SHALL BE signed by the ~~chairman~~  
10 CHAIRPERSON of the board, ~~vice chairman~~ VICE-CHAIRPERSON of the  
11 board, president or a vice-president and ~~by the treasurer,~~  
12 ~~assistant treasurer, secretary, or assistant secretary~~ WHICH  
13 ALSO MAY BE SIGNED BY ANOTHER OFFICER of the corporation, and may  
14 be sealed with the seal of the corporation or a facsimile  
15 ~~thereof~~ OF THE SEAL. The signatures of the officers may be  
16 facsimiles if the certificate is countersigned by a transfer  
17 agent or registered by a registrar other than the corporation  
18 itself or its employee. In case an officer who has signed or  
19 whose facsimile signature has been placed upon a certificate  
20 ceases to be ~~such~~ AN officer before the certificate is issued,  
21 it may be issued by the corporation with the same effect as if he  
22 OR SHE were ~~such~~ THE officer at the date of issue.

23 Sec. 332. (1) A certificate representing shares shall state  
24 upon its face:

25 (a) That the corporation is formed under the laws of this  
26 state.

1 (b) The name of the person to whom issued.

2 (c) The number and class of shares, and the designation of  
3 the series, if any, which the certificate represents.

4 ~~(d) The par value of each share represented by the certifi-~~  
5 ~~cate, or a statement that the shares are without par value.~~

6 (2) A certificate representing shares issued by a corpora-  
7 tion which is authorized to issue shares of more than 1 class  
8 shall set forth on its face or back or state ON ITS FACE OR BACK  
9 that the corporation will furnish to a shareholder upon request  
10 and without charge a full statement of the designation, relative  
11 rights, preferences, and limitations of the shares of each class  
12 authorized to be issued, and if the corporation is authorized to  
13 issue any class of shares in series, the designation, relative  
14 rights, preferences, and limitations of each series so far as the  
15 same have been prescribed and the authority of the board to des-  
16 ignate and prescribe the relative rights, preferences, and limi-  
17 tations of other series.

18 SEC. 336. (1) UNLESS THE ARTICLES OF INCORPORATION OR  
19 BYLAWS PROVIDE OTHERWISE, THE BOARD MAY AUTHORIZE THE ISSUANCE OF  
20 SOME OR ALL OF THE SHARES OF ANY OR ALL OF ITS CLASSES OR SERIES  
21 WITHOUT CERTIFICATES. THE AUTHORIZATION DOES NOT AFFECT SHARES  
22 ALREADY REPRESENTED BY CERTIFICATES UNTIL THEY ARE SURRENDERED TO  
23 A CORPORATION.

24 (2) WITHIN A REASONABLE TIME AFTER THE ISSUANCE OR TRANSFER  
25 OF SHARES WITHOUT CERTIFICATES, THE CORPORATION SHALL SEND THE  
26 SHAREHOLDER A WRITTEN STATEMENT OF THE INFORMATION REQUIRED ON  
27 CERTIFICATES BY SECTION 332.

1 SEC. 341A. (1) UNLESS THE ARTICLES OF INCORPORATION PROVIDE  
2 OTHERWISE, SHARES MAY BE ISSUED PRO RATA AND WITHOUT CONSIDERA-  
3 TION TO THE CORPORATION'S SHAREHOLDERS OR TO THE SHAREHOLDERS OF  
4 1 OR MORE CLASSES OR SERIES. AN ISSUANCE OF SHARES UNDER THIS  
5 SUBSECTION IS A SHARE DIVIDEND.

6 (2) SHARES OF 1 CLASS OR SERIES MAY NOT BE ISSUED AS A SHARE  
7 DIVIDEND IN RESPECT OF SHARES OF ANOTHER CLASS OR SERIES UNLESS  
8 THE ARTICLES SO AUTHORIZE, A MAJORITY OF THE VOTES ENTITLED TO BE  
9 CAST BY THE CLASS OR SERIES TO BE ISSUED APPROVE THE ISSUE, OR  
10 THERE ARE NO OUTSTANDING SHARES OF THE CLASS OR SERIES TO BE  
11 ISSUED.

12 SEC. 342A. A CORPORATION MAY ISSUE RIGHTS, OPTIONS, OR WAR-  
13 RANTS FOR THE PURCHASE OF SHARES OF THE CORPORATION. THE BOARD  
14 SHALL DETERMINE THE TERMS UPON WHICH THE RIGHTS, OPTIONS, OR WAR-  
15 RANTS ARE ISSUED, THEIR FORM AND CONTENT, AND THE CONSIDERATION  
16 FOR WHICH THE SHARES ARE TO BE ISSUED.

17 SEC. 343. (1) THE SHAREHOLDERS OF A CORPORATION DO NOT HAVE  
18 A PREEMPTIVE RIGHT TO ACQUIRE THE CORPORATION'S UNISSUED SHARES  
19 EXCEPT TO THE EXTENT PROVIDED IN THE ARTICLES OF INCORPORATION OR  
20 BY AGREEMENT BETWEEN THE CORPORATION AND 1 OR MORE SHAREHOLDERS.

21 (2) A STATEMENT INCLUDED IN THE ARTICLES OR AN AGREEMENT  
22 THAT THE CORPORATION ELECTS TO HAVE PREEMPTIVE RIGHTS, OR WORDS  
23 OF SIMILAR IMPORT, MEANS THAT THE FOLLOWING PRINCIPLES APPLY  
24 EXCEPT TO THE EXTENT THE ARTICLES OR AGREEMENT EXPRESSLY PROVIDE  
25 OTHERWISE:

26 (A) THE SHAREHOLDERS OF THE CORPORATION HAVE A PREEMPTIVE  
27 RIGHT, GRANTED ON UNIFORM TERMS AND CONDITIONS PRESCRIBED BY THE



1 BOARD TO PROVIDE A FAIR AND REASONABLE OPPORTUNITY TO EXERCISE  
2 THE RIGHT TO ACQUIRE PROPORTIONAL AMOUNTS OF THE CORPORATION'S  
3 UNISSUED SHARES UPON THE DECISION OF THE BOARD TO ISSUE THEM.

4 (B) A SHAREHOLDER MAY WAIVE HIS OR HER PREEMPTIVE RIGHT. A  
5 WAIVER EVIDENCED BY A WRITING IS IRREVOCABLE EVEN THOUGH IT IS  
6 NOT SUPPORTED BY CONSIDERATION.

7 (C) THERE IS NO PREEMPTIVE RIGHT WITH RESPECT TO ANY OF THE  
8 FOLLOWING:

9 (i) SHARES ISSUED AS COMPENSATION TO DIRECTORS, OFFICERS,  
10 AGENTS, OR EMPLOYEES OF THE CORPORATION, ITS SUBSIDIARIES OR  
11 AFFILIATES.

12 (ii) SHARES ISSUED TO SATISFY CONVERSION OR OPTION RIGHTS  
13 CREATED TO PROVIDE COMPENSATION TO DIRECTORS, OFFICERS, AGENTS,  
14 OR EMPLOYEES OF THE CORPORATION, ITS SUBSIDIARIES, OR  
15 AFFILIATES.

16 (iii) SHARES AUTHORIZED IN THE ARTICLES THAT ARE ISSUED  
17 WITHIN 6 MONTHS FROM THE EFFECTIVE DATE OF INCORPORATION.

18 (iv) SHARES ISSUED OTHERWISE THAN FOR MONEY.

19 (D) HOLDERS OF SHARES OF ANY CLASS WITHOUT GENERAL VOTING  
20 RIGHTS BUT WITH PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS  
21 HAVE NO PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY CLASS.

22 (E) HOLDERS OF SHARES OF ANY CLASS WITH GENERAL VOTING  
23 RIGHTS BUT WITHOUT PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS  
24 HAVE NO PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY CLASS  
25 WITH PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS UNLESS THE  
26 SHARES WITH PREFERENTIAL RIGHTS ARE CONVERTIBLE INTO OR CARRY A

1 RIGHT TO SUBSCRIBE FOR OR ACQUIRE SHARES WITHOUT PREFERENTIAL  
2 RIGHTS.

3 (F) SHARES SUBJECT TO PREEMPTIVE RIGHTS THAT ARE NOT  
4 ACQUIRED BY SHAREHOLDERS MAY BE ISSUED TO ANY PERSON FOR A PERIOD  
5 OF 1 YEAR AFTER BEING OFFERED TO SHAREHOLDERS AT A CONSIDERATION  
6 SET BY THE BOARD THAT IS NOT LOWER THAN THE CONSIDERATION SET FOR  
7 THE EXERCISE OF PREEMPTIVE RIGHTS. AN OFFER AT A LOWER CONSIDER-  
8 ATION OR AFTER THE EXPIRATION OF 1 YEAR IS SUBJECT TO THE  
9 SHAREHOLDERS' PREEMPTIVE RIGHTS.

10 (3) FOR PURPOSES OF THIS SECTION, "SHARES" INCLUDES A SECUR-  
11 ITY CONVERTIBLE INTO OR CARRYING A RIGHT TO SUBSCRIBE FOR OR  
12 ACQUIRE SHARES.

13 (4) THE PREEMPTIVE RIGHTS, WHETHER CREATED BY STATUTE OR  
14 COMMON LAW, OF SHAREHOLDERS OF A CORPORATION FORMED BEFORE  
15 JANUARY 1, 1973, ARE NOT AFFECTED BY SUBSECTIONS (1) AND (2). A  
16 CORPORATION MAY ALTER OR ABOLISH ITS SHAREHOLDERS' PREEMPTIVE  
17 RIGHTS BY AN AMENDMENT OF ITS ARTICLES.

18 SEC. 344. (1) SUBJECT TO RESTRICTIONS IMPOSED BY THIS ACT  
19 OR THE ARTICLES OF INCORPORATION, A CORPORATION MAY ACQUIRE ITS  
20 OWN SHARES AND SHARES SO ACQUIRED CONSTITUTE AUTHORIZED BUT UNIS-  
21 SUED SHARES.

22 (2) IF THE ARTICLES PROHIBIT REISSUE OF ANY SHARES SO  
23 ACQUIRED, THE BOARD BY RESOLUTION SHALL ADOPT AND FILE AN AMEND-  
24 MENT OF THE ARTICLES REDUCING THE NUMBER OF AUTHORIZED SHARES  
25 ACCORDINGLY.

26 SEC. 345. (1) A BOARD MAY AUTHORIZE AND THE CORPORATION MAY  
27 MAKE DISTRIBUTIONS TO ITS SHAREHOLDERS SUBJECT TO RESTRICTION BY

1 THE ARTICLES OF INCORPORATION AND THE LIMITATION IN  
2 SUBSECTION (3).

3 (2) IF THE BOARD DOES NOT FIX THE RECORD DATE FOR DETERMIN-  
4 ING SHAREHOLDERS ENTITLED TO A DISTRIBUTION, OTHER THAN ONE  
5 INVOLVING A PURCHASE, REDEMPTION, OR ACQUISITION OF THE  
6 CORPORATION'S SHARES, IT IS THE DATE THE BOARD AUTHORIZES THE  
7 DISTRIBUTION.

8 (3) NO DISTRIBUTION MAY BE MADE IF, AFTER GIVING IT EFFECT,  
9 THE CORPORATION WOULD NOT BE ABLE TO PAY ITS DEBTS AS THEY BECOME  
10 DUE IN THE USUAL COURSE OF BUSINESS, OR THE CORPORATION'S TOTAL  
11 ASSETS WOULD BE LESS THAN THE SUM OF ITS TOTAL LIABILITIES PLUS,  
12 UNLESS THE ARTICLES PERMIT OTHERWISE, THE AMOUNT THAT WOULD BE  
13 NEEDED, IF THE CORPORATION WERE TO BE DISSOLVED AT THE TIME OF  
14 THE DISTRIBUTION, TO SATISFY THE PREFERENTIAL RIGHTS UPON DISSO-  
15 LUTION OF SHAREHOLDERS WHOSE PREFERENTIAL RIGHTS ARE SUPERIOR TO  
16 THOSE RECEIVING THE DISTRIBUTION.

17 (4) THE BOARD MAY BASE A DETERMINATION THAT A DISTRIBUTION  
18 IS NOT PROHIBITED UNDER SUBSECTION (3) EITHER ON FINANCIAL STATE-  
19 MENTS PREPARED ON THE BASIS OF ACCOUNTING PRACTICES AND PRINCI-  
20 PLES THAT ARE REASONABLE IN THE CIRCUMSTANCES OR ON A FAIR VALUA-  
21 TION OR OTHER METHOD THAT IS REASONABLE.

22 (5) THE EFFECT OF A DISTRIBUTION UNDER SUBSECTION (3) IS  
23 MEASURED AT THE FOLLOWING TIMES:

24 (A) EXCEPT AS PROVIDED IN SUBSECTION (7), IN THE CASE OF  
25 DISTRIBUTION BY PURCHASE, REDEMPTION, OR OTHER ACQUISITION OF THE  
26 CORPORATION'S SHARES, AS OF THE EARLIER OF THE DATE MONEY OR  
27 OTHER PROPERTY IS TRANSFERRED OR DEBT INCURRED BY THE

1 CORPORATION, OR THE DATE THE SHAREHOLDER CEASES TO BE A  
2 SHAREHOLDER WITH RESPECT TO THE ACQUIRED SHARES.

3 (B) IN THE CASE OF ANY OTHER DISTRIBUTION OF INDEBTEDNESS,  
4 AS OF THE DATE THE INDEBTEDNESS IS AUTHORIZED IF DISTRIBUTION  
5 OCCURS WITHIN 120 DAYS AFTER THE DATE OF AUTHORIZATION OR THE  
6 DATE THE INDEBTEDNESS IS DISTRIBUTED IF IT OCCURS MORE THAN 120  
7 DAYS AFTER THE DATE OF AUTHORIZATION.

8 (C) IN ALL OTHER CASES, AS OF THE DATE THE DISTRIBUTION IS  
9 AUTHORIZED IF THE PAYMENT OCCURS WITHIN 120 DAYS AFTER THE DATE  
10 OF AUTHORIZATION OR THE DATE THE PAYMENT IS MADE IF IT OCCURS  
11 MORE THAN 120 DAYS AFTER THE DATE OF AUTHORIZATION.

12 (6) A CORPORATION'S INDEBTEDNESS TO A SHAREHOLDER INCURRED  
13 BY REASON OF A DISTRIBUTION MADE IN ACCORDANCE WITH THIS SECTION  
14 IS AT PARITY WITH THE CORPORATION'S INDEBTEDNESS TO ITS GENERAL,  
15 UNSECURED CREDITORS EXCEPT TO THE EXTENT SUBORDINATED BY  
16 AGREEMENT.

17 (7) IF THE CORPORATION PURCHASES, REDEEMS, OR ACQUIRES ITS  
18 SHARES IN EXCHANGE FOR AN OBLIGATION TO MAKE FUTURE PAYMENTS AND  
19 DISTRIBUTION OF AN OBLIGATION IS PROHIBITED UNDER SUBSECTION (3)  
20 AT THE TIME IT IS MADE, THE PAYMENTS MAY BE MADE AND THE OBLIGA-  
21 TIONS MAY BE ENFORCED IF ALL OF THE FOLLOWING APPLY:

22 (A) AT THE TIME PAYMENT IS MADE OR AT THE TIME ENFORCEMENT  
23 IS REQUESTED OR ORDERED, PAYMENT WOULD NOT BE PROHIBITED BY  
24 SUBSECTION (3) IF MADE AS A DISTRIBUTION.

25 (B) THE OBLIGATION TO MAKE ANY PAYMENT SHALL BE SUBORDINATE  
26 TO THE CLAIMS OF UNSECURED CREDITORS OF THE CORPORATION IN THE  
27 EVENT OF LIQUIDATION OF THE CORPORATION.

1 (8) A GUARANTY BY A THIRD PARTY OF THE VALIDITY OF A  
2 DISTRIBUTION OR OF AN OBLIGATION TO MAKE PAYMENTS RECEIVED IN A  
3 DISTRIBUTION IS NOT UNENFORCEABLE BECAUSE THE DISTRIBUTION WAS  
4 PROHIBITED BY SUBSECTION (3).

5 (9) IF ANY CLAIM IS MADE TO RECOVER A DISTRIBUTION MADE CON-  
6 TRARY TO SUBSECTION (3) OR IF A VIOLATION OF SUBSECTION (3) IS  
7 RAISED AS A DEFENSE TO A CLAIM BASED UPON A DISTRIBUTION, NOTHING  
8 IN THIS SECTION SHALL PREVENT THE PERSON RECEIVING THE DISTRIBUTU-  
9 TION FROM ASSERTING A RIGHT OF RESCISSION OR OTHER LEGAL OR EQUI-  
10 TABLE RIGHTS.

11 SEC. 392. THIS CHAPTER SHALL NOT APPLY TO DISTRIBUTIONS IN  
12 DISSOLUTION UNDER CHAPTER 8.

13 Sec. 404. (1) Except as otherwise provided in this act,  
14 written notice of the time, place, and purposes of a meeting of  
15 shareholders shall be given not less than 10 nor more than 60  
16 days before the date of the meeting, either personally or by  
17 mail, to each shareholder of record entitled to vote at the  
18 meeting.

19 (2) When a meeting is adjourned to another time or place, it  
20 is not necessary, unless the bylaws otherwise provide, to give  
21 notice of the adjourned meeting if the time and place to which  
22 the meeting is adjourned are announced at the meeting at which  
23 the adjournment is taken and at the adjourned meeting only ~~such~~  
24 business is transacted as might have been transacted at the orig-  
25 inal meeting. However, if after the adjournment the board fixes  
26 a new record date for the adjourned meeting, a notice of the

1 adjourned meeting shall be given to each shareholder of record on  
2 the new record date entitled to notice under subsection (1).

3 (3) ~~Attendance of a person at a meeting of shareholders, in~~  
4 ~~person or by proxy, constitutes a waiver of notice of the meet-~~  
5 ~~ing, except when the shareholder attends a meeting for the~~  
6 ~~express purpose of objecting, at the beginning of the meeting, to~~  
7 ~~the transaction of any business because the meeting is not law-~~  
8 ~~fully called or convened.~~ A SHAREHOLDER'S ATTENDANCE AT A MEET-  
9 ING WILL RESULT IN ALL OF THE FOLLOWING:

10 (A) WAIVER OF OBJECTION TO LACK OF NOTICE OR DEFECTIVE  
11 NOTICE OF THE MEETING, UNLESS THE SHAREHOLDER AT THE BEGINNING OF  
12 THE MEETING OBJECTS TO HOLDING THE MEETING OR TRANSACTING BUSI-  
13 NESS AT THE MEETING.

14 (B) WAIVER OF OBJECTION TO CONSIDERATION OF A PARTICULAR  
15 MATTER AT THE MEETING THAT IS NOT WITHIN THE PURPOSE OR PURPOSES  
16 DESCRIBED IN THE MEETING NOTICE, UNLESS THE SHAREHOLDER OBJECTS  
17 TO CONSIDERING THE MATTER WHEN IT IS PRESENTED.

18 Sec. 405. ~~A corporation may provide in its articles of~~  
19 ~~incorporation or in its bylaws for a shareholder's participation~~  
20 UNLESS OTHERWISE RESTRICTED BY THE ARTICLES OF INCORPORATION OR  
21 BYLAWS, A SHAREHOLDER MAY PARTICIPATE in a meeting of sharehold-  
22 ers by a conference telephone or similar communications equipment  
23 by which all persons participating in the meeting may ~~hear~~  
24 COMMUNICATE WITH each other if all participants are advised of  
25 the communications equipment and the names of the participants in  
26 the conference are divulged to all participants. Participation

1 in a meeting pursuant to this section constitutes presence in  
2 person at the meeting.

3       Sec. 407. (1) The articles of incorporation may provide  
4 that any action required or permitted by this act to be taken at  
5 an annual or special meeting of shareholders may be taken without  
6 a meeting, without prior notice, and without a vote, if ~~a~~  
7 ~~consent~~ CONSENTS in writing, setting forth the action so taken,  
8 ~~is~~ ARE signed by the holders of outstanding ~~stock~~ SHARES  
9 having not less than the minimum number of votes that would be  
10 necessary to authorize or take the action at a meeting at which  
11 all shares entitled to vote thereon were present and voted. THE  
12 WRITTEN CONSENTS SHALL BEAR THE DATE OF SIGNATURE OF EACH SHARE-  
13 HOLDER WHO SIGNS THE CONSENT. NO WRITTEN CONSENTS SHALL BE  
14 EFFECTIVE TO TAKE THE CORPORATE ACTION REFERRED TO UNLESS, WITHIN  
15 60 DAYS OF THE RECORD DATE FOR DETERMINING SHAREHOLDERS ENTITLED  
16 TO EXPRESS CONSENT TO OR TO DISSENT FROM A PROPOSAL WITHOUT A  
17 MEETING, WRITTEN CONSENTS SIGNED BY A SUFFICIENT NUMBER OF SHARE-  
18 HOLDERS TO TAKE THE ACTION ARE DELIVERED TO THE CORPORATION.  
19 DELIVERY SHALL BE TO THE CORPORATION'S REGISTERED OFFICE, ITS  
20 PRINCIPAL PLACE OF BUSINESS, OR AN OFFICER OR AGENT OF THE CORPO-  
21 RATION HAVING CUSTODY OF THE MINUTES OF THE PROCEEDINGS OF ITS  
22 SHAREHOLDERS. DELIVERY MADE TO A CORPORATION'S REGISTERED OFFICE  
23 SHALL BE BY HAND OR BY CERTIFIED OR REGISTERED MAIL, RETURN  
24 RECEIPT REQUESTED. Prompt notice of the taking of the corporate  
25 action without a meeting by less than unanimous written consent  
26 shall be given to shareholders who have not consented in  
27 writing. ~~-(2)-~~ If the action consented to would have required

1 filing of a certificate under any other section of this act, if  
2 such action had been voted upon by shareholders at a meeting  
3 thereof, the certificate filed under such other section shall  
4 state, in lieu of any statement required by such section concern-  
5 ing a vote of shareholders, that both written consent and written  
6 notice have been given as provided in this section.

7       (2) ~~(3)~~ Any action required or permitted by this act to be  
8 taken at an annual or special meeting of shareholders may be  
9 taken without a meeting, without prior notice, and without a  
10 vote, if BEFORE OR AFTER THE ACTION all the shareholders entitled  
11 to vote ~~thereon~~ consent ~~thereto~~ in writing. IF THE ACTION  
12 CONSENTED TO WOULD HAVE REQUIRED FILING OF A CERTIFICATE UNDER  
13 ANY OTHER SECTION OF THIS ACT IF THE ACTION HAD BEEN VOTED UPON  
14 BY SHAREHOLDERS AT THE MEETING, THE CERTIFICATE FILED UNDER A  
15 DIFFERENT SECTION SHALL STATE, IN LIEU OF ANY STATEMENT REQUIRED  
16 BY THE SECTION CONCERNING A VOTE OF SHAREHOLDERS, THAT WRITTEN  
17 CONSENT HAS BEEN GIVEN AS PROVIDED BY THIS SECTION.

18       SEC. 412. (1) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS  
19 ENTITLED TO NOTICE OF AND TO VOTE AT A MEETING OF SHAREHOLDERS OR  
20 AN ADJOURNMENT OF A MEETING, THE BYLAWS MAY PROVIDE FOR FIXING,  
21 OR IN THE ABSENCE OF A PROVISION THE BOARD MAY FIX A RECORD DATE,  
22 WHICH SHALL NOT PRECEDE THE DATE ON WHICH THE RESOLUTION FIXING  
23 THE RECORD DATE IS ADOPTED BY THE BOARD. THE DATE SHALL NOT BE  
24 MORE THAN 60 NOR LESS THAN 10 DAYS BEFORE THE DATE OF THE  
25 MEETING. IF A RECORD DATE IS NOT FIXED, THE RECORD DATE FOR  
26 DETERMINATION OF SHAREHOLDERS ENTITLED TO NOTICE OF OR TO VOTE AT  
27 A MEETING OF SHAREHOLDERS SHALL BE THE CLOSE OF BUSINESS ON THE



1 DAY NEXT PRECEDING THE DAY ON WHICH NOTICE IS GIVEN, OR IF NO  
2 NOTICE IS GIVEN, THE DAY NEXT PRECEDING THE DAY ON WHICH THE  
3 MEETING IS HELD. WHEN A DETERMINATION OF SHAREHOLDERS OF RECORD  
4 ENTITLED TO NOTICE OF OR TO VOTE AT A MEETING OF SHAREHOLDERS HAS  
5 BEEN MADE AS PROVIDED IN THIS SECTION, THE DETERMINATION APPLIES  
6 TO ANY ADJOURNMENT OF THE MEETING, UNLESS THE BOARD FIXES A NEW  
7 RECORD DATE UNDER THIS SECTION FOR THE ADJOURNED MEETING.

8       (2) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS ENTITLED TO  
9 EXPRESS CONSENT TO OR TO DISSENT FROM A PROPOSAL WITHOUT A MEET-  
10 ING, THE BYLAWS MAY PROVIDE FOR FIXING A RECORD DATE, WHICH SHALL  
11 NOT BE MORE THAN 60 DAYS BEFORE EFFECTUATION OF THE ACTION PRO-  
12 POSED TO BE TAKEN. IN THE ABSENCE OF A PROVISION, THE BOARD MAY  
13 FIX A RECORD DATE, WHICH SHALL NOT PRECEDE THE DATE ON WHICH THE  
14 RESOLUTION FIXING THE RECORD DATE IS ADOPTED BY THE BOARD AND  
15 SHALL NOT BE MORE THAN 10 DAYS AFTER THE BOARD RESOLUTION. IF A  
16 RECORD DATE IS NOT FIXED AND PRIOR ACTION BY THE BOARD IS  
17 REQUIRED WITH RESPECT TO THE CORPORATE ACTION TO BE TAKEN WITHOUT  
18 A MEETING, THE RECORD DATE SHALL BE THE CLOSE OF BUSINESS ON THE  
19 DAY ON WHICH THE RESOLUTION OF THE BOARD IS ADOPTED. IF A RECORD  
20 DATE IS NOT FIXED AND PRIOR ACTION BY THE BOARD IS NOT REQUIRED,  
21 THE RECORD DATE SHALL BE THE FIRST DATE ON WHICH A SIGNED WRITTEN  
22 CONSENT IS DELIVERED TO THE CORPORATION AS PROVIDED IN  
23 SECTION 407.

24       (3) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS ENTITLED TO  
25 RECEIVE PAYMENT OF A SHARE DIVIDEND OR DISTRIBUTION, OR ALLOTMENT  
26 OF A RIGHT, OR FOR THE PURPOSE OF ANY OTHER ACTION, THE BYLAWS  
27 MAY PROVIDE FOR FIXING, OR IN THE ABSENCE OF A PROVISION THE

1 BOARD MAY FIX A RECORD DATE, WHICH SHALL NOT PRECEDE THE DATE ON  
2 WHICH THE RESOLUTION FIXING THE RECORD DATE IS ADOPTED BY THE  
3 BOARD. THE DATE SHALL NOT BE MORE THAN 60 DAYS BEFORE THE PAY-  
4 MENT OF THE SHARE DIVIDEND OR DISTRIBUTION OR ALLOTMENT OF A  
5 RIGHT OR OTHER ACTION. IF A RECORD DATE IS NOT FIXED, THE RECORD  
6 DATE SHALL BE THE CLOSE OF BUSINESS ON THE DAY ON WHICH THE RESO-  
7 LUTION OF THE BOARD RELATING TO THE CORPORATE ACTION IS ADOPTED.

8 Sec. 422. A proxy which is entitled "irrevocable proxy",  
9 and which states that it is irrevocable, is irrevocable when it  
10 is held by any of the following or a nominee of any of the  
11 following:

12 (a) A pledgee OF OR OTHER HOLDER OF A SECURITY INTEREST IN  
13 THE SHARES.

14 (b) A person who has purchased or agreed to purchase the  
15 shares.

16 (c) A creditor of the corporation who extends or continues  
17 credit to the corporation in consideration of the proxy.

18 (d) A person who has contracted to perform services as a  
19 director, officer, or employee of the corporation, if a proxy is  
20 required by the contract of employment.

21 (E) A PERSON DESIGNATED BY OR UNDER AN AGREEMENT UNDER  
22 SECTION 461.

23 (F) ~~(e)~~ A holder of any other proxy coupled with an  
24 interest.

25 ~~(f) A person designated by or under an agreement under sec-~~  
26 ~~tion 461.~~

1       Sec. 423. (1) A proxy becomes revocable, notwithstanding a  
2 provision making it irrevocable, after the pledge is redeemed, or  
3 the debt of the corporation is paid, or the period of employment  
4 provided for in the contract of employment has terminated, or the  
5 agreement under section 461 has terminated. In a case provided  
6 for in subdivisions (c) and (d) of section 422 the proxy is revo-  
7 cable 3 years after the date of the proxy or at the end of the  
8 period, if ~~any,~~ specified, ~~therein,~~ whichever period is less,  
9 unless the period of irrevocability is renewed by execution of a  
10 new irrevocable proxy. This subsection does not affect the dura-  
11 tion of a proxy under subsection (2) of section 421.

12       (2) A proxy is revocable, notwithstanding a provision making  
13 it irrevocable, by a purchaser of shares ~~without knowledge~~ WHO  
14 DID NOT KNOW of THE existence of the provision unless the exis-  
15 tence of the proxy and its irrevocability are noted conspicuously  
16 on the face or back of the certificate representing the shares.

17       SEC. 432. (1) A CORPORATION MAY ESTABLISH A PROCEDURE BY  
18 WHICH THE BENEFICIAL OWNER OF SHARES THAT ARE REGISTERED IN THE  
19 NAME OF A NOMINEE IS RECOGNIZED BY THE CORPORATION AS THE  
20 SHAREHOLDER. THE EXTENT OF THIS RECOGNITION MAY BE DETERMINED IN  
21 THE PROCEDURE.

22       (2) THE PROCEDURE MAY SET FORTH ANY OF THE FOLLOWING:

23       (A) THE TYPES OF NOMINEES TO WHICH IT APPLIES.

24       (B) THE RIGHTS OR PRIVILEGES THAT THE CORPORATION RECOGNIZES  
25 IN A BENEFICIAL OWNER.

26       (C) THE MANNER IN WHICH THE PROCEDURE IS SELECTED BY THE  
27 NOMINEE.

1 (D) THE INFORMATION THAT MUST BE PROVIDED WHEN THE PROCEDURE  
2 IS SELECTED.

3 (E) THE PERIOD FOR WHICH SELECTION OF THE PROCEDURE IS  
4 EFFECTIVE.

5 (F) OTHER ASPECTS OF THE RIGHTS AND DUTIES CREATED.

6 Sec. 441. (1) Except as provided in sections 794 and 798,  
7 each outstanding share is entitled to 1 vote on each matter sub-  
8 mitted to a vote, unless otherwise provided in the articles of  
9 incorporation. A vote may be cast either orally or in writing,  
10 unless otherwise provided in the bylaws.

11 (2) When an action, other than the election of directors, is  
12 to be taken by vote of the shareholders, it shall be authorized  
13 by a majority of the votes cast by the holders of shares entitled  
14 to vote thereon, unless a greater ~~plurality~~ VOTE is required by  
15 the articles ~~of incorporation~~ or another section of this act.  
16 Except as otherwise provided by the articles, directors shall be  
17 elected by a plurality of the votes cast at an election.

18 Sec. 444. (1) Shares standing in the name of another  
19 ~~domestic or foreign~~ corporation, whether or not the corporation  
20 is subject to this act, may be voted by an officer or agent, or  
21 by proxy appointed by an officer or agent or by some other  
22 person, who by action of its board or pursuant to its bylaws,  
23 shall be appointed to vote ~~such~~ THE shares.

24 (2) A shareholder whose shares are pledged is entitled to  
25 vote the shares until they have been transferred into the name of  
26 the pledgee, or a nominee of the pledgee.

1        SEC. 447A. ABSENT AN ORDER OF A COURT OF COMPETENT  
2 JURISDICTION BASED UPON A DETERMINATION THAT SPECIAL  
3 CIRCUMSTANCES EXIST AND THE BEST INTERESTS OF THE CORPORATION  
4 WOULD BE SERVED, THE SHARES OF A CORPORATION SHALL NOT BE VOTED  
5 ON ANY MATTER OR CONSIDERED TO BE OUTSTANDING SHARES IF THEY ARE  
6 OWNED, DIRECTLY OR INDIRECTLY, BY A SECOND CORPORATION, WHETHER  
7 OR NOT SUBJECT TO THIS ACT, AND THE FIRST CORPORATION OWNS,  
8 DIRECTLY OR INDIRECTLY, A MAJORITY OF THE SHARES ENTITLED TO VOTE  
9 FOR DIRECTORS OF THE SECOND CORPORATION.

10        Sec. 455. When, with respect to an action to be taken by  
11 the shareholders, the articles of incorporation require the vote  
12 or concurrence of the holders of a greater proportion of the  
13 shares, or of a class or series thereof, than required by this  
14 act with respect to the action, the articles shall control. An  
15 amendment of the articles which ~~adds,~~ changes or deletes such a  
16 provision shall be authorized by the vote required to amend the  
17 articles pursuant to section 611, or by the same vote as would be  
18 required to take action under such provision, whichever is  
19 greater. THE FAILURE TO INCLUDE A PROVISION OF THE KIND  
20 DESCRIBED IN THIS SECTION IN THE ARTICLES SHALL NOT INVALIDATE  
21 ANY BYLAW OR AGREEMENT WHICH WOULD OTHERWISE BE CONSIDERED VALID.

22        Sec. 461. An agreement between 2 or more shareholders, if  
23 in writing and signed by the parties, ~~thereto,~~ may provide that  
24 in exercising voting rights, the shares held by them shall be  
25 voted as ~~therein~~ provided IN THE AGREEMENT, or as they may  
26 agree, or as determined in accordance with a procedure agreed  
27 upon by them. A VOTING AGREEMENT EXECUTED PURSUANT TO THIS

1 SECTION, WHETHER OR NOT PROXIES ARE EXECUTED PURSUANT TO THE  
2 AGREEMENT, IS NOT SUBJECT TO SECTIONS 466 THROUGH 468. A VOTING  
3 AGREEMENT UNDER THIS SECTION SHALL BE SPECIFICALLY ENFORCEABLE.

4 Sec. 463. (1) Notwithstanding other provisions of this act,  
5 ~~a provision in~~ the articles of incorporation may provide that  
6 there shall not be a board, ~~of directors,~~ or may restrict the  
7 board in its management of the business of the corporation, or  
8 may delegate to 1 or more shareholders or other persons, a part  
9 of the management otherwise within the authority of the board, if  
10 all the incorporators have authorized the provision in the arti-  
11 cles or the holders of record of all outstanding shares have  
12 authorized the provision in an amendment to the articles.

13 (2) A provision authorized by subsection (1) becomes invalid  
14 in either of the following cases:

15 (a) Subsequent to the adoption of the provision, shares are  
16 transferred or issued to a person who takes delivery of the share  
17 certificate without ACTUAL notice of the provision, unless that  
18 person consents in writing to the provision. IF THE EXISTENCE OF  
19 THE PROVISION IS NOTED CONSPICUOUSLY ON THE FACE OR BACK OF A  
20 CERTIFICATE REPRESENTING THE SHARES, A HOLDER OF THAT CERTIFICATE  
21 IS CONCLUSIVELY CONSIDERED TO HAVE TAKEN DELIVERY WITH ACTUAL  
22 NOTICE OF THE PROVISION.

23 (b) Shares of the corporation are listed on a national  
24 securities exchange or regularly quoted in an over-the-counter  
25 market by 1 or more members of a national or affiliated securi-  
26 ties association.

1       (3) The effect of a provision authorized by subsection (1)  
2 is to relieve the directors and impose upon the shareholders the  
3 liability for managerial acts or omissions that is imposed on  
4 directors by law to the extent that, and as long as, the discre-  
5 tion or powers of the directors in their management of corporate  
6 affairs ~~is~~ ARE controlled by the provision.

7       (4) ~~If the articles contain a provision authorized by sub-~~  
8 ~~section (1), the existence of the provision shall be noted con-~~  
9 ~~spicuously on the face of every certificate for shares issued by~~  
10 ~~the corporation, and a holder of that certificate is conclusively~~  
11 ~~considered to have taken delivery with notice of the provision.~~

12 THE FAILURE TO INCLUDE A PROVISION OF THE KIND DESCRIBED IN  
13 SUBSECTION (1) IN THE ARTICLES SHALL NOT INVALIDATE ANY BYLAW OR  
14 AGREEMENT WHICH WOULD OTHERWISE BE CONSIDERED VALID.

15       Sec. 472. (1) A restriction on the transfer or registration  
16 of transfer of a bond or share of a corporation may be imposed  
17 either by the articles of incorporation or by the bylaws or by an  
18 agreement among any number of holders or among ~~such~~ THE holders  
19 and the corporation. A restriction so imposed is not binding  
20 with respect to bonds or shares issued before adoption of the  
21 restriction unless the holders are parties to an agreement or  
22 voted in favor of the restriction.

23       (2) A written restriction on the transfer or registration of  
24 transfer of a bond or share of a corporation, if permitted by  
25 this section or section 473 and noted conspicuously on THE FACE  
26 OR BACK OF the instrument, may be enforced against the holder of  
27 the restricted instrument or a successor or transferee of the

1 holder including an executor, administrator, trustee, guardian or  
2 other fiduciary entrusted with like responsibility for the person  
3 or estate of the holder. Unless noted conspicuously on THE FACE  
4 OR BACK OF the instrument, a restriction, even though permitted  
5 by this section or section 473, is ineffective except against a  
6 person with actual knowledge of the restriction.

7       Sec. 473. In particular and without limitation of the gen-  
8 erality of the power granted by subsection (1) of section 472 to  
9 impose restrictions, a restriction on the transfer or registra-  
10 tion of transfer of bonds or shares of a corporation is permitted  
11 if it does any of the following:

12       (a) Obligates the holders of the restricted instruments to  
13 offer to the corporation or to any other holders of bonds or  
14 shares of the corporation or to any other person or to any combi-  
15 nation thereof, a prior opportunity to acquire the restricted  
16 instruments.

17       (b) Obligates the corporation or a holder of bonds or shares  
18 of the corporation or any other person or any combination there-  
19 of, to purchase the instruments which are the subject of an  
20 agreement respecting the purchase and sale of the restricted  
21 instruments.

22       (c) Requires the corporation or the holders of a class of  
23 bonds or shares of the corporation to consent to a proposed  
24 transfer of the restricted instruments or to approve the proposed  
25 transferee of the restricted instruments.



1 (d) Prohibits the transfer of the restricted instruments to  
2 designated persons or classes of persons, and the designation is  
3 not contrary to public policy.

4 (e) Exists for the purpose of maintaining the status of the  
5 corporation as ~~an electing small business~~ A corporation under  
6 subchapter S of the United States internal revenue code.

7 Sec. 485. A corporation shall keep books and records of  
8 account and minutes of the proceedings of its shareholders,  
9 board, and executive committee, if any. Unless otherwise pro-  
10 vided in the bylaws, the books, records, and minutes may be kept  
11 outside this state. The corporation shall keep at its registered  
12 office, or at the office of its transfer agent within or without  
13 this state, records containing the names and addresses of all  
14 shareholders, the number, class and series of shares held by  
15 each, and the dates when they respectively became holders of  
16 record. ~~thereof.~~ Any of ~~such~~ THE books, records, or minutes  
17 may be in written form or in any other form capable of being con-  
18 verted into written form within a reasonable time. A corporation  
19 shall convert into written form without charge any ~~such~~ record  
20 not in ~~such~~ WRITTEN form, ~~upon written request of~~ UNLESS OTH-  
21 ERWISE REQUESTED BY a person entitled to inspect ~~them~~ THE  
22 RECORD.

23 Sec. 487. (1) Upon written request of a shareholder, a cor-  
24 poration shall mail to the shareholder its balance sheet as at  
25 the end of the preceding fiscal year; its statement of income for  
26 ~~such~~ THE fiscal year; and, if prepared by the corporation, its

1 statement of source and application of funds for ~~such~~ THE  
2 fiscal year.

3       (2) ~~A person who is a shareholder of record of a corpora-~~  
4 ~~tion, upon at least 10 days' written demand may examine for any~~  
5 ~~proper purpose in person or by agent or attorney, during usual~~  
6 ~~business hours, its minutes of shareholders' meetings and record~~  
7 ~~of shareholders and make extracts therefrom, at the places where~~  
8 ~~they are kept pursuant to section 485.~~ ANY SHAREHOLDER OF  
9 RECORD, IN PERSON OR BY ATTORNEY OR OTHER AGENT, SHALL HAVE THE  
10 RIGHT DURING THE USUAL HOURS OF BUSINESS TO INSPECT FOR ANY  
11 PROPER PURPOSE THE CORPORATION'S STOCK LEDGER, A LIST OF ITS  
12 SHAREHOLDERS, AND ITS OTHER BOOKS AND RECORDS, IF THE SHAREHOLDER  
13 GIVES THE CORPORATION WRITTEN DEMAND DESCRIBING WITH REASONABLE  
14 PARTICULARITY HIS OR HER PURPOSE AND THE RECORDS HE OR SHE  
15 DESIRES TO INSPECT, AND THE RECORDS SOUGHT ARE DIRECTLY CONNECTED  
16 WITH THE PURPOSE. A PROPER PURPOSE SHALL MEAN A PURPOSE REASON-  
17 ABLY RELATED TO SUCH PERSON'S INTEREST AS A SHAREHOLDER. THE  
18 DEMAND SHALL BE DELIVERED TO THE CORPORATION AT ITS REGISTERED  
19 OFFICE IN THIS STATE OR AT ITS PRINCIPAL PLACE OF BUSINESS. IN  
20 EVERY INSTANCE WHERE AN ATTORNEY OR OTHER AGENT SHALL BE THE  
21 PERSON WHO SEEKS TO INSPECT, THE DEMAND SHALL BE ACCOMPANIED BY A  
22 POWER OF ATTORNEY OR OTHER WRITING WHICH AUTHORIZES THE ATTORNEY  
23 OR OTHER AGENT TO ACT ON BEHALF OF THE SHAREHOLDER.

24       (3) ~~Upon proof by a shareholder of a proper purpose, a cir-~~  
25 ~~cuit court may compel production for examination by the share-~~  
26 ~~holder of the books and records of account, minutes, and record~~  
27 ~~of shareholders of a corporation, and may allow the shareholder~~

1 ~~to make extracts therefrom.~~ IF THE CORPORATION DOES NOT PERMIT  
2 AN INSPECTION WITHIN 5 BUSINESS DAYS AFTER A DEMAND HAS BEEN  
3 RECEIVED IN COMPLIANCE WITH SUBSECTION (1), OR IMPOSES UNREASON-  
4 ABLE CONDITIONS UPON THE INSPECTION, THE SHAREHOLDER MAY APPLY TO  
5 THE CIRCUIT COURT OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF  
6 BUSINESS OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED FOR  
7 AN ORDER TO COMPEL THE INSPECTION. WHERE THE SHAREHOLDER SEEKS  
8 TO INSPECT THE CORPORATION'S BOOKS AND RECORDS OTHER THAN ITS  
9 STOCK LEDGER OR LIST OF SHAREHOLDERS, HE OR SHE SHALL FIRST  
10 ESTABLISH THAT HE OR SHE HAS COMPLIED WITH THIS SECTION RESPECT-  
11 ING THE FORM AND MANNER OF MAKING DEMAND FOR INSPECTION OF THE  
12 DOCUMENTS, THAT THE INSPECTION HE OR SHE SEEKS IS FOR A PROPER  
13 PURPOSE, AND THAT THE DOCUMENTS SOUGHT ARE DIRECTLY CONNECTED  
14 WITH THE PURPOSE. WHERE THE SHAREHOLDER SEEKS TO INSPECT THE  
15 CORPORATION'S STOCK LEDGER OR LIST OF SHAREHOLDERS AND HAS ESTAB-  
16 LISHED COMPLIANCE WITH THIS SECTION RESPECTING THE FORM AND  
17 MANNER OF MAKING DEMAND FOR THE INSPECTION OF THE DOCUMENTS, THE  
18 BURDEN OF PROOF SHALL BE UPON THE CORPORATION TO ESTABLISH THAT  
19 THE INSPECTION THAT IS SOUGHT IS FOR AN IMPROPER PURPOSE OR THAT  
20 THE RECORDS SOUGHT ARE NOT DIRECTLY CONNECTED WITH THE PERSON'S  
21 PURPOSE. THE COURT MAY, IN ITS DISCRETION, ORDER THE CORPORATION  
22 TO PERMIT THE SHAREHOLDER TO INSPECT THE CORPORATION'S STOCK  
23 LEDGER, A LIST OF SHAREHOLDERS, AND ITS OTHER BOOKS AND RECORDS  
24 ON CONDITIONS AND WITH LIMITATIONS AS THE COURT MAY PRESCRIBE AND  
25 MAY AWARD OTHER OR FURTHER RELIEF AS THE COURT MAY CONSIDER JUST  
26 AND PROPER. THE COURT MAY ORDER BOOKS, DOCUMENTS AND RECORDS,  
27 PERTINENT EXTRACTS, OR DULY AUTHENTICATED COPIES, TO BE BROUGHT

1 WITHIN THIS STATE AND KEPT IN THIS STATE UPON TERMS AND  
2 CONDITIONS AS THE ORDER MAY PRESCRIBE.

3 (4) ~~A holder of a voting trust certificate representing~~  
4 ~~shares of the corporation is deemed a shareholder for the purpose~~  
5 ~~of this section and section 485.~~ A DIRECTOR SHALL HAVE THE RIGHT  
6 TO EXAMINE ANY OF THE CORPORATION'S BOOKS AND RECORDS FOR A PUR-  
7 POSE REASONABLY RELATED TO HIS OR HER POSITION AS A DIRECTOR.  
8 THE COURT MAY, IN ITS DISCRETION, ORDER THE CORPORATION TO PERMIT  
9 THE DIRECTOR TO INSPECT ANY AND ALL BOOKS AND RECORDS, ON CONDI-  
10 TIONS AND WITH LIMITATIONS AS THE COURT MAY PRESCRIBE AND MAY  
11 AWARD OTHER AND FURTHER RELIEF AS THE COURT MAY CONSIDER JUST AND  
12 PROPER.

13 (5) IF THE COURT ORDERS INSPECTION OF THE RECORDS DEMANDED,  
14 IT SHALL ALSO ORDER THE CORPORATION TO PAY THE SHAREHOLDER'S OR  
15 DIRECTOR'S COSTS, INCLUDING REASONABLE ATTORNEY FEES, INCURRED TO  
16 OBTAIN THE ORDER UNLESS THE CORPORATION PROVES THAT IT FAILED TO  
17 PERMIT THE INSPECTION IN GOOD FAITH BECAUSE IT HAD A REASONABLE  
18 BASIS TO DOUBT THE RIGHT OF THE SHAREHOLDER OR DIRECTOR TO  
19 INSPECT THE RECORDS DEMANDED.

20 (6) AS USED IN THIS SECTION, "THE RIGHT TO INSPECT RECORDS"  
21 INCLUDES THE RIGHT TO COPY AND MAKE EXTRACTS FROM THE RECORDS  
22 AND, IF REASONABLE, THE RIGHT TO REQUIRE THE CORPORATION TO  
23 SUPPLY COPIES MADE BY PHOTOGRAPHIC, XEROGRAPHIC, OR OTHER MEANS.  
24 THE CORPORATION MAY REQUIRE THE SHAREHOLDER TO PAY A REASONABLE  
25 CHARGE, COVERING THE COSTS OF LABOR AND MATERIAL, FOR COPIES OF  
26 THE DOCUMENTS PROVIDED TO THE SHAREHOLDER.

1        SEC. 489. A SHAREHOLDER MAY BRING AN ACTION IN THE CIRCUIT  
2 COURT OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OR  
3 REGISTERED OFFICE OF THE CORPORATION IS LOCATED, TO ESTABLISH  
4 THAT THE ACTS OF THE DIRECTORS OR THOSE IN CONTROL OF THE CORPO-  
5 RATION ARE ILLEGAL, FRAUDULENT, OR WILLFULLY UNFAIR AND OPPRES-  
6 SIVE TO THE CORPORATION, OR TO THE SHAREHOLDER. UPON ESTABLISH-  
7 MENT OF SUCH GROUND, THE CIRCUIT COURT MAY MAKE AN ORDER OR GRANT  
8 RELIEF AS IT CONSIDERS APPROPRIATE, INCLUDING, WITHOUT LIMITA-  
9 TION, AN ORDER PROVIDING FOR ANY OF THE FOLLOWING:

10        (A) THE DISSOLUTION AND LIQUIDATION OF THE ASSETS AND BUSI-  
11 NESS OF THE CORPORATION.

12        (B) THE CANCELLATION OR ALTERATION OF A PROVISION CONTAINED  
13 IN THE ARTICLES OF INCORPORATION, OR AN AMENDMENT OF THE ARTI-  
14 CLES, OR IN THE BYLAWS OF THE CORPORATION.

15        (C) THE CANCELLATION, ALTERATION, OR INJUNCTION AGAINST A  
16 RESOLUTION OR OTHER ACT OF THE CORPORATION.

17        (D) THE DIRECTION OR PROHIBITION OF AN ACT OF THE CORPORA-  
18 TION OR OF SHAREHOLDERS, DIRECTORS, OFFICERS, OR OTHER PERSONS  
19 PARTY TO THE ACTION.

20        (E) THE PURCHASE AT FAIR VALUE OF THE SHARES OF A SHAREHOLD-  
21 ER, EITHER BY THE CORPORATION OR BY THE OFFICERS, DIRECTORS, OR  
22 OTHER SHAREHOLDERS RESPONSIBLE FOR THE WRONGFUL ACTS.

23        (F) AWARD OF DAMAGES TO THE CORPORATION OR A SHAREHOLDER.

24        SEC. 491A. AS USED IN THIS SECTION AND SECTIONS 492A TO  
25 497:

1 (A) "DERIVATIVE PROCEEDING" MEANS A CIVIL SUIT IN THE RIGHT  
2 OF A DOMESTIC CORPORATION OR A FOREIGN CORPORATION WHICH IS  
3 AUTHORIZED TO OR DOES TRANSACT BUSINESS IN THIS STATE.

4 (B) "SHAREHOLDER" MEANS A RECORD OR BENEFICIAL OWNER OF  
5 SHARES AND INCLUDES A BENEFICIAL OWNER WHOSE SHARES ARE HELD IN A  
6 VOTING TRUST OR HELD BY A NOMINEE ON THE OWNER'S BEHALF.

7 (C) "DISINTERESTED PERSON" MEANS A PERSON WHO IS NOT A PARTY  
8 TO A DERIVATIVE PROCEEDING, OR A PERSON WHO IS A PARTY IF THE  
9 CORPORATION DEMONSTRATES THAT THE CLAIM ASSERTED AGAINST THE  
10 PERSON IS FRIVOLOUS OR INSUBSTANTIAL.

11 SEC. 492A. A PERSON MAY NOT COMMENCE OR MAINTAIN A DERIVA-  
12 TIVE PROCEEDING UNLESS THE PERSON MEETS ALL OF THE FOLLOWING  
13 CRITERIA:

14 (A) HE OR SHE WAS A SHAREHOLDER OF THE CORPORATION AT THE  
15 TIME OF THE ACT OR OMISSION COMPLAINED OF OR BECAME A SHAREHOLDER  
16 THROUGH TRANSFER BY OPERATION OF LAW FROM ONE WHO WAS A SHARE-  
17 HOLDER AT THAT TIME.

18 (B) HE OR SHE FAIRLY AND ADEQUATELY REPRESENTS THE INTERESTS  
19 OF THE CORPORATION IN ENFORCING THE RIGHT OF THE CORPORATION.

20 SEC. 493A. A SHAREHOLDER MAY NOT COMMENCE A DERIVATIVE PRO-  
21 CEEDING UNTIL ALL OF THE FOLLOWING HAVE OCCURRED:

22 (A) A WRITTEN DEMAND HAS BEEN MADE UPON THE CORPORATION TO  
23 TAKE SUITABLE ACTION.

24 (B) NINETY DAYS HAVE EXPIRED FROM THE DATE THE DEMAND WAS  
25 MADE UNLESS THE SHAREHOLDER HAS EARLIER BEEN NOTIFIED THAT THE  
26 DEMAND HAS BEEN REJECTED BY THE CORPORATION OR UNLESS IRREPARABLE

1 INJURY TO THE CORPORATION WOULD RESULT BY WAITING FOR THE  
2 EXPIRATION OF THE 90-DAY PERIOD.

3 SEC. 494. IF THE CORPORATION COMMENCES AN INVESTIGATION OF  
4 THE ALLEGATIONS MADE IN THE DEMAND OR COMPLAINT, THE COURT MAY  
5 STAY ANY DERIVATIVE PROCEEDING FOR A PERIOD AS THE COURT CONSID-  
6 ERS APPROPRIATE.

7 SEC. 495. (1) THE COURT SHALL DISMISS A DERIVATIVE PROCEED-  
8 ING IF, ON MOTION BY THE CORPORATION, THE COURT FINDS THAT 1 OF  
9 THE GROUPS SPECIFIED IN SUBSECTION (2) HAS MADE A DETERMINATION  
10 IN GOOD FAITH AFTER CONDUCTING A REASONABLE INVESTIGATION UPON  
11 WHICH ITS CONCLUSIONS ARE BASED THAT THE MAINTENANCE OF THE  
12 DERIVATIVE PROCEEDING IS NOT IN THE BEST INTERESTS OF THE  
13 CORPORATION. IF THE DETERMINATION IS MADE PURSUANT TO  
14 SUBSECTION (2)(A) OR (B), THE CORPORATION SHALL HAVE THE BURDEN  
15 OF PROVING THE GOOD FAITH OF THE GROUP MAKING THE DETERMINATION  
16 AND THE REASONABLENESS OF THE INVESTIGATION. IF THE DETERMINA-  
17 TION IS MADE PURSUANT TO SUBSECTION (2)(C) OR (D), THE PLAINTIFF  
18 SHALL HAVE THE BURDEN OF PROVING THAT THE DETERMINATION WAS NOT  
19 MADE IN GOOD FAITH OR THAT THE INVESTIGATION WAS NOT REASONABLE.

20 (2) A DETERMINATION UNDER SUBSECTION (1) MAY BE MADE BY ANY  
21 1 OF THE FOLLOWING:

22 (A) BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS, IF  
23 THE DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT A MEETING OF  
24 THE BOARD.

25 (B) BY A MAJORITY VOTE OF A COMMITTEE CONSISTING OF 2 OR  
26 MORE DISINTERESTED DIRECTORS APPOINTED BY A MAJORITY VOTE OF  
27 DISINTERESTED DIRECTORS PRESENT AT A MEETING OF THE BOARD,

1 WHETHER OR NOT THE DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT  
2 THE MEETING.

3 (C) BY A PANEL OF 1 OR MORE DISINTERESTED PERSONS APPOINTED  
4 BY THE COURT UPON MOTION BY THE CORPORATION.

5 (D) BY ALL DISINTERESTED INDEPENDENT DIRECTORS.

6 SEC. 496. A DERIVATIVE PROCEEDING MAY NOT BE DISCONTINUED  
7 OR SETTLED WITHOUT THE COURT'S APPROVAL. IF THE COURT DETERMINES  
8 THAT A PROPOSED DISCONTINUANCE OR SETTLEMENT WILL SUBSTANTIALLY  
9 AFFECT THE INTERESTS OF THE CORPORATION'S SHAREHOLDERS OR A CLASS  
10 OF SHAREHOLDERS, THE COURT SHALL DIRECT THAT NOTICE BE GIVEN TO  
11 THE SHAREHOLDERS AFFECTED. IF NOTICE IS DIRECTED TO BE GIVEN TO  
12 THE AFFECTED SHAREHOLDER, THE COURT MAY DETERMINE WHETHER 1 OR  
13 MORE OF THE PARTIES TO THE ACTION SHALL BEAR THE EXPENSE OF  
14 GIVING THE NOTICE, IN THE AMOUNT AS THE COURT DETERMINES AND  
15 FINDS TO BE REASONABLE UNDER THE CIRCUMSTANCES. THE AMOUNT OF  
16 EXPENSE SHALL BE AWARDED AS SPECIAL COSTS OF THE ACTION AND  
17 RECOVERABLE IN THE SAME MANNER AS STATUTORY TAXABLE COSTS.

8 SEC. 497. ON TERMINATION OF THE DERIVATIVE PROCEEDING, THE  
9 COURT MAY ORDER 1 OF THE FOLLOWING:

10 (A) THE PLAINTIFF TO PAY ANY OF THE DEFENDANT'S REASONABLE  
11 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN DEFEND-  
12 ING THE PROCEEDING IF IT FINDS THAT THE PROCEEDING WAS COMMENCED  
13 OR MAINTAINED IN BAD FAITH OR WITHOUT REASONABLE CAUSE.

14 (B) THE CORPORATION TO PAY THE PLAINTIFF'S REASONABLE  
15 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN THE  
16 PROCEEDING IF IT FINDS THAT THE PROCEEDING HAS RESULTED IN A  
17 SUBSTANTIAL BENEFIT TO THE CORPORATION. THE COURT SHALL DIRECT



1 THE PLAINTIFF TO ACCOUNT TO THE CORPORATION FOR ANY PROCEEDS  
2 RECEIVED BY THE PLAINTIFF IN EXCESS OF EXPENSES AWARDED BY THE  
3 COURT, EXCEPT THAT THIS SHALL NOT APPLY TO A JUDGMENT RENDERED  
4 FOR THE BENEFIT OF AN INJURED SHAREHOLDER ONLY AND LIMITED TO A  
5 RECOVERY OF THE LOSS OR DAMAGE SUSTAINED BY HIM OR HER.

6     Sec. 505. (1) The board shall consist of 1 or more  
7 members. The number of directors shall be fixed by, or in the  
8 manner provided in, the bylaws, unless the articles of incorpora-  
9 tion fix the number.

10     (2) The first board of directors shall hold office until the  
11 first annual meeting of shareholders. At the first annual meet-  
12 ing of shareholders and at each annual meeting thereafter, the  
13 shareholders shall elect directors to hold office until the suc-  
14 ceeding annual meeting, except in case of the classification of  
15 directors as permitted by this act. A director shall hold office  
16 for the term for which he OR SHE is elected and until his OR HER  
17 successor is elected and qualified, or until his OR HER resigna-  
18 tion or removal. A director may resign by written notice to the  
19 corporation. The resignation is effective upon its receipt by  
20 the corporation or a ~~subsequent~~ LATER time as set forth in the  
21 notice of resignation.

22     (3) THE SHAREHOLDERS OR BOARD MAY DESIGNATE 1 OR MORE DIREC-  
23 TORS AS AN INDEPENDENT DIRECTOR. ANY DIRECTOR SO DESIGNATED  
24 SHALL BE ENTITLED TO REASONABLE COMPENSATION IN ADDITION TO COM-  
25 PENSATION PAID TO DIRECTORS GENERALLY, AS DETERMINED BY THE BOARD  
26 OR SHAREHOLDERS, AND REIMBURSEMENT FOR EXPENSES REASONABLY  
27 RELATED TO PERFORMANCE OF DUTIES AS AN INDEPENDENT DIRECTOR. AN

1 INDEPENDENT DIRECTOR MAY COMMUNICATE WITH SHAREHOLDERS AT THE  
2 CORPORATION'S EXPENSE, AS PART OF A COMMUNICATION OR REPORT SENT  
3 BY THE CORPORATION TO SHAREHOLDERS.

4       Sec. 506. (1) The articles of incorporation or a bylaw  
5 adopted by the shareholders OR INCORPORATORS may provide that in  
6 lieu of annual election of all directors the directors be divided  
7 into 2 or 3 classes, each to be as nearly equal in number as  
8 possible. The term of office of directors in the first class  
9 shall expire at the first annual meeting of shareholders after  
10 their election, that of the second class shall expire at the  
11 second annual meeting after their election, and that of the third  
12 class, if any, shall expire at the third annual meeting after  
13 their election. At each annual meeting after such classifica-  
14 tion, a number of directors equal to the number of the class  
15 whose term expires at the time of the meeting shall be elected to  
16 hold office until the second succeeding annual meeting if there  
17 are 2 classes, or until the third succeeding annual meeting if  
18 there are 3 classes.

19       (2) A corporation having more than 1 class OR SERIES of  
20 shares may provide in its articles ~~of incorporation~~ for elec-  
21 tion of 1 or more directors by shareholders of a class or series,  
22 to the exclusion of other shareholders.

23       Sec. 511. (1) ~~Unless otherwise provided in the articles of~~  
24 ~~incorporation or bylaws a director or the entire board may be~~  
25 ~~removed, with or without cause, by vote of the holders of a~~  
26 ~~majority of the shares entitled to vote at an election of~~  
27 ~~directors.~~ THE SHAREHOLDERS MAY REMOVE 1 OR MORE DIRECTORS WITH

1 OR WITHOUT CAUSE UNLESS THE ARTICLES OF INCORPORATION PROVIDE  
2 THAT DIRECTORS MAY BE REMOVED ONLY FOR CAUSE. THE VOTE FOR  
3 REMOVAL SHALL BE BY A MAJORITY OF SHARES ENTITLED TO VOTE AT AN  
4 ELECTION OF DIRECTORS EXCEPT THAT THE ARTICLES MAY REQUIRE A  
5 HIGHER VOTE FOR REMOVAL WITHOUT CAUSE. THIS SECTION SHALL NOT  
6 INVALIDATE ANY BYLAW ADOPTED BEFORE THE EFFECTIVE DATE OF THIS  
7 SUBSECTION INSOFAR AS THE BYLAW APPLIES TO REMOVAL WITHOUT CAUSE.

8 (2) In the case of a corporation having cumulative voting,  
9 if less than the entire board is to be removed, no 1 of the  
10 directors may be removed if the votes cast against his OR HER  
11 removal would be sufficient to elect him OR HER if then cumula-  
12 tively voted at an election of the entire board of directors, or,  
13 if there are classes of directors, at an election of the class of  
14 directors of which he OR SHE is a part.

15 (3) When holders of a class or series of stock or of bonds  
16 are entitled by the articles to elect 1 or more directors, this  
17 section applies, with respect to removal of a director so  
18 elected, to the vote of the holders of the outstanding shares of  
19 that class or series of stock or the holders of those bonds.  
20 ~~and not to the vote of the outstanding shares as a whole.~~

21 SEC. 514. (1) THE CIRCUIT COURT OF THE COUNTY IN WHICH THE  
22 PRINCIPAL PLACE OF BUSINESS OR REGISTERED OFFICE OF THE CORPORA-  
23 TION IS LOCATED MAY REMOVE A DIRECTOR OF THE CORPORATION FROM  
24 OFFICE IN A PROCEEDING COMMENCED EITHER BY THE CORPORATION OR BY  
25 ITS SHAREHOLDERS HOLDING AT LEAST 10% OF THE OUTSTANDING SHARES  
26 OF ANY CLASS IF THE COURT FINDS THAT THE DIRECTOR ENGAGED IN  
27 FRAUDULENT, ILLEGAL, OR DISHONEST CONDUCT, OR GROSS ABUSE OF

1 AUTHORITY OR DISCRETION, WITH RESPECT TO THE CORPORATION, AND  
2 REMOVAL IS IN THE BEST INTEREST OF THE CORPORATION.

3 (2) THE COURT THAT REMOVES A DIRECTOR MAY BAR HIM OR HER  
4 FROM SERVING AS A DIRECTOR FOR A PERIOD PRESCRIBED BY THE COURT.

5 (3) IF SHAREHOLDERS COMMENCE A PROCEEDING UNDER  
6 SUBSECTION (1), THEY SHALL MAKE THE CORPORATION A PARTY  
7 DEFENDANT.

8 SEC. 515A. (1) UNLESS OTHERWISE LIMITED BY THE ARTICLES OF  
9 INCORPORATION, IF A VACANCY, INCLUDING A VACANCY RESULTING FROM  
10 AN INCREASE IN THE NUMBER OF DIRECTORS, OCCURS IN A BOARD, THE  
11 VACANCY MAY BE FILLED AS FOLLOWS:

12 (A) THE SHAREHOLDERS MAY FILL THE VACANCY.

13 (B) THE BOARD MAY FILL THE VACANCY.

14 (C) IF THE DIRECTORS REMAINING IN OFFICE CONSTITUTE FEWER  
15 THAN A QUORUM OF THE BOARD, THEY MAY FILL THE VACANCY BY THE  
16 AFFIRMATIVE VOTE OF A MAJORITY OF ALL THE DIRECTORS REMAINING IN  
17 OFFICE.

18 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES, IF THE HOLD-  
19 ERS OF ANY CLASS OR CLASSES OF STOCK OR SERIES ARE ENTITLED TO  
20 ELECT 1 OR MORE DIRECTORS TO THE EXCLUSION OF OTHER SHAREHOLDERS,  
21 VACANCIES OF THAT CLASS OR CLASSES OR SERIES MAY BE FILLED ONLY  
22 BY 1 OF THE FOLLOWING:

23 (A) BY A MAJORITY OF THE DIRECTORS ELECTED BY THE HOLDERS OF  
24 THAT CLASS OR CLASSES, OR SERIES THEN IN OFFICE, WHETHER OR NOT  
25 THOSE DIRECTORS CONSTITUTE A QUORUM OF THE BOARD.

26 (B) BY THE HOLDERS OF SHARES OF THAT CLASS OR CLASSES OF  
27 SHARES, OR SERIES.

1       (3) IN THE CASE OF A CORPORATION THE DIRECTORS OF WHICH ARE  
2 DIVIDED INTO CLASSES, ANY DIRECTOR CHOSEN TO FILL A VACANCY SHALL  
3 HOLD OFFICE UNTIL THE NEXT ELECTION OF THE CLASS FOR WHICH THE  
4 DIRECTOR SHALL HAVE BEEN CHOSEN, AND UNTIL HIS OR HER SUCCESSOR  
5 IS ELECTED AND QUALIFIED.

6       (4) IF BECAUSE OF DEATH, RESIGNATION, OR OTHER CAUSE, A COR-  
7 PORATION HAS NO DIRECTORS IN OFFICE, AN OFFICER, A SHAREHOLDER,  
8 AN EXECUTOR, ADMINISTRATOR, TRUSTEE, OR GUARDIAN OF A SHAREHOLD-  
9 ER, OR OTHER FIDUCIARY ENTRUSTED WITH LIKE RESPONSIBILITY FOR THE  
10 PERSON OR ESTATE OF A SHAREHOLDER, MAY CALL A SPECIAL MEETING OF  
11 SHAREHOLDERS IN ACCORDANCE WITH THE ARTICLES OR THE BYLAWS.

12       (5) A VACANCY THAT WILL OCCUR AT A SPECIFIC DATE, BY REASON  
13 OF A RESIGNATION EFFECTIVE AT A LATER DATE UNDER SECTION 505 OR  
14 OTHERWISE, MAY BE FILLED BEFORE THE VACANCY OCCURS BUT THE NEWLY  
15 ELECTED OR APPOINTED DIRECTOR MAY NOT TAKE OFFICE UNTIL THE  
16 VACANCY OCCURS.

17       Sec. 521. (1) Regular or special meetings of a board may be  
18 held either within or without this state.

19       (2) A regular meeting may be held with or without notice as  
20 prescribed in the bylaws. A special meeting shall be held upon  
21 notice as prescribed in the bylaws. Attendance of a director at  
22 a meeting constitutes a waiver of notice of the meeting, except  
23 where a director attends a meeting for the express purpose of  
24 objecting to the transaction of any business because the meeting  
25 is not lawfully called or convened. Neither the business to be  
26 transacted at, nor the purpose of, a regular or special meeting

1 need be specified in the notice or waiver of notice of the  
2 meeting unless required by the bylaws.

3 (3) Unless otherwise restricted by the articles of incorpo-  
4 ration or bylaws, a member of the board or of a committee desig-  
5 nated by the board may participate in a meeting by means of con-  
6 ference telephone or similar communications equipment by means of  
7 which all persons participating in the meeting can ~~hear~~  
8 COMMUNICATE WITH each other. Participation in a meeting pursuant  
9 to this subsection constitutes presence in person at the  
10 meeting.

11 Sec. 523. (1) A majority of the members of the board then  
12 in office, or of the members of a committee thereof, constitutes  
13 a quorum for transaction of business, unless the articles of  
14 incorporation or bylaws, OR IN THE CASE OF A COMMITTEE, THE BOARD  
15 RESOLUTION ESTABLISHING THE COMMITTEE, provide for a larger or  
16 smaller number. The vote of the majority of members present at a  
17 meeting at which a quorum is present constitutes the action of  
18 the board or of the committee, unless the vote of a larger number  
19 is required by this act, the articles, or the bylaws, OR IN THE  
20 CASE OF A COMMITTEE, THE BOARD RESOLUTION ESTABLISHING THE  
21 COMMITTEE.

22 (2) Amendment of the bylaws by the board requires the vote  
23 of not less than a majority of the members of the board then in  
24 office.

25 Sec. 525. Unless ~~otherwise provided~~ PROHIBITED by the  
26 articles of incorporation or bylaws, action required or permitted  
27 to be taken pursuant to authorization voted at a meeting of the

1 board or a committee ~~thereof~~ OF THE BOARD, may be taken without  
2 a meeting if, before or after the action, all members of the  
3 board THEN IN OFFICE or of the committee consent ~~thereto~~ TO THE  
4 ACTION in writing. The written consents shall be filed with the  
5 minutes of the proceedings of the board or committee. The con-  
6 sent has the same effect as a vote of the board or committee for  
7 all purposes.

8       Sec. 528. (1) A committee designated pursuant to section  
9 527, to the extent provided in the resolution of the board or in  
10 the bylaws, may exercise all powers and authority of the board in  
11 management of the business and affairs of the corporation.  
12 However, ~~such~~ a committee does not have power or authority to  
13 DO ANY OF THE FOLLOWING:

14       (a) Amend the articles of incorporation.

15       (b) Adopt an agreement of merger or consolidation.

16       (c) Recommend to shareholders the sale, lease, or exchange  
17 of all or substantially all of the corporation's property and  
18 assets.

19       (d) Recommend to shareholders a dissolution of the corpora-  
20 tion or a revocation of a dissolution.

21       (e) Amend the bylaws of the corporation.

22       (f) Fill vacancies in the board.

23       ~~(g) Fix compensation of the directors for serving on the~~  
24 ~~board or on a committee.~~

25       (2) Unless the resolution, articles, ~~of incorporation,~~ or  
26 bylaws expressly so provide, ~~such~~ a committee does not have

1 power or authority to declare a DISTRIBUTION, dividend, or to  
2 authorize the issuance of stock.

3 SEC. 541A. (1) A DIRECTOR OR OFFICER SHALL DISCHARGE HIS OR  
4 HER DUTIES AS A DIRECTOR OR OFFICER INCLUDING HIS OR HER DUTIES  
5 AS A MEMBER OF A COMMITTEE IN THE FOLLOWING MANNER:

6 (A) IN GOOD FAITH.

7 (B) WITH THE CARE AN ORDINARILY PRUDENT PERSON IN A LIKE  
8 POSITION WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES.

9 (C) IN A MANNER HE OR SHE REASONABLY BELIEVES TO BE IN THE  
10 BEST INTERESTS OF THE CORPORATION.

11 (2) IN DISCHARGING HIS OR HER DUTIES, A DIRECTOR OR OFFICER  
12 IS ENTITLED TO RELY ON INFORMATION, OPINIONS, REPORTS, OR STATE-  
13 MENTS, INCLUDING FINANCIAL STATEMENTS AND OTHER FINANCIAL DATA,  
14 IF PREPARED OR PRESENTED BY ANY OF THE FOLLOWING:

15 (A) ONE OR MORE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE  
16 CORPORATION, OR OF A BUSINESS ORGANIZATION UNDER JOINT CONTROL OR  
17 COMMON CONTROL, WHOM THE DIRECTOR OR OFFICER REASONABLY BELIEVES  
18 TO BE RELIABLE AND COMPETENT IN THE MATTERS PRESENTED.

19 (B) LEGAL COUNSEL, PUBLIC ACCOUNTANTS, ENGINEERS, OR OTHER  
20 PERSONS AS TO MATTERS THE DIRECTOR OR OFFICER REASONABLY BELIEVES  
21 ARE WITHIN THE PERSON'S PROFESSIONAL OR EXPERT COMPETENCE.

22 (C) A COMMITTEE OF THE BOARD OF WHICH HE OR SHE IS NOT A  
23 MEMBER IF THE DIRECTOR OR OFFICER REASONABLY BELIEVES THE COMMIT-  
24 TEE MERITS CONFIDENCE.

25 (3) A DIRECTOR OR OFFICER IS NOT ENTITLED TO RELY ON THE  
6 INFORMATION SET FORTH IN SUBSECTION (2) IF HE OR SHE HAS



1 KNOWLEDGE CONCERNING THE MATTER IN QUESTION THAT MAKES RELIANCE  
2 OTHERWISE PERMITTED BY SUBSECTION (2) UNWARRANTED.

3 (4) AN ACTION AGAINST A DIRECTOR OR OFFICER FOR FAILURE TO  
4 PERFORM THE DUTIES IMPOSED BY THIS SECTION SHALL BE COMMENCED  
5 WITHIN 3 YEARS AFTER THE CAUSE OF ACTION HAS ACCRUED, OR WITHIN 2  
6 YEARS AFTER THE TIME WHEN THE CAUSE OF ACTION IS DISCOVERED OR  
7 SHOULD REASONABLY HAVE BEEN DISCOVERED, BY THE COMPLAINANT,  
8 WHICHEVER OCCURS FIRST.

9 SEC. 545A. (1) A TRANSACTION IN WHICH A DIRECTOR OR OFFICER  
10 IS DETERMINED TO HAVE AN INTEREST SHALL BE SUSTAINED AND THE  
11 DIRECTOR OR OFFICER SHALL HAVE NO LIABILITY TO THE CORPORATION IF  
12 THE PARTY INTERESTED IN THE TRANSACTION ESTABLISHES EITHER OF THE  
13 FOLLOWING:

14 (A) THE TRANSACTION WAS FAIR TO THE CORPORATION, UNLESS THE  
15 PERSON CONTESTING VALIDITY CAN ESTABLISH THAT THE TRANSACTION WAS  
16 CONTRARY TO THIS ACT, THE CORPORATION'S ARTICLES OF INCORPORATION  
17 OR BYLAWS, OR WAS OTHERWISE ILLEGAL.

18 (B) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S  
19 OR OFFICER'S INTEREST WERE EITHER DISCLOSED OR KNOWN TO THE BOARD  
20 OR A COMMITTEE OF THE BOARD OR THE INDEPENDENT DIRECTOR OR DIREC-  
21 TORS, AND THE BOARD OR COMMITTEE OR INDEPENDENT DIRECTOR OR  
22 DIRECTORS AUTHORIZED, APPROVED, OR RATIFIED THE TRANSACTION OR  
23 DISCLOSED OR KNOWN TO THE SHAREHOLDERS ENTITLED TO VOTE AND THEY  
24 AUTHORIZED, APPROVED, OR RATIFIED THE TRANSACTION, UNLESS THE  
25 PERSON CONTESTING VALIDITY CAN ESTABLISH THAT THE TRANSACTION  
26 CONSTITUTED WASTE OR FRAUD, OR WAS CONTRARY TO THIS ACT, THE  
27 CORPORATION'S ARTICLES OR BYLAWS, OR WAS OTHERWISE ILLEGAL.

1       (2) FOR PURPOSES OF AUTHORIZATION BY THE BOARD, A  
2 TRANSACTION IS AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVED  
3 THE AFFIRMATIVE VOTE OF THE MAJORITY OF THE DIRECTORS ON THE  
4 BOARD OR THE COMMITTEE WHO HAD NO INTEREST IN THE TRANSACTION,  
5 THOUGH LESS THAN A QUORUM, OR ALL INDEPENDENT DIRECTORS. THE  
6 PRESENCE OF, OR A VOTE CAST BY, A DIRECTOR WITH AN INTEREST IN  
7 THE TRANSACTION DOES NOT AFFECT THE VALIDITY OF THE ACTION TAKEN  
8 UNDER SUBSECTION (1)(B), IF THE TRANSACTION IS OTHERWISE AUTHO-  
9 RIZED, APPROVED, OR RATIFIED AS PROVIDED IN THAT SUBSECTION.

10       (3) FOR PURPOSES OF AUTHORIZATION BY THE SHAREHOLDERS, A  
11 TRANSACTION IS AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVED  
12 THE MAJORITY OF VOTES CAST BY THE HOLDERS OF SHARES ENTITLED TO  
13 BE COUNTED UNDER THIS SUBSECTION. ONLY SHARES HELD BY SHAREHOLD-  
14 ERS WHO DID NOT HAVE AN INTEREST IN THE TRANSACTION MAY BE  
15 COUNTED IN A VOTE OF SHAREHOLDERS TO DETERMINE WHETHER TO AUTHO-  
16 RIZE, APPROVE, OR RATIFY THE TRANSACTION UNDER SUBSECTION  
17 (1)(B). THE VOTE OF THE SHARES HELD BY AN INTERESTED PARTY SHALL  
18 BE COUNTED IN DETERMINING WHETHER THE TRANSACTION IS APPROVED  
19 UNDER OTHER SECTIONS OF THIS ACT. A MAJORITY OF THE SHARES THAT  
20 ARE ENTITLED TO BE COUNTED IN A VOTE ON THE TRANSACTION UNDER  
21 THIS SUBSECTION CONSTITUTES A QUORUM FOR THE PURPOSE OF TAKING  
22 ACTION UNDER THIS SECTION.

23       (4) NOTHING IN THIS SECTION SHALL PROHIBIT A COURT FROM SUS-  
24 TAINING A TRANSACTION IN WHICH A DIRECTOR OR OFFICER IS DETER-  
25 MINED TO HAVE AN INTEREST, AND TO FIND THAT THE DIRECTOR OR OFFI-  
26 CER HAS NO LIABILITY, ON GROUNDS OTHER THAN THOSE SET FORTH IN  
27 THIS SECTION.

1       Sec. 546. ~~(1) When the validity of a contract described in~~  
2 ~~section 545 is questioned, the burden of establishing its valid-~~  
3 ~~ity on any of the grounds prescribed in section 545 is upon the~~  
4 ~~director, officer, corporation, firm or association asserting its~~  
5 ~~validity.~~

6       ~~(2) Common or interested directors may be counted in deter-~~  
7 ~~mining the presence of a quorum at a board or committee meeting~~  
8 ~~at which a contract or transaction described in section 545 is~~  
9 ~~authorized, approved or ratified.~~

10       ~~(3)~~ The board, by affirmative vote of a majority of direc-  
11 tors in office and irrespective of any personal interest of any  
12 of them, may establish reasonable compensation of directors for  
13 services to the corporation as directors or officers, but  
14 approval of the shareholders is required if the articles of  
15 incorporation, bylaws, or other provisions of this act so  
16 provide.

17       Sec. 548. A corporation may lend money to, or guarantee an  
18 obligation of, or otherwise assist an officer or employee of the  
19 corporation or of its subsidiary, including an officer or  
20 employee who is a director of the corporation or its subsidiary,  
21 when, in the judgment of the board, the loan, guaranty, or  
22 assistance may reasonably be expected to benefit the corporation,  
23 OR IS PURSUANT TO A PLAN AUTHORIZING LOANS, GUARANTEES, OR  
24 ASSISTANCE, WHICH PLAN THE BOARD HAS REASONABLY DETERMINED WILL  
25 BENEFIT THE CORPORATION. The loan, guaranty, or assistance may  
26 be with or without interest, and may be unsecured, or secured in  
27 ~~such~~ A manner as the board approves, including without

1 limitation, a pledge of shares of stock of the corporation.  
 2 Nothing in this section shall ~~be deemed to~~ deny, limit, or  
 3 restrict the powers of guaranty or warranty of a corporation at  
 4 common law or under any statute.

5       Sec. 551. (1) ~~In addition to any other liability imposed~~  
 6 ~~by this act or other law upon directors of a corporation,~~  
 7 ~~directors~~ DIRECTORS who vote for, or concur in, any of the fol-  
 8 lowing corporate actions are jointly and severally liable to the  
 9 corporation for the benefit of its creditors or shareholders, to  
 10 the extent of any legally recoverable injury suffered by such  
 11 persons as a result of the action but not to exceed the amount  
 12 unlawfully paid or distributed:

13       (a) Declaration of a SHARE dividend or ~~other~~ distribution  
 14 ~~of assets~~ to shareholders contrary to this act or contrary to  
 15 any restriction in the articles of incorporation or bylaws.

16       ~~(b) Purchase of shares of the corporation contrary to this~~  
 17 ~~act or contrary to any restriction in the articles or bylaws.~~

18       (B) ~~(c)~~ Distribution ~~of assets~~ to shareholders during or  
 19 after dissolution of the corporation without paying ~~—~~ or  
 20 ~~adequately~~ providing for ~~—, all known~~ debts, obligations, and  
 21 liabilities of the corporation AS REQUIRED BY SECTION 855A.

22       (C) ~~(d)~~ Making of a loan to ~~an~~ A DIRECTOR, officer,  
 23 ~~director~~ or employee of the corporation or of a subsidiary  
 24 ~~thereof~~ OF THE CORPORATION contrary to this act.

25       (2) A director is not liable under this section if he OR SHE  
 26 has complied with section ~~541~~ 541A.

1       (3) A shareholder who accepts or receives a SHARE dividend  
2 or distribution with knowledge of facts indicating it is ~~not~~  
3 ~~authorized by~~ CONTRARY TO this act, OR ANY RESTRICTION IN THE  
4 ARTICLES OR BYLAWS, is liable to the corporation in the amount  
5 accepted or received by him OR HER.

6       Sec. 552. (1) A director against whom a claim is success-  
7 fully asserted under section 551 is entitled to contribution from  
8 the other directors who voted for, or concurred in, the action  
9 upon which the claim is asserted.

10       (2) A director against whom a claim is successfully asserted  
11 under section 551 is entitled, to the extent of the amounts paid  
12 by him OR HER to the corporation as a result of ~~such~~ THE  
13 claims, TO THE FOLLOWING:

14       (a) Upon payment to the corporation of any amount of an  
15 improper SHARE dividend or distribution, to be subrogated to the  
16 rights of the corporation against shareholders who received the  
17 SHARE dividend or distribution in proportion to the amounts  
18 received by them respectively.

19       (b) Upon payment to the corporation of any amount of the  
20 purchase price of an improper purchase of shares ~~(i)~~ to have  
21 the corporation rescind the purchase and recover for his OR HER  
22 benefit, but at his OR HER expense, the amount of the purchase  
23 price from any seller who sold ~~such~~ THE shares with knowledge  
24 of facts indicating that ~~such~~ THE purchase of shares by the  
25 corporation was not authorized by this act, or ~~(ii)~~ to have the  
26 corporation assign to ~~such~~ THE director ~~such~~ THE shares and  
27 any claim against the seller.

1 (c) Upon payment to the corporation of the claim of a  
2 creditor because of a violation of subdivision ~~(1)(c)~~ (1)(B) of  
3 section 551, to be subrogated to the rights of the corporation  
4 against shareholders who received an improper distribution of  
5 assets.

6 (d) Upon payment to the corporation of the amount of a loan  
7 made improperly to ~~an~~ A DIRECTOR, officer, ~~director~~ or  
8 employee, to be subrogated to the rights of the corporation  
9 against ~~an~~ A DIRECTOR, officer, ~~director~~ or employee who  
10 received the improper loan.

11 Sec. 562. A corporation has the power to indemnify a person  
12 who was or is a party ~~to~~ or is threatened to be made a party to  
13 a threatened, pending, or completed action or suit by or in the  
14 right of the corporation to procure a judgment in its favor by  
15 reason of the fact that he or she is or was a director, officer,  
16 employee, or agent of the corporation, or is or was serving at  
17 the request of the corporation as a director, officer, partner,  
18 trustee, employee, or agent of another foreign or domestic corpo-  
19 ration, partnership, joint venture, trust, or other enterprise,  
20 whether for profit or not, against expenses, including ~~actual~~  
21 ~~and reasonable~~ attorneys' fees, and amounts paid in settlement  
22 ACTUALLY AND REASONABLY incurred by the person in connection with  
23 the action or suit, if the person acted in good faith and in a  
24 manner the person reasonably believed to be in or not opposed to  
25 the best interests of the corporation or its shareholders.  
26 ~~However, indemnification~~ INDEMNIFICATION shall not be made for  
27 a claim, issue, or matter in which the person has been found

1 liable to the corporation EXCEPT TO THE EXTENT AUTHORIZED IN  
2 SECTION 564C. ~~unless and only to the extent that the court in~~  
3 ~~which the action or suit was brought has determined upon applica-~~  
4 ~~tion that, despite the adjudication of liability but in view of~~  
5 ~~all circumstances of the case, the person is fairly and reason-~~  
6 ~~ably entitled to indemnification for the expenses which the court~~  
7 ~~considers proper.~~

8       Sec. 563. ~~-(1)-~~ To the extent that a director, officer,  
9 employee, or agent of a corporation has been successful on the  
10 merits or otherwise in defense of an action, suit, or proceeding  
11 referred to in section 561 or 562, or in defense of a claim,  
12 issue, or matter in the action, suit, or proceeding, he or she  
13 shall be indemnified against expenses, including ~~actual and~~  
14 ~~reasonable~~ attorneys' fees, ACTUALLY AND REASONABLY incurred by  
15 him or her in connection with the action, suit, or proceeding and  
16 an action, suit, or proceeding brought to enforce the mandatory  
17 indemnification provided in this ~~subsection~~ SECTION.

18       ~~-(2)- An indemnification under section 561 or 562, unless~~  
19 ~~ordered by a court, shall be made by the corporation only as~~  
20 ~~authorized in the specific case upon a determination that indem-~~  
21 ~~nification of the director, officer, employee, or agent is proper~~  
22 ~~in the circumstances because he or she has met the applicable~~  
23 ~~standard of conduct set forth in sections 561 and 562. This~~  
24 ~~determination shall be made in any of the following ways:~~

25       ~~(a) By a majority vote of a quorum of the board consisting~~  
26 ~~of directors who were not parties to the action, suit, or~~  
27 ~~proceeding.~~

1       ~~(b) If the quorum described in subdivision (a) is not~~  
2 ~~obtainable, then by a majority vote of a committee of directors~~  
3 ~~who are not parties to the action. The committee shall consist~~  
4 ~~of not less than 2 disinterested directors.~~

5       ~~(c) By independent legal counsel in a written opinion.~~

6       ~~(d) By the shareholders.~~

7       ~~(3) If a person is entitled to indemnification under section~~  
8 ~~561 or 562 for a portion of expenses including attorneys' fees,~~  
9 ~~judgments, penalties, fines, and amounts paid in settlement, but~~  
10 ~~not for the total amount thereof, the corporation may indemnify~~  
11 ~~the person for the portion of the expenses, judgments, penalties,~~  
12 ~~fines, or amounts paid in settlement for which the person is~~  
13 ~~entitled to be indemnified.~~

14       SEC. 564A. (1) AN INDEMNIFICATION UNDER SECTION 561 OR 562,  
15 UNLESS ORDERED BY THE COURT, SHALL BE MADE BY THE CORPORATION  
16 ONLY AS AUTHORIZED IN THE SPECIFIC CASE UPON A DETERMINATION THAT  
17 INDEMNIFICATION OF THE DIRECTOR, OFFICER, EMPLOYEE, OR AGENT IS  
18 PROPER IN THE CIRCUMSTANCES BECAUSE HE OR SHE HAS MET THE APPLI-  
19 CABLE STANDARD OF CONDUCT SET FORTH IN SECTIONS 561 AND 562 AND  
20 UPON AN EVALUATION OF THE REASONABLENESS OF EXPENSES AND AMOUNTS  
21 PAID IN SETTLEMENT. THIS DETERMINATION AND EVALUATION SHALL BE  
22 MADE IN ANY OF THE FOLLOWING WAYS:

23       (A) BY A MAJORITY VOTE OF A QUORUM OF THE BOARD CONSISTING  
24 OF DIRECTORS WHO ARE NOT PARTIES OR THREATENED TO BE MADE PARTIES  
25 TO THE ACTION, SUIT, OR PROCEEDING.

26       (B) IF A QUORUM CANNOT BE OBTAINED UNDER SUBDIVISION (A), BY  
27 MAJORITY VOTE OF A COMMITTEE DULY DESIGNATED BY THE BOARD AND



1 CONSISTING SOLELY OF 2 OR MORE DIRECTORS NOT AT THE TIME PARTIES  
2 OR THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR  
3 PROCEEDING.

4 (C) BY INDEPENDENT LEGAL COUNSEL IN A WRITTEN OPINION, WHICH  
5 COUNSEL SHALL BE SELECTED IN 1 OF THE FOLLOWING WAYS:

6 (i) BY THE BOARD OR ITS COMMITTEE IN THE MANNER PRESCRIBED  
7 IN SUBDIVISION (A) OR (B).

8 (ii) IF A QUORUM OF THE BOARD CANNOT BE OBTAINED UNDER SUB-  
9 DIVISION (A) AND A COMMITTEE CANNOT BE DESIGNATED UNDER SUBDIVI-  
10 SION (B), BY THE BOARD.

11 (D) BY ALL INDEPENDENT DIRECTORS WHO ARE NOT PARTIES OR  
12 THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR  
13 PROCEEDING.

14 (E) BY THE SHAREHOLDERS, BUT SHARES HELD BY DIRECTORS, OFFI-  
15 CERS, EMPLOYEES, OR AGENTS WHO ARE PARTIES OR THREATENED TO BE  
16 MADE PARTIES TO THE ACTION, SUIT, OR PROCEEDING MAY NOT BE  
17 VOTED.

18 (2) IN THE DESIGNATION OF A COMMITTEE UNDER SUBSECTION  
19 (1)(B) OR IN THE SELECTION OF INDEPENDENT LEGAL COUNSEL UNDER  
20 SUBSECTION (1)(C)(ii), ALL DIRECTORS MAY PARTICIPATE.

21 (3) IF A PERSON IS ENTITLED TO INDEMNIFICATION UNDER SECTION  
22 561 OR 562 FOR A PORTION OF EXPENSES, INCLUDING REASONABLE  
23 ATTORNEYS' FEES, JUDGMENTS, PENALTIES, FINES, AND AMOUNTS PAID IN  
24 SETTLEMENT, BUT NOT FOR THE TOTAL AMOUNT, THE CORPORATION MAY  
25 INDEMNIFY THE PERSON FOR THE PORTION OF THE EXPENSES, JUDGMENTS,  
26 PENALTIES, FINES, OR AMOUNTS PAID IN SETTLEMENT FOR WHICH THE  
27 PERSON IS ENTITLED TO BE INDEMNIFIED.

1        SEC. 564B. (1) A CORPORATION MAY PAY OR REIMBURSE THE  
2 REASONABLE EXPENSES INCURRED BY A DIRECTOR, OFFICER, EMPLOYEE, OR  
3 AGENT WHO IS A PARTY OR THREATENED TO BE MADE A PARTY TO AN  
4 ACTION, SUIT, OR PROCEEDING IN ADVANCE OF FINAL DISPOSITION OF  
5 THE PROCEEDING IF ALL OF THE FOLLOWING APPLY:

6        (A) THE PERSON FURNISHES THE CORPORATION A WRITTEN AFFIRMA-  
7 TION OF HIS OR HER GOOD FAITH BELIEF THAT HE OR SHE HAS MET THE  
8 APPLICABLE STANDARD OF CONDUCT SET FORTH IN SECTIONS 561 AND  
9 562.

10       (B) THE PERSON FURNISHES THE CORPORATION A WRITTEN UNDERTAK-  
11 ING, EXECUTED PERSONALLY OR ON HIS OR HER BEHALF, TO REPAY THE  
12 ADVANCE IF IT IS ULTIMATELY DETERMINED THAT HE OR SHE DID NOT  
13 MEET THE STANDARD OF CONDUCT.

14       (C) A DETERMINATION IS MADE THAT THE FACTS THEN KNOWN TO  
15 THOSE MAKING THE DETERMINATION WOULD NOT PRECLUDE INDEMNIFICATION  
16 UNDER THIS SUBCHAPTER.

17       (2) THE UNDERTAKING REQUIRED BY SUBSECTION (1)(B) MUST BE AN  
18 UNLIMITED GENERAL OBLIGATION OF THE PERSON BUT NEED NOT BE  
19 SECURED AND MAY BE ACCEPTED WITHOUT REFERENCE TO FINANCIAL ABIL-  
20 ITY TO MAKE REPAYMENT.

21       (3) DETERMINATIONS OF PAYMENTS UNDER THIS SECTION SHALL BE  
22 MADE IN THE MANNER SPECIFIED IN SECTION 564A.

23       SEC. 564C. A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF THE  
24 CORPORATION WHO IS A PARTY OR THREATENED TO BE MADE A PARTY TO AN  
25 ACTION, SUIT, OR PROCEEDING MAY APPLY FOR INDEMNIFICATION TO THE  
26 COURT CONDUCTING THE PROCEEDING OR TO ANOTHER COURT OF COMPETENT  
27 JURISDICTION. ON RECEIPT OF AN APPLICATION, THE COURT AFTER

1 GIVING ANY NOTICE IT CONSIDERS NECESSARY MAY ORDER  
2 INDEMNIFICATION IF IT DETERMINES THAT THE PERSON IS FAIRLY AND  
3 REASONABLY ENTITLED TO INDEMNIFICATION IN VIEW OF ALL THE RELE-  
4 VANT CIRCUMSTANCES, WHETHER OR NOT HE OR SHE MET THE APPLICABLE  
5 STANDARD OF CONDUCT SET FORTH IN SECTIONS 561 AND 562 OR WAS  
6 ADJUDGED LIABLE AS DESCRIBED IN SECTION 562, BUT IF HE OR SHE WAS  
7 ADJUDGED LIABLE, HIS OR HER INDEMNIFICATION IS LIMITED TO REASON-  
8 ABLE EXPENSES INCURRED.

9       Sec. 565. (1) The indemnification or advancement of  
10 expenses provided under sections 561 to ~~564~~ 564C is not exclu-  
11 sive of other rights to which a person seeking indemnification or  
12 advancement of expenses may be entitled under the articles of  
13 incorporation, bylaws, or a contractual agreement. However, the  
14 total amount of expenses advanced or indemnified from all sources  
15 combined shall not exceed the amount of actual expenses incurred  
16 by the person seeking indemnification or advancement of  
17 expenses.

18       (2) The indemnification provided for in sections 561 to 565  
19 continues as to a person who ceases to be a director, officer,  
20 employee, or agent and shall inure to the benefit of the heirs,  
21 executors, and administrators of the person.

22       Sec. 567. A corporation shall have power to purchase and  
23 maintain insurance on behalf of any person who is or was a direc-  
24 tor, officer, employee, or agent of the corporation, or is or was  
25 serving at the request of the corporation as a director, officer,  
26 PARTNER, TRUSTEE, employee, or agent of another corporation,  
27 partnership, joint venture, trust, or other enterprise against

1 any liability asserted against him OR HER and incurred by him OR  
2 HER in any such capacity or arising out of his OR HER status as  
3 such, whether or not the corporation would have power to indem-  
4 nify him OR HER against such liability under sections 561 to  
5 565.

6 Sec. 602. Without limitation upon the general power of  
7 amendment granted by section 601, a corporation may amend its  
8 articles of incorporation TO DO ANY OF THE FOLLOWING:

9 (a) ~~To change~~ CHANGE its corporate name.

10 (b) ~~To enlarge~~ ENLARGE, limit, or otherwise change its  
11 corporate purposes or powers.

12 (c) ~~To change~~ CHANGE the duration of the corporation.

13 (d) ~~To increase~~ INCREASE or decrease the aggregate number  
14 of shares, or shares of any class or series of any class, which  
15 the corporation has authority to issue.

16 ~~(e) To increase or decrease the par value of the authorized~~  
17 ~~issued or unissued shares of any class having a par value.~~

18 (E) ~~(f) To exchange~~ EXCHANGE, classify, reclassify, or  
19 cancel any of its issued or unissued shares.

20 (F) ~~(g) To change~~ CHANGE the designation of any of its  
21 issued or unissued shares, and to change the preferences, limita-  
22 tions, and relative rights in respect of any of its issued or  
23 unissued shares.

24 ~~(h) To change issued or unissued shares having par value~~  
25 ~~into the same or a different number of shares without par value,~~  
26 ~~and to change issued or unissued shares without par value into~~  
27 ~~the same or a different number of shares having par value.~~

1 (G) ~~(i) To change~~ CHANGE the issued or unissued shares of  
 2 any class or series ~~, with or without par value,~~ into a differ-  
 3 ent number of shares of the same class or series or into the same  
 4 or a different number of shares ~~, with or without par value,~~ of  
 5 other classes or series.

6 (H) ~~(j) To create~~ CREATE new classes or series of shares  
 7 having rights and preferences superior or inferior to, or equal  
 8 with, the issued or unissued shares of any class or series then  
 9 authorized.

10 (I) ~~(k) To cancel~~ CANCEL or otherwise affect the right of  
 11 the holders of the shares of any class or series to receive divi-  
 12 dends which have accrued but have not been declared.

13 (J) ~~(l) To divide~~ DIVIDE any class of issued or unissued  
 14 shares into series and fix the designations of ~~such~~ THE series  
 15 and the preferences, limitations, and relative rights of the  
 16 shares of the series.

17 (K) ~~(m) To authorize~~ AUTHORIZE the board to divide autho-  
 18 rized but unissued shares of any class into series and fix the  
 19 designations and number of shares of the series and the prefer-  
 20 ences, limitations, and relative rights of the shares of the  
 21 series.

22 (L) ~~(n) To authorize~~ AUTHORIZE the board to fix or change  
 23 the designation or number of, or preferences, limitations, or  
 24 relative rights of the shares of ~~a theretofore~~ AN established  
 25 series the shares of which have not been issued.

1 (M) ~~(o) To revoke~~ REVOKE, diminish, or enlarge the  
 2 authority of the board to take any action set forth in  
 3 subdivisions ~~(m) and (n)~~ (K) AND (l).

4 (N) ~~(p) To limit~~ LIMIT, deny, or grant to shareholders of  
 5 a class the preemptive right to acquire shares of the  
 6 corporation. ~~, then or thereafter authorized.~~

7 (O) ~~(q) To change~~ CHANGE its registered office or change  
 8 its resident agent.

9 (P) ~~(r) To strike~~ STRIKE out, change, or add any provision  
 10 for management of the business and conduct of the affairs of the  
 11 corporation, or creating, defining, limiting, and regulating the  
 12 powers of the corporation, its directors and shareholders, or any  
 13 class of shareholders, including any provision which under this  
 14 act is required or permitted to be set forth in the bylaws.

15 Sec. 701. (1) Two or more domestic corporations may merge  
 16 into 1 of the corporations ~~or consolidate into a new~~  
 17 ~~corporation~~ pursuant to a plan of merger ~~or consolidation~~  
 18 approved in the manner provided by this act.

19 (2) The board of each corporation proposing to participate  
 20 in a merger ~~or consolidation~~ shall adopt a plan of merger, ~~or~~  
 21 ~~consolidation,~~ setting forth ALL OF THE FOLLOWING:

22 (a) The name of each constituent corporation and the name of  
 23 the surviving ~~or consolidated~~ corporation.

24 (b) As to each constituent corporation, the designation and  
 25 number of outstanding shares of each class and series, specifying  
 26 the classes and series entitled to vote; and each class and  
 27 series entitled to vote as a class; and, if the number of shares

1 is subject to change before the effective date of the merger, ~~or~~  
 2 ~~consolidation~~, the manner in which the change may occur.

3 (c) The terms and conditions of the proposed merger, ~~or~~  
 4 ~~consolidation~~, including the manner and basis of converting the  
 5 shares of each constituent corporation into shares, bonds, or  
 6 other securities of the surviving ~~or consolidated~~ corporation,  
 7 or into cash or other consideration, which may include shares,  
 8 bonds, rights, or other property or securities of a corporation  
 9 whether or not a party to the merger, or into a combination  
 10 thereof.

11 (d) ~~In a merger, a~~ A statement of ~~an~~ ANY amendment to  
 12 the articles of incorporation of the surviving corporation to be  
 13 effected by the merger or ~~a~~ ANY restatement of the articles ~~of~~  
 14 ~~incorporation~~ as provided in section 641(1), which shall be in  
 15 the form of restated articles ~~of incorporation~~ as provided in  
 16 section 642. ~~, and in a consolidation, all statements required~~  
 17 ~~to be included in articles of incorporation formed under this~~  
 18 ~~act.~~

19 (e) Other provisions with respect to the proposed merger ~~or~~  
 20 ~~consolidation~~ as the board considers necessary or desirable.

21 SEC. 702. (1) A CORPORATION MAY ACQUIRE ALL OF THE OUT-  
 22 STANDING SHARES OF 1 OR MORE CLASSES OR SERIES OF ANOTHER CORPO-  
 23 RATION PURSUANT TO A PLAN OF SHARE EXCHANGE APPROVED IN THE  
 24 MANNER PROVIDED BY THIS ACT.

25 (2) THE BOARD OF EACH CORPORATION PROPOSING TO PARTICIPATE  
 26 IN A SHARE EXCHANGE SHALL ADOPT A PLAN OF SHARE EXCHANGE SETTING  
 27 FORTH ALL OF THE FOLLOWING:

1 (A) THE NAME OF THE CORPORATION WHOSE SHARES WILL BE  
2 ACQUIRED AND THE NAME OF THE ACQUIRING CORPORATION.

3 (B) THE TERMS AND CONDITIONS OF THE EXCHANGE, INCLUDING THE  
4 MANNER AND BASIS OF EXCHANGING THE SHARES TO BE ACQUIRED FOR  
5 SHARES, OBLIGATIONS, OR OTHER SECURITIES OF THE ACQUIRING OR ANY  
6 OTHER CORPORATION OR FOR CASH OR OTHER PROPERTY IN WHOLE OR  
7 PART.

8 (C) OTHER PROVISIONS WITH RESPECT TO THE PROPOSED EXCHANGE  
9 AS THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

10 (3) THIS SECTION DOES NOT LIMIT THE POWER OF A CORPORATION  
11 TO ACQUIRE ALL OR PART OF THE SHARES OF 1 OR MORE CLASSES OR  
12 SERIES OF ANOTHER CORPORATION THROUGH A VOLUNTARY EXCHANGE OR  
13 OTHERWISE.

14 SEC. 703A. (1) A PLAN OF MERGER OR SHARE EXCHANGE ADOPTED  
15 BY THE BOARD OF EACH CONSTITUENT CORPORATION SHALL, EXCEPT AS  
16 PROVIDED IN SUBSECTION (2)(E) AND (F), BE SUBMITTED FOR APPROVAL  
17 AT A MEETING OF THE SHAREHOLDERS.

18 (2) FOR A PLAN OF MERGER OR SHARE EXCHANGE TO BE APPROVED  
19 ALL OF THE FOLLOWING SHALL APPLY:

20 (A) THE BOARD MUST RECOMMEND THE PLAN OF MERGER OR SHARE  
21 EXCHANGE TO THE SHAREHOLDERS, UNLESS THE BOARD DETERMINES THAT  
22 BECAUSE OF CONFLICT OF INTEREST OR OTHER SPECIAL CIRCUMSTANCES IT  
23 SHOULD MAKE NO RECOMMENDATION AND COMMUNICATES THE BASIS FOR ITS  
24 DETERMINATION TO THE SHAREHOLDERS WITH THE PLAN.

25 (B) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSED  
26 MERGER OR SHARE EXCHANGE ON ANY BASIS.



1 (C) NOTICE OF THE SHAREHOLDER MEETING SHALL BE GIVEN TO EACH  
2 SHAREHOLDER OF RECORD, WHETHER OR NOT ENTITLED TO VOTE AT THE  
3 MEETING, WITHIN THE TIME AND IN THE MANNER PROVIDED IN THIS ACT  
4 FOR THE GIVING OF NOTICE OF MEETINGS OF SHAREHOLDERS. THE NOTICE  
5 SHALL INCLUDE OR BE ACCOMPANIED BY ALL OF THE FOLLOWING:

6 (i) A COPY OF SUMMARY OF THE PLAN OF MERGER OR SHARE  
7 EXCHANGE.

8 (ii) A STATEMENT INFORMING SHAREHOLDERS WHO, UNDER SECTION  
9 762, ARE ENTITLED TO DISSENT, THAT THEY HAVE THE RIGHT TO DISSENT  
10 AND TO BE PAID THE FAIR VALUE OF THEIR SHARES BY COMPLYING WITH  
11 THE PROCEDURES SET FORTH IN SECTIONS 764 TO 772.

12 (D) AT THE MEETING, A VOTE OF THE SHAREHOLDERS SHALL BE  
13 TAKEN ON THE PROPOSED PLAN OF MERGER OR SHARE EXCHANGE. THE PLAN  
14 SHALL BE APPROVED UPON RECEIVING THE AFFIRMATIVE VOTE OF THE  
15 HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF THE CORPORA-  
16 TION ENTITLED TO VOTE THEREON, AND IF A CLASS OR SERIES IS ENTI-  
17 TLED TO VOTE THEREON AS A CLASS, THE AFFIRMATIVE VOTE OF THE  
18 HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF EACH SUCH  
19 CLASS OR SERIES. A CLASS OR SERIES OF SHARES IS ENTITLED TO VOTE  
20 AS A CLASS IN THE CASE OF A MERGER, IF THE PLAN OF MERGER CON-  
21 TAINS A PROVISION WHICH, IF CONTAINED IN A PROPOSED AMENDMENT TO  
22 THE ARTICLES OF INCORPORATION, WOULD ENTITLE THE CLASS OR SERIES  
23 OF SHARES TO VOTE AS A CLASS, OR, IN THE CASE OF A SHARE  
24 EXCHANGE, IF THE CLASS OR SERIES IS INCLUDED IN THE EXCHANGE.

25 (E) EXCEPT AS PROVIDED IN SECTION 754 OR UNLESS REQUIRED BY  
26 THE ARTICLES OF INCORPORATION, ACTION BY THE SHAREHOLDERS OF THE

1 SURVIVING CORPORATION ON A PLAN OF MERGER IS NOT REQUIRED IF ALL  
2 OF THE FOLLOWING APPLY:

3 (i) THE ARTICLES OF THE SURVIVING CORPORATION WILL NOT  
4 DIFFER FROM ITS ARTICLES BEFORE THE MERGER.

5 (ii) EACH SHAREHOLDER OF THE SURVIVING CORPORATION WHOSE  
6 SHARES WERE OUTSTANDING IMMEDIATELY BEFORE THE EFFECTIVE DATE OF  
7 THE MERGER WILL HOLD THE SAME NUMBER OF SHARES, WITH IDENTICAL  
8 DESIGNATIONS, PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS,  
9 IMMEDIATELY AFTER.

10 (F) EXCEPT AS PROVIDED IN SECTION 754, ACTION BY THE SHARE-  
11 HOLDERS OF THE ACQUIRING CORPORATION ON A PLAN OF SHARE EXCHANGE  
12 IS NOT REQUIRED.

13 Sec. 706. (1) A domestic corporation which has not com-  
14 menced business, has not issued any shares, and has not elected a  
15 board may merge ~~or consolidate~~ with any domestic or foreign  
16 corporation by unanimous consent of its incorporators.

17 (2) In order to effect the merger, ~~or consolidation,~~ all  
18 of the incorporators shall execute a certificate of merger ~~or~~  
19 ~~certificate of consolidation~~ in accordance with section 707.

20 (3) The other domestic or foreign corporations participating  
21 in the merger ~~or consolidation~~ shall comply with the provisions  
22 of this act dealing with mergers ~~and consolidations~~ which are  
23 applicable to them.

24 Sec. 707. (1) After ~~approval of~~ a plan of merger or  
25 ~~consolidation~~ SHARE EXCHANGE IS APPROVED, a certificate of  
26 merger or ~~a certificate of consolidation~~ SHARE EXCHANGE shall  
27 be executed and filed on behalf of each corporation. The

1 certificate shall set forth: ~~the plan of merger or the plan of~~  
2 ~~consolidation and 1 of the following.~~

3 (A) THE PLAN OF MERGER OR SHARE EXCHANGE.

4 (B) ~~(a)~~ A statement that the plan of merger or  
5 ~~consolidation~~ SHARE EXCHANGE has been adopted by the ~~board and~~  
6 ~~approved by the shareholders~~ BOARDS in accordance with  
7 ~~sections~~ SECTION 701 ~~to 704~~ OR 702.

8 ~~(b) In the case of a merger governed by section 704, that~~  
9 ~~the plan of merger was approved by the board without a vote of~~  
10 ~~shareholders of the surviving corporation.~~

11 (C) IF APPROVAL OF THE SHAREHOLDERS OF 1 OR MORE CORPORA-  
12 TIONS PARTY TO THE MERGER OR SHARE EXCHANGE WAS REQUIRED, A  
13 STATEMENT THAT THE PLAN WAS APPROVED BY THE SHAREHOLDERS IN  
14 ACCORDANCE WITH SECTION 703A.

15 (D) ~~(c)~~ In the case of a merger governed by section 706,  
16 that the MERGING corporation has not commenced business, has not  
17 issued any shares, and has not elected a board, ~~of directors,~~  
18 and that the plan of merger ~~or plan of consolidation~~ was  
19 approved by the unanimous consent of the incorporators.

20 (2) The certificate of merger or ~~consolidation~~ SHARE  
21 EXCHANGE shall become effective in accordance with section 131.

22 Sec. 711. (1) A domestic corporation owning not less than  
23 90% of the outstanding shares of each class of another domestic  
24 corporation or corporations may merge the other corporation or  
25 corporations into itself, or may merge itself, or itself and any  
26 such subsidiary corporation or corporations, into any such  
27 subsidiary corporation, without approval of the shareholders of

1 any of the corporations, except as provided in section 713. The  
2 board of the parent corporation shall approve a plan of merger  
3 setting forth those matters required to be set forth in a plan of  
4 merger under section 701. Approval by the board of any such sub-  
5 sidiary corporation is not required.

6 (2) If the parent corporation owns less than 100% of the  
7 outstanding shares of each subsidiary corporation, the parent  
8 corporation shall mail PROMPTLY AFTER THE FILING OF THE CERTIFI-  
9 CATE OF MERGER to each minority shareholder of record of each  
10 subsidiary corporation, unless waived in writing, a copy or sum-  
11 mary of the plan of merger ~~. The parent corporation shall also~~  
12 ~~mail to each shareholder, who under section 761 or 762 is enti-~~  
13 ~~led to dissent,~~ AND a statement informing ~~the~~ A shareholder  
14 WHO, UNDER SECTION 762, IS ENTITLED TO DISSENT that the share-  
15 holder has the right to dissent and to be paid the fair value of  
16 ~~the~~ HIS OR HER shares ~~held~~ by complying with THE PROCEDURES  
17 SET FORTH IN sections ~~763 to 771~~ 764 TO 772.

18 (3) The grant of power to merge under this section does not  
19 preclude the effectuation of a merger as elsewhere provided in  
20 this act.

21 Sec. 712. (1) A certificate of merger shall be executed and  
22 filed on behalf of the parent corporation and shall set forth ALL  
23 OF THE FOLLOWING:

24 (a) The plan of merger.

25 (b) The number of outstanding shares of each class of each  
26 subsidiary corporation which is a party to the merger and the

1 number of ~~such~~ shares of each class owned by the parent  
2 corporation.

3 (c) If the parent corporation owns less than 100% of the  
4 outstanding shares of each subsidiary corporation, the date of  
5 mailing of a copy or a summary of the plan of merger AND NOTICE  
6 OF DISSENTERS' RIGHTS to minority shareholders of each subsidiary  
7 corporation; or if all such shareholders have waived the mailing  
8 in writing, a statement that the waiver has been obtained.

9 (2) The merger shall become effective in accordance with  
10 section 131.

11 Sec. 713. (1) Approval by shareholders of a subsidiary cor-  
12 poration shall be obtained pursuant to its articles of incorpora-  
13 tion, if the articles require approval of a merger by the affir-  
14 mative vote of holders of more than the percentage of the shares  
15 of any class or series of ~~such~~ THE corporation then owned by  
16 the parent corporation.

17 (2) Approval of the shareholders of the parent corporation  
18 shall be obtained in either of the following cases:

19 (a) When its articles of incorporation require shareholder  
20 approval of the merger.

21 (b) Pursuant to ~~sections 703 and 704~~ SECTION 703A where  
22 (i) the plan of merger contains a provision which would amend any  
23 part of the articles of incorporation of the parent corporation  
24 into which a subsidiary corporation is being merged, or (ii) a  
25 subsidiary corporation is to be the surviving corporation.

26 SEC. 724. (1) WHEN A MERGER TAKES EFFECT ALL OF THE  
27 FOLLOWING APPLY:

1 (A) EVERY OTHER CORPORATION PARTY TO THE MERGER MERGES INTO  
2 THE SURVIVING CORPORATION AND THE SEPARATE EXISTENCE OF EVERY  
3 CORPORATION EXCEPT THE SURVIVING CORPORATION CEASES.

4 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND  
5 RIGHTS OWNED BY EACH CORPORATION PARTY TO THE MERGER ARE VESTED  
6 IN THE SURVIVING CORPORATION WITHOUT REVERSION OR IMPAIRMENT.

7 (C) UPON COMPLYING WITH SECTION 217, THE SURVIVING CORPORA-  
8 TION MAY USE THE CORPORATE NAME AND THE ASSUMED NAMES OF ANY  
9 MERGING CORPORATION.

10 (D) THE SURVIVING CORPORATION HAS ALL LIABILITIES OF EACH  
11 CORPORATION PARTY TO THE MERGER.

12 (E) A PROCEEDING PENDING AGAINST ANY CORPORATION PARTY TO  
13 THE MERGER MAY BE CONTINUED AS IF THE MERGER DID NOT OCCUR OR THE  
14 SURVIVING CORPORATION MAY BE SUBSTITUTED IN THE PROCEEDING FOR  
15 THE CORPORATION WHOSE EXISTENCE CEASED.

16 (F) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORA-  
17 TION ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF MERGER.

18 (G) THE SHARES OF EACH CORPORATION PARTY TO THE MERGER THAT  
19 ARE TO BE CONVERTED INTO SHARES, OBLIGATIONS, OR OTHER SECURITIES  
20 OF THE SURVIVING OR ANY OTHER CORPORATION OR INTO CASH OR OTHER  
21 PROPERTY ARE CONVERTED.

22 (2) WHEN A SHARE EXCHANGE TAKES EFFECT, THE SHARES OF EACH  
23 ACQUIRED CORPORATION ARE EXCHANGED AS PROVIDED IN THE PLAN.

24 SEC. 735. (1) ONE OR MORE FOREIGN CORPORATIONS MAY MERGE OR  
25 ENTER INTO A SHARE EXCHANGE WITH 1 OR MORE DOMESTIC CORPORATIONS  
26 IF THE FOLLOWING APPLY:

1 (A) IN A MERGER, THE MERGER IS PERMITTED BY THE LAW OF THE  
2 STATE OR COUNTRY UNDER WHOSE LAW EACH FOREIGN CORPORATION IS  
3 INCORPORATED AND EACH FOREIGN CORPORATION COMPLIES WITH THAT LAW  
4 IN EFFECTING THE MERGER PROVIDED THAT IF THE PARENT CORPORATION  
5 IN A MERGER CONDUCTED PURSUANT TO SECTION 711 IS A FOREIGN CORPO-  
6 RATION, IT SHALL COMPLY, NOTWITHSTANDING THE PROVISIONS OF THE  
7 LAWS OF ITS JURISDICTION OF INCORPORATION, WITH SECTION 711(2)  
8 WITH RESPECT TO NOTICE TO SHAREHOLDERS OF A DOMESTIC SUBSIDIARY  
9 CORPORATION WHICH IS A PARTY TO THE MERGER AND WITH SECTION 712  
10 WITH RESPECT TO THE CERTIFICATE OF MERGER.

11 (B) IN A SHARE EXCHANGE, THE CORPORATION WHOSE SHARES WILL  
12 BE ACQUIRED IS A DOMESTIC CORPORATION, WHETHER OR NOT A SHARE  
13 EXCHANGE IS PERMITTED BY THE LAW OF THE STATE OR COUNTRY UNDER  
14 WHOSE LAW THE ACQUIRING CORPORATION IS INCORPORATED.

15 (C) EACH DOMESTIC CORPORATION COMPLIES WITH THE APPLICABLE  
16 PROVISIONS OF SECTIONS 701 THROUGH 713.

17 (2) IF THE SURVIVING CORPORATION OF A MERGER OR THE ACQUIR-  
18 ING CORPORATION IN A SHARE EXCHANGE IS TO BE GOVERNED BY THE LAWS  
19 OF A JURISDICTION OTHER THAN THIS STATE, IT SHALL COMPLY WITH THE  
20 PROVISIONS OF THIS ACT WITH RESPECT TO FOREIGN CORPORATIONS IF IT  
21 IS TO TRANSACT BUSINESS IN THIS STATE. THE CORPORATION IS  
22 LIABLE, AND IS SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN  
23 THIS STATE, FOR THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC  
24 CORPORATION WHICH IS PARTY TO THE MERGER OR SHARE EXCHANGE, AND  
25 IN A PROCEEDING FOR THE ENFORCEMENT OF A RIGHT OF A DISSENTING  
26 SHAREHOLDER OF A DOMESTIC CORPORATION AGAINST THE SURVIVING OR  
27 ACQUIRING CORPORATION.

1       (3) THIS SECTION DOES NOT LIMIT THE POWER OF A FOREIGN  
2 CORPORATION TO ACQUIRE ALL OR PART OF THE SHARES OF 1 OR MORE  
3 CLASSES OR SERIES OF A DOMESTIC CORPORATION THROUGH A VOLUNTARY  
4 EXCHANGE OR OTHERWISE.

5       Sec. 741. At any time before the effective date of a cer-  
6 tificate of merger or ~~consolidation~~ SHARE EXCHANGE, the merger  
7 or ~~consolidation~~ SHARE EXCHANGE may be abandoned, ~~pursuant to~~  
8 ~~provisions therefor, if any, set forth in the plan of merger or~~  
9 ~~consolidation~~ SUBJECT TO ANY CONTRACTUAL RIGHTS, WITHOUT FURTHER  
10 SHAREHOLDER ACTION, IN ACCORDANCE WITH THE PROCEDURE SET FORTH IN  
11 THE PLAN OF MERGER OR SHARE EXCHANGE OR, IF NONE SET FORTH, IN  
12 THE MANNER DETERMINED BY THE BOARD. If a certificate of merger  
13 or ~~consolidation~~ SHARE EXCHANGE has been filed by a corpora-  
14 tion, it shall file a certificate of abandonment within 10 days  
15 after the abandonment, but not later than the proposed effective  
16 day.

17       Sec. 753. (1) A sale, lease, exchange, or other disposition  
18 of all, or substantially all, the property and assets, with or  
19 without the goodwill, of a corporation, if not in the usual and  
20 regular course of its business as conducted by the corporation,  
21 may be made upon ~~such~~ terms and conditions and for a considera-  
22 tion, which may consist in whole or in part of cash or other  
23 property, including shares, bonds, or other securities of any  
24 other corporation, domestic or foreign, as authorized as provided  
25 in this section.

26       (2) ~~The board shall approve a proposal for the sale, lease,~~  
27 ~~exchange or other disposition.~~ THE BOARD MUST RECOMMEND THE



1 PROPOSED TRANSACTION TO THE SHAREHOLDERS UNLESS THE BOARD  
2 DETERMINES THAT BECAUSE OF CONFLICT OF INTEREST OR OTHER SPECIAL  
3 CIRCUMSTANCES IT SHOULD MAKE NO RECOMMENDATION AND COMMUNICATES  
4 THE BASIS FOR ITS DETERMINATION TO THE SHAREHOLDERS WITH THE SUB-  
5 MISSION OF THE PROPOSED TRANSACTION.

6 (3) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSED  
7 TRANSACTION ON ANY BASIS.

8 (4) ~~-(3)-~~ The proposed transaction shall be submitted for  
9 approval at a meeting of shareholders. Notice of the meeting  
10 shall be given to each shareholder of record whether or not enti-  
11 tled to vote at the meeting ~~, not less than 20 days before the~~  
12 ~~meeting,~~ WITHIN THE TIME AND in the manner provided in this act  
13 for the giving of notice of meetings of shareholders. The notice  
14 shall include or be accompanied by:

15 (a) A statement summarizing the principal terms of the pro-  
16 posed transaction or a copy of any documents containing the prin-  
17 cipal terms.

18 (b) A statement informing shareholders who, under section  
19 ~~761~~ 762, are entitled to dissent, that they have the right to  
20 dissent and to be paid the fair value of their shares by comply-  
21 ing with the procedures set forth in sections ~~763 to 771~~ 764 TO  
22 772.

23 (5) ~~-(4)-~~ At the meeting the shareholders may authorize the  
24 sale, lease, exchange, or other disposition and may fix, or may  
25 authorize the board to fix, any term or condition ~~thereof~~ and  
26 the consideration to be received by the corporation. ~~therefor.~~  
27 The authorization requires the affirmative vote of the holders of

1 a majority of the outstanding shares of the corporation entitled  
2 to vote thereon. ~~and if a class or series is entitled to vote~~  
3 ~~thereon as a class, the affirmative vote of a majority of the~~  
4 ~~outstanding shares of each such class or series.~~

5 (6) ~~(5)~~ Notwithstanding authorization by the shareholders,  
6 the board may abandon the sale, lease, exchange, or other dispo-  
7 sition, subject to the rights of third parties under any con-  
8 tracts relating thereto, without further action or approval by  
9 shareholders.

10 SEC. 754. SHAREHOLDERS OF A CORPORATION WHICH PROPOSES TO  
11 ISSUE, DIRECTLY OR THROUGH A SUBSIDIARY, ITS SHARES, OBLIGATIONS,  
12 OR SECURITIES IN THE COURSE OF A MERGER, ACQUISITION OF SOME OR  
13 ALL OF THE OUTSTANDING SHARES OF ANOTHER CORPORATION, OR SOME OR  
14 ALL OF THE ASSETS OF A CORPORATION, PROPRIETORSHIP, PARTNERSHIP,  
15 OR OTHER TYPE OF BUSINESS ORGANIZATION, SHALL HAVE THE SAME  
16 RIGHTS TO RECEIVE NOTICE AND TO VOTE ON THE PROPOSED ACQUISITION  
17 AS PROVIDED IN SECTION 703A(2) AND TO RECEIVE DISSENTERS' RIGHTS  
18 AS PROVIDED IN SECTION 762 IF THE SECURITIES TO BE ISSUED OR  
19 DELIVERED IN THE ACQUISITION ARE, OR MAY BE CONVERTED INTO,  
20 SHARES OF THE ACQUIRING CORPORATION'S COMMON STOCK AND THE NUMBER  
21 OF THE ACQUIRING CORPORATION'S COMMON SHARES TO BE ISSUED OR  
22 DELIVERED, PLUS THOSE INITIALLY ISSUABLE UPON CONVERSION OR  
23 EXCHANGE OF ANY OTHER SECURITIES TO BE ISSUED OR DELIVERED, WILL  
24 EXCEED 100% OF THE NUMBER OF ITS COMMON SHARES OUTSTANDING IMME-  
25 DIATELY PRIOR TO THE ACQUISITION PLUS THE NUMBER OF ITS COMMON  
26 SHARES, IF ANY, INITIALLY ISSUABLE UPON CONVERSION OR EXCHANGE OF  
27 ANY OTHER SECURITIES THEN OUTSTANDING.

1       Sec. 761. ~~Except as provided in section 762(1) a~~  
2 ~~shareholder of a corporation may dissent from any of the follow-~~  
3 ~~ing corporate actions:~~

4       ~~(a) A plan of merger or consolidation to which the corpora-~~  
5 ~~tion is a party, other than a plan pursuant to which shareholders~~  
6 ~~receive cash, bonds, or shares, or any combination thereof, if~~  
7 ~~the shares satisfy the requirements of section 762(1):~~

8       ~~(b) A sale, lease, exchange, or other disposition of all or~~  
9 ~~substantially all of the assets of a corporation not in the usual~~  
10 ~~or regular course of business as conducted by such corporation,~~  
11 ~~other than (i) a transaction pursuant to a plan of dissolution~~  
12 ~~which provides for distribution of substantially all of its net~~  
13 ~~assets to shareholders in accordance with their respective inter-~~  
14 ~~ests within 1 year after the date of the transaction, where such~~  
15 ~~transaction is for cash, bonds, or shares, or any combination~~  
16 ~~thereof, if the shares satisfy the requirements of section~~  
17 ~~762(1); or (ii) a sale pursuant to an order of a court having~~  
18 ~~jurisdiction.~~

19       ~~(c) An amendment of the articles of incorporation giving~~  
20 ~~rise to a right to dissent pursuant to section 621.~~

21       ~~(d) The approval of a control share acquisition giving rise~~  
22 ~~to a right to dissent pursuant to section 799. AS USED IN SEC-~~  
23 ~~TIONS 762 TO 774:~~

24       (A) "BENEFICIAL SHAREHOLDER" MEANS THE PERSON WHO IS A BENE-  
25 FICIAL OWNER OF SHARES HELD BY A NOMINEE AS THE RECORD  
26 SHAREHOLDER.

1 (B) "CORPORATION" MEANS THE ISSUER OF THE SHARES HELD BY A  
2 DISSENTER BEFORE THE CORPORATE ACTION, OR THE SURVIVING OR  
3 ACQUIRING CORPORATION BY MERGER OR SHARE EXCHANGE OF THAT  
4 ISSUER.

5 (C) "DISSENTER" MEANS A SHAREHOLDER WHO IS ENTITLED TO DIS-  
6 SENT FROM CORPORATE ACTION UNDER SECTION 762 AND WHO EXERCISES  
7 THAT RIGHT WHEN AND IN THE MANNER REQUIRED BY SECTIONS 764  
8 THROUGH 772.

9 (D) "FAIR VALUE", WITH RESPECT TO A DISSENTER'S SHARES,  
10 MEANS THE VALUE OF THE SHARES IMMEDIATELY BEFORE THE EFFECTUATION  
11 OF THE CORPORATE ACTION TO WHICH THE DISSENTER OBJECTS, EXCLUDING  
12 ANY APPRECIATION OR DEPRECIATION IN ANTICIPATION OF THE CORPORATE  
13 ACTION UNLESS EXCLUSION WOULD BE INEQUITABLE.

14 (E) "INTEREST" MEANS INTEREST FROM THE EFFECTIVE DATE OF THE  
15 CORPORATE ACTION UNTIL THE DATE OF PAYMENT, AT THE AVERAGE RATE  
16 CURRENTLY PAID BY THE CORPORATION ON ITS PRINCIPAL BANK LOANS OR,  
17 IF NONE, AT A RATE THAT IS FAIR AND EQUITABLE UNDER ALL THE  
18 CIRCUMSTANCES.

19 (F) "RECORD SHAREHOLDER" MEANS THE PERSON IN WHOSE NAME  
20 SHARES ARE REGISTERED IN THE RECORDS OF A CORPORATION OR THE BEN-  
21 EFICIAL OWNER OF SHARES TO THE EXTENT OF THE RIGHTS GRANTED BY A  
22 NOMINEE CERTIFICATE ON FILE WITH A CORPORATION.

23 (G) "SHAREHOLDER" MEANS THE RECORD SHAREHOLDER OR THE BENE-  
24 FICIAL SHAREHOLDER.

25 Sec. 762. ~~-(+) Unless otherwise provided in the articles of~~  
26 ~~incorporation, a shareholder may not dissent as to any corporate~~  
27 ~~action set forth in section 761(a), (b), or (c) as to shares~~

~~1 which are listed on a national securities exchange or are held of~~  
~~2 record by not less than 2,000 persons on the record date fixed to~~  
~~3 determine the shareholders entitled to receive notice of and to~~  
~~4 vote at the meeting of shareholders at which the corporate action~~  
~~5 is to be acted upon.~~

~~6 (2) A shareholder may not dissent as to less than all of the~~  
~~7 shares owned beneficially by him or her and as to which a right~~  
~~8 of dissent exists. A nominee or fiduciary may not dissent on~~  
~~9 behalf of a beneficial owner as to less than all of the shares of~~  
~~10 the owner as to which a right of dissent exists.~~

~~11 (3) A shareholder of a surviving corporation to a merger may~~  
~~12 not dissent from a plan of merger, if the merger did not require~~  
~~13 for its approval the vote of the shareholder pursuant to section~~  
~~14 704.~~

15 (1) A SHAREHOLDER IS ENTITLED TO DISSENT FROM, AND OBTAIN  
16 PAYMENT OF THE FAIR VALUE OF HIS OR HER SHARES IN THE EVENT OF,  
17 ANY OF THE FOLLOWING CORPORATE ACTIONS:

18 (A) CONSUMMATION OF A PLAN OF MERGER TO WHICH THE CORPORA-  
19 TION IS A PARTY IF SHAREHOLDER APPROVAL IS REQUIRED FOR THE  
20 MERGER BY SECTION 703A OR THE ARTICLES OF INCORPORATION AND THE  
21 SHAREHOLDER IS ENTITLED TO VOTE ON THE MERGER, OR THE CORPORATION  
22 IS A SUBSIDIARY THAT IS MERGED WITH ITS PARENT UNDER  
23 SECTION 711.

24 (B) CONSUMMATION OF A PLAN OF SHARE EXCHANGE TO WHICH THE  
25 CORPORATION IS A PARTY AS THE CORPORATION WHOSE SHARES WILL BE  
26 ACQUIRED, IF THE SHAREHOLDER IS ENTITLED TO VOTE ON THE PLAN.

1 (C) CONSUMMATION OF A SALE OR EXCHANGE OF ALL, OR  
2 SUBSTANTIALLY ALL, OF THE PROPERTY OF THE CORPORATION OTHER THAN  
3 IN THE USUAL AND REGULAR COURSE OF BUSINESS, IF THE SHAREHOLDER  
4 IS ENTITLED TO VOTE ON THE SALE OR EXCHANGE, INCLUDING A SALE IN  
5 DISSOLUTION BUT NOT INCLUDING A SALE PURSUANT TO COURT ORDER.

6 (D) AN AMENDMENT OF THE ARTICLES OF INCORPORATION GIVING  
7 RISE TO A RIGHT TO DISSENT PURSUANT TO SECTION 621.

8 (E) A TRANSACTION GIVING RISE TO A RIGHT TO DISSENT PURSUANT  
9 TO SECTION 754.

10 (F) ANY CORPORATE ACTION TAKEN PURSUANT TO A SHAREHOLDER  
11 VOTE TO THE EXTENT THE ARTICLES, BYLAWS, OR A RESOLUTION OF THE  
12 BOARD PROVIDES THAT VOTING OR NONVOTING SHAREHOLDERS ARE ENTITLED  
13 TO DISSENT AND OBTAIN PAYMENT FOR THEIR SHARES.

14 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES, BYLAWS, OR A  
15 RESOLUTION OF THE BOARD, A SHAREHOLDER MAY NOT DISSENT FROM ANY  
16 OF THE FOLLOWING:

17 (A) ANY CORPORATE ACTION SET FORTH IN SUBSECTION (1)(A) TO  
18 (E) AS TO SHARES WHICH ARE LISTED ON A NATIONAL SECURITIES  
19 EXCHANGE OR HELD OF RECORD BY NOT LESS THAN 2,000 PERSONS ON THE  
20 RECORD DATE FIXED TO DETERMINE THE SHAREHOLDERS ENTITLED TO  
21 RECEIVE NOTICE OF AND TO VOTE AT THE MEETING OF SHAREHOLDERS AT  
22 WHICH THE CORPORATE ACTION IS TO BE ACTED UPON.

23 (B) A TRANSACTION DESCRIBED IN SUBSECTION (1)(A) IN WHICH  
24 SHAREHOLDERS RECEIVE CASH OR SHARES THAT SATISFY THE REQUIREMENTS  
25 OF SUBDIVISION (A) OR ANY COMBINATION THEREOF.

1 (C) A TRANSACTION DESCRIBED IN SUBSECTION (1)(B) IN WHICH  
2 SHAREHOLDERS RECEIVE CASH OR SHARES THAT SATISFY THE REQUIREMENTS  
3 OF SUBDIVISION (A) OR ANY COMBINATION THEREOF.

4 (D) A TRANSACTION DESCRIBED IN SUBSECTION (1)(C) WHICH IS  
5 CONDUCTED PURSUANT TO A PLAN OF DISSOLUTION PROVIDING FOR DISTRI-  
6 BUTION OF SUBSTANTIALLY ALL OF THE CORPORATION'S NET ASSETS TO  
7 SHAREHOLDERS IN ACCORDANCE WITH THEIR RESPECTIVE INTERESTS WITHIN  
8 1 YEAR AFTER THE DATE OF THE TRANSACTION, WHERE THE TRANSACTION  
9 IS FOR CASH OR SHARES THAT SATISFY THE REQUIREMENTS OF SUBDIVI-  
10 SION (A) OR ANY COMBINATION THEREOF.

11 (3) A SHAREHOLDER ENTITLED TO DISSENT AND OBTAIN PAYMENT FOR  
12 HIS OR HER SHARES PURSUANT TO SUBSECTION (1)(A) TO (E) MAY NOT  
13 CHALLENGE THE CORPORATE ACTION CREATING HIS OR HER ENTITLEMENT  
14 UNLESS THE ACTION IS UNLAWFUL OR FRAUDULENT WITH RESPECT TO THE  
15 SHAREHOLDER OR THE CORPORATION.

16 (4) A SHAREHOLDER WHO EXERCISES HIS OR HER RIGHT TO DISSENT  
17 AND SEEK PAYMENT FOR HIS OR HER SHARES PURSUANT TO  
18 SUBSECTION (1)(F) MAY NOT CHALLENGE THE CORPORATE ACTION CREATING  
19 HIS OR HER ENTITLEMENT UNLESS THE ACTION IS UNLAWFUL OR FRAUDU-  
20 LENT WITH RESPECT TO THE SHAREHOLDER OR THE CORPORATION.

21 Sec. 763. ~~A dissenting shareholder intending to enforce~~  
22 ~~his right to receive payment for his shares, if the proposed cor-~~  
23 ~~porate action referred to therein is taken, shall file with the~~  
24 ~~corporation, before the meeting of shareholders at which the~~  
25 ~~action is submitted to a vote, or at the meeting but before the~~  
26 ~~vote, written objection to the action. The objection shall~~  
27 ~~include a statement that he intends to demand payment for his~~

~~1 shares if the action is taken. The objection is not required~~  
~~2 from a shareholder to whom the corporation did not give notice of~~  
~~3 the meeting in accordance with this chapter or where the proposed~~  
~~4 action is authorized by written consent of shareholders without a~~  
~~5 meeting.~~

6       (1) A RECORD SHAREHOLDER MAY ASSERT DISSENTERS' RIGHTS AS TO  
7 FEWER THAN ALL THE SHARES REGISTERED IN HIS OR HER NAME ONLY IF  
8 HE OR SHE DISSENTS WITH RESPECT TO ALL SHARES BENEFICIALLY OWNED  
9 BY ANY 1 PERSON AND NOTIFIES THE CORPORATION IN WRITING OF THE  
10 NAME AND ADDRESS OF EACH PERSON ON WHOSE BEHALF HE OR SHE ASSERTS  
11 DISSENTERS' RIGHTS. THE RIGHTS OF A PARTIAL DISSENTER UNDER THIS  
12 SUBSECTION ARE DETERMINED AS IF THE SHARES AS TO WHICH HE OR SHE  
13 DISSENTS AND HIS OR HER OTHER SHARES WERE REGISTERED IN THE NAMES  
14 OF DIFFERENT SHAREHOLDERS.

15       (2) A BENEFICIAL SHAREHOLDER MAY ASSERT DISSENTERS' RIGHTS  
16 AS TO SHARES HELD ON HIS OR HER BEHALF ONLY IF ALL OF THE FOLLOW-  
17 ING APPLY:

18       (A) HE OR SHE SUBMITS TO THE CORPORATION THE RECORD  
19 SHAREHOLDER'S WRITTEN CONSENT TO THE DISSENT NOT LATER THAN THE  
20 TIME THE BENEFICIAL SHAREHOLDER ASSERTS DISSENTERS' RIGHTS.

21       (B) HE OR SHE DOES SO WITH RESPECT TO ALL SHARES OF WHICH HE  
22 OR SHE IS THE BENEFICIAL SHAREHOLDER OR OVER WHICH HE OR SHE HAS  
23 POWER TO DIRECT THE VOTE.

24       Sec. 764. ~~(1) Within 10 days after the date on which the~~  
25 ~~shareholders' vote authorizing the action was taken, or the date~~  
26 ~~on which such consent without a meeting was obtained from the~~  
27 ~~requisite shareholders, hereinafter referred to as the~~



~~1 shareholders' authorization date, the corporation shall give~~  
~~2 written notice of the authorization or consent by certified or~~  
~~3 registered mail to each shareholder who filed written objection~~  
~~4 or from whom written objection was not required, except a share~~  
~~5 holder who voted for or consented in writing to the proposed~~  
~~6 action.~~

~~7 (2) Within 20 days after the mailing of notice to a share~~  
~~8 holder to whom the corporation was required to give notice and~~  
~~9 who elects to dissent, he shall file with the corporation a writ-~~  
~~10 ten notice of his election, stating his name and residence~~  
~~11 address, the number and classes of shares as to which he dissents~~  
~~12 and a demand for payment of the fair value of his shares. A~~  
~~13 shareholder who elects to dissent from a merger under section 711~~  
~~14 or subsection (1) of section 733 shall file a written notice of~~  
~~15 his election within 20 days after the mailing to him of a copy of~~  
~~16 the plan of merger or a summary of the plan as provided under~~  
~~17 section 711.~~

18 (1) IF PROPOSED CORPORATE ACTION CREATING DISSENTERS' RIGHTS  
19 UNDER SECTION 762 IS SUBMITTED TO A VOTE AT A SHAREHOLDERS' MEET-  
20 ING, THE MEETING NOTICE MUST STATE THAT SHAREHOLDERS ARE OR MAY  
21 BE ENTITLED TO ASSERT DISSENTERS' RIGHTS UNDER THIS ACT AND SHALL  
22 BE ACCOMPANIED BY A COPY OF SECTIONS 761 TO 774.

23 (2) IF CORPORATE ACTION CREATING DISSENTERS' RIGHTS UNDER  
24 SECTION 762 IS TAKEN WITHOUT A VOTE OF SHAREHOLDERS, THE CORPORA-  
25 TION SHALL NOTIFY IN WRITING ALL SHAREHOLDERS ENTITLED TO ASSERT  
26 DISSENTERS' RIGHTS THAT THE ACTION WAS TAKEN AND SEND THEM THE  
27 DISSENTERS' NOTICE DESCRIBED IN SECTION 766.

1       Sec. 765. ~~Upon filing a notice of election to dissent a~~  
2 ~~shareholder ceases to have any right of a shareholder except the~~  
3 ~~right to be paid the fair value of his shares and any other~~  
4 ~~rights under sections 763 to 771. A notice of election may be~~  
5 ~~withdrawn only with written consent of the corporation. If a~~  
6 ~~notice of election is withdrawn, or the proposed corporate action~~  
7 ~~is abandoned or rescinded, or a court determines that the share~~  
8 ~~holder is not entitled to receive payment for his shares, or the~~  
9 ~~shareholder otherwise loses his dissenter's rights, he shall not~~  
10 ~~have the right to receive payment for his shares and he shall be~~  
11 ~~reinstated to all his rights as a shareholder as of the filing of~~  
12 ~~his notice of election, including any intervening dividend or~~  
13 ~~other distribution or, if any such right has expired or any such~~  
14 ~~dividend or distribution other than in cash has been completed,~~  
15 ~~in lieu thereof, at the election of the corporation, the fair~~  
16 ~~value thereof in cash as determined by the board as of the time~~  
17 ~~of the expiration or completion, but without prejudice otherwise~~  
18 ~~to any corporate proceedings that may have been taken in the~~  
19 ~~interim.~~

20       (1) IF PROPOSED CORPORATE ACTION CREATING DISSENTERS' RIGHTS  
21 UNDER SECTION 762 IS SUBMITTED TO A VOTE AT A SHAREHOLDERS' MEET-  
22 ING, A SHAREHOLDER WHO WISHES TO ASSERT DISSENTERS' RIGHTS MUST  
23 DELIVER TO THE CORPORATION BEFORE THE VOTE IS TAKEN WRITTEN  
24 NOTICE OF HIS OR HER INTENT TO DEMAND PAYMENT FOR HIS OR HER  
25 SHARES IF THE PROPOSED ACTION IS EFFECTUATED AND MUST NOT VOTE  
26 HIS OR HER SHARES IN FAVOR OF THE PROPOSED ACTION.

1 (2) A SHAREHOLDER WHO DOES NOT SATISFY THE REQUIREMENTS OF  
2 SUBSECTION (1) IS NOT ENTITLED TO PAYMENT FOR HIS OR HER SHARES  
3 UNDER THIS ACT.

4 Sec. 766. ~~No later than 10 days after consummation of a~~  
5 ~~corporate action set forth in section 761, the corporation, or,~~  
6 ~~in case of a merger or consolidation, the surviving or new corpo-~~  
7 ~~ration, shall give written notice thereof to each dissenting~~  
8 ~~shareholder who has made demand as herein provided, and shall~~  
9 ~~make a written offer to each such shareholder to pay for his~~  
10 ~~shares at a specified price deemed by the corporation to be the~~  
11 ~~fair value thereof. If within 30 days after making such offer,~~  
12 ~~the corporation making the offer and a shareholder agree upon the~~  
13 ~~price to be paid for his shares, payment therefor shall be made~~  
14 ~~within 60 days after consummation of the proposed corporate~~  
15 ~~action, upon the surrender of the certificates representing the~~  
16 ~~shares.~~

17 (1) IF PROPOSED CORPORATE ACTION CREATING DISSENTERS' RIGHTS  
18 UNDER SECTION 762 IS AUTHORIZED AT A SHAREHOLDERS' MEETING, THE  
19 CORPORATION SHALL DELIVER A WRITTEN DISSENTERS' NOTICE TO ALL  
20 SHAREHOLDERS WHO SATISFIED THE REQUIREMENTS OF SECTION 765.

21 (2) THE DISSENTERS' NOTICE MUST BE SENT NO LATER THAN 10  
22 DAYS AFTER THE CORPORATE ACTION WAS TAKEN, AND MUST PROVIDE ALL  
23 OF THE FOLLOWING:

24 (A) STATE WHERE THE PAYMENT DEMAND MUST BE SENT AND WHERE  
25 AND WHEN CERTIFICATES FOR SHARES REPRESENTED BY CERTIFICATES MUST  
26 BE DEPOSITED.

1 (B) INFORM HOLDERS OF SHARES WITHOUT CERTIFICATES TO WHAT  
2 EXTENT TRANSFER OF THE SHARES WILL BE RESTRICTED AFTER THE  
3 PAYMENT DEMAND IS RECEIVED.

4 (C) SUPPLY A FORM FOR THE PAYMENT DEMAND THAT INCLUDES THE  
5 DATE OF THE FIRST ANNOUNCEMENT TO NEWS MEDIA OR TO SHAREHOLDERS  
6 OF THE TERMS OF THE PROPOSED CORPORATE ACTION AND REQUIRES THAT  
7 THE PERSON ASSERTING DISSENTERS' RIGHTS CERTIFY WHETHER OR NOT HE  
8 OR SHE ACQUIRED BENEFICIAL OWNERSHIP OF THE SHARES BEFORE THE  
9 DATE.

10 (D) SET A DATE BY WHICH THE CORPORATION MUST RECEIVE THE  
11 PAYMENT DEMAND, WHICH DATE MAY NOT BE FEWER THAN 30 NOR MORE THAN  
12 60 DAYS AFTER THE DATE THE SUBSECTION (1) NOTICE IS DELIVERED.

13 Sec. 767. ~~(1) The procedure in this section and sections~~  
14 ~~768 to 769 applies if the corporation fails to make an offer~~  
15 ~~within 10 days, or if it makes the offer and a dissenting share~~  
16 ~~holder fails to agree upon the price to be paid for his or her~~  
17 ~~shares within 30 days after the offer.~~

18 ~~(2) The corporation, within 20 days after expiration of the~~  
19 ~~periods in subsection (1), shall file an action in the circuit~~  
20 ~~court of the county in which the registered office of the corpo-~~  
21 ~~ration is located to determine the rights of dissenting share~~  
22 ~~holders and to fix the fair value of their shares. If, in case~~  
23 ~~of a merger or consolidation, the surviving or new corporation is~~  
24 ~~a foreign corporation without a registered office in this state,~~  
25 ~~the action shall be brought in the county where the registered~~  
26 ~~office of the domestic corporation, whose shares are to be~~  
27 ~~valued, was located.~~

1       ~~(3) If the corporation fails to file the action within this~~  
2 ~~20 day period, a dissenting shareholder may file the action for~~  
3 ~~the same purpose not later than 30 days after expiration of the~~  
4 ~~20 days or within 30 days after he or she is notified by mail of~~  
5 ~~the consummation of the transaction, whichever is later. If the~~  
6 ~~action is not filed within this 30 day period, all dissenter's~~  
7 ~~rights hereunder are terminated.~~

8       ~~(4) Dissenting shareholders, except those who, as provided~~  
9 ~~in section 766, have agreed with the corporation upon the price~~  
10 ~~to be paid for their shares, shall be made parties to the action,~~  
11 ~~which shall have the effect of an action in rem against their~~  
12 ~~shares.~~

13       (1) A SHAREHOLDER SENT A DISSENTER'S NOTICE DESCRIBED IN  
14 SECTION 766 MUST DEMAND PAYMENT, CERTIFY WHETHER HE OR SHE  
15 ACQUIRED BENEFICIAL OWNERSHIP OF THE SHARES BEFORE THE DATE  
16 REQUIRED TO BE SET FORTH IN THE DISSENTERS' NOTICE PURSUANT TO  
17 SECTION 766(2)(C), AND DEPOSIT HIS OR HER CERTIFICATES IN ACCORD-  
18 ANCE WITH THE TERMS OF THE NOTICE.

19       (2) THE SHAREHOLDER WHO DEMANDS PAYMENT AND DEPOSITS HIS OR  
20 HER SHARE CERTIFICATES UNDER SUBSECTION (1) RETAINS ALL OTHER  
21 RIGHTS OF A SHAREHOLDER UNTIL THESE RIGHTS ARE CANCELED OR MODI-  
22 FIED BY THE TAKING OF THE PROPOSED CORPORATE ACTION.

23       (3) A SHAREHOLDER WHO DOES NOT DEMAND PAYMENT OR DEPOSIT HIS  
24 OR HER SHARE CERTIFICATES WHERE REQUIRED, EACH BY THE DATE SET IN  
25 THE DISSENTERS' NOTICE, IS NOT ENTITLED TO PAYMENT FOR HIS OR HER  
26 SHARES UNDER THIS ACT.

1       Sec. 768. ~~(1) Subject to section 768a, the court shall~~  
2 ~~determine whether a dissenting shareholder, as to whom the~~  
3 ~~corporation requests the court to make a determination, is enti-~~  
4 ~~tled to receive payment for his or her shares. If the corpora-~~  
5 ~~tion does not request a determination or if the court finds that~~  
6 ~~a dissenting shareholder is entitled, it shall fix the value of~~  
7 ~~the shares, which, for the purposes of sections 763 to 771, shall~~  
8 ~~be the fair value as of the close of business on the day before~~  
9 ~~the shareholders' authorization date, excluding any appreciation~~  
10 ~~or depreciation directly or indirectly induced by corporate~~  
11 ~~action or its proposal.~~

12       ~~(2) The final order in the action shall determine the value~~  
13 ~~of the shares of each dissenting shareholder and require the cor-~~  
14 ~~poration to pay that amount to the dissenting shareholders.~~

15       ~~(3) The final order shall include an allowance for interest~~  
16 ~~at a rate the court finds to be equitable, from the shareholders'~~  
17 ~~authorization date to the date of payment.~~

18       (1) THE CORPORATION MAY RESTRICT THE TRANSFER OF SHARES  
19 WITHOUT CERTIFICATES FROM THE DATE THE DEMAND FOR THEIR PAYMENT  
20 IS RECEIVED UNTIL THE PROPOSED CORPORATE ACTION IS TAKEN OR THE  
21 RESTRICTIONS RELEASED UNDER SECTION 770.

22       (2) THE PERSON FOR WHOM DISSENTERS' RIGHTS ARE ASSERTED AS  
23 TO SHARES WITHOUT CERTIFICATES RETAINS ALL OTHER RIGHTS OF A  
24 SHAREHOLDER UNTIL THESE RIGHTS ARE CANCELED OR MODIFIED BY THE  
25 TAKING OF THE PROPOSED CORPORATE ACTION.

26       Sec. 769. ~~(1) The costs and expenses of the proceeding~~  
27 ~~shall be determined by the court and shall be assessed against~~

~~1 the corporation, except that any part of the costs and expenses  
2 may be apportioned and assessed, as the court may determine,  
3 against any dissenting shareholders who are parties to the pro-  
4 ceeding if the court finds that their refusal to accept the cor-  
5 porate offer was arbitrary, vexatious or otherwise not in good  
6 faith. The expenses shall include reasonable compensation for  
7 and reasonable expenses of the appraiser, but shall exclude the  
8 fees and expenses of attorneys for and experts employed by any  
9 party unless the court, in its discretion, awards such fees and  
10 expenses. In exercising discretion as to payment of the attorney  
11 fees of dissenting shareholders, the court shall consider any of  
12 the following: (a) That the fair value of the shares as deter-  
13 mined materially exceeds the amount which the corporation offered  
14 to pay, (b) that no offer was made by the corporation, and (c)  
15 that the corporation failed to institute the special proceeding  
16 within the period specified therefor.~~

~~17 (2) Within 60 days after final determination of the proceed-  
18 ing, the corporation shall pay to each dissenting shareholder the  
19 amount found to be due him, upon surrender of the certificates  
20 representing his shares.~~

21 (1) EXCEPT AS PROVIDED IN SECTION 771, AS SOON AS THE PRO-  
22 POSED CORPORATE ACTION IS TAKEN, OR UPON RECEIPT OF A PAYMENT  
23 DEMAND, THE CORPORATION SHALL PAY EACH DISSENTER WHO COMPLIED  
24 WITH SECTION 767 THE AMOUNT THE CORPORATION ESTIMATES TO BE THE  
25 FAIR VALUE OF HIS OR HER SHARES, PLUS ACCRUED INTEREST.

26 (2) THE PAYMENT MUST BE ACCOMPANIED BY ALL OF THE  
27 FOLLOWING:

1 (A) THE CORPORATION'S BALANCE SHEET AS OF THE END OF A  
2 FISCAL YEAR ENDING NOT MORE THAN 16 MONTHS BEFORE THE DATE OF  
3 PAYMENT, AN INCOME STATEMENT FOR THAT YEAR, A STATEMENT OF  
4 CHANGES IN SHAREHOLDERS' EQUITY FOR THAT YEAR, AND IF AVAILABLE  
5 THE LATEST INTERIM FINANCIAL STATEMENTS.

6 (B) A STATEMENT OF THE CORPORATION'S ESTIMATE OF THE FAIR  
7 VALUE OF THE SHARES.

8 (C) AN EXPLANATION OF HOW THE INTEREST WAS CALCULATED.

9 (D) A STATEMENT OF THE DISSENTER'S RIGHT TO DEMAND PAYMENT  
10 UNDER SECTION 772.

11 Sec. 770. ~~Shares acquired by the corporation upon payment~~  
12 ~~of the agreed value therefor or of the amount due under the final~~  
13 ~~order, shall become treasury shares or be canceled as provided in~~  
14 ~~section 371, except that, in case of a merger or consolidation,~~  
15 ~~they may be held and disposed of as the plan of merger or consol-~~  
16 ~~idation otherwise provides.~~

17 (1) IF THE CORPORATION DOES NOT TAKE THE PROPOSED ACTION  
18 WITHIN 60 DAYS AFTER THE DATE SET FOR DEMANDING PAYMENT AND  
19 DEPOSITING SHARE CERTIFICATES, THE CORPORATION SHALL RETURN THE  
20 DEPOSITED CERTIFICATES AND RELEASE THE TRANSFER RESTRICTIONS  
21 IMPOSED ON SHARES WITHOUT CERTIFICATES.

22 (2) IF AFTER RETURNING DEPOSITED CERTIFICATES AND RELEASING  
23 TRANSFER RESTRICTIONS, THE CORPORATION TAKES THE PROPOSED ACTION,  
24 IT MUST SEND A NEW DISSENTERS' NOTICE UNDER SECTION 766 AND  
25 REPEAT THE PAYMENT DEMAND PROCEDURE.

26 Sec. 771. ~~The enforcement by a shareholder of his right to~~  
27 ~~receive payment for his shares excludes the enforcement by the~~



~~1 shareholder of any other right to which he might otherwise be  
2 entitled by virtue of share ownership, except as provided in sec-  
3 tion 765, and except that the right of the shareholder to bring  
4 or maintain an appropriate action to obtain relief on the ground  
5 that such corporate action will be or is unlawful or fraudulent  
6 as to him is not excluded.~~

7 (1) A CORPORATION MAY ELECT TO WITHHOLD PAYMENT REQUIRED BY  
8 SECTION 769 FROM A DISSENTER UNLESS HE OR SHE WAS THE BENEFICIAL  
9 OWNER OF THE SHARES BEFORE THE DATE SET FORTH IN THE DISSENTERS'  
10 NOTICE PURSUANT TO SECTION 766(2)(C).

11 (2) TO THE EXTENT THE CORPORATION ELECTS TO WITHHOLD PAYMENT  
12 UNDER SUBSECTION (1), AFTER TAKING THE PROPOSED CORPORATE ACTION,  
13 IT SHALL ESTIMATE THE FAIR VALUE OF THE SHARES, PLUS ACCRUED  
14 INTEREST, AND SHALL OFFER TO PAY THIS AMOUNT TO EACH DISSENTER  
15 WHO SHALL AGREE TO ACCEPT IT IN FULL SATISFACTION OF HIS OR HER  
16 DEMAND. THE CORPORATION SHALL SEND WITH ITS OFFER A STATEMENT OF  
17 ITS ESTIMATE OF THE FAIR VALUE OF THE SHARES, AN EXPLANATION OF  
18 HOW THE INTEREST WAS CALCULATED, AND A STATEMENT OF THE  
19 DISSENTER'S RIGHT TO DEMAND PAYMENT UNDER SECTION 772.

20 SEC. 772. (1) A DISSENTER MAY NOTIFY THE CORPORATION IN  
21 WRITING OF HIS OR HER OWN ESTIMATE OF THE FAIR VALUE OF HIS OR  
22 HER SHARES AND AMOUNT OF INTEREST DUE, AND DEMAND PAYMENT OF HIS  
23 OR HER ESTIMATE, LESS ANY PAYMENT UNDER SECTION 769, OR REJECT  
24 THE CORPORATION'S OFFER UNDER SECTION 771 AND DEMAND PAYMENT OF  
25 THE FAIR VALUE OF HIS OR HER SHARES AND INTEREST DUE, IF ANY 1 OF  
26 THE FOLLOWING APPLIES:

1 (A) THE DISSENTER BELIEVES THAT THE AMOUNT PAID UNDER  
2 SECTION 769 OR OFFERED UNDER SECTION 771 IS LESS THAN THE FAIR  
3 VALUE OF HIS OR HER SHARES OR THAT THE INTEREST DUE IS INCOR-  
4 RECTLY CALCULATED.

5 (B) THE CORPORATION FAILS TO MAKE PAYMENT UNDER SECTION 769  
6 WITHIN 60 DAYS AFTER THE DATE SET FOR DEMANDING PAYMENT.

7 (C) THE CORPORATION, HAVING FAILED TO TAKE THE PROPOSED  
8 ACTION, DOES NOT RETURN THE DEPOSITED CERTIFICATES OR RELEASE THE  
9 TRANSFER RESTRICTIONS IMPOSED ON SHARES WITHOUT CERTIFICATES  
10 WITHIN 60 DAYS AFTER THE DATE SET FOR DEMANDING PAYMENT.

11 (2) A DISSENTER WAIVES HIS OR HER RIGHT TO DEMAND PAYMENT  
12 UNDER THIS SECTION UNLESS HE OR SHE NOTIFIES THE CORPORATION OF  
13 HIS OR HER DEMAND IN WRITING UNDER SUBSECTION (1) WITHIN 30 DAYS  
14 AFTER THE CORPORATION MADE OR OFFERED PAYMENT FOR HIS OR HER  
15 SHARES.

16 SEC. 773. (1) IF A DEMAND FOR PAYMENT UNDER SECTION 772  
17 REMAINS UNSETTLED, THE CORPORATION SHALL COMMENCE A PROCEEDING  
18 WITHIN 60 DAYS AFTER RECEIVING THE PAYMENT DEMAND AND PETITION  
19 THE COURT TO DETERMINE THE FAIR VALUE OF THE SHARES AND ACCRUED  
20 INTEREST. IF THE CORPORATION DOES NOT COMMENCE THE PROCEEDING  
21 WITHIN THE 60-DAY PERIOD, IT SHALL PAY EACH DISSENTER WHOSE  
22 DEMAND REMAINS UNSETTLED THE AMOUNT DEMANDED.

23 (2) THE CORPORATION SHALL COMMENCE THE PROCEEDING IN THE  
24 CIRCUIT COURT OF THE COUNTY IN WHICH THE CORPORATION'S PRINCIPAL  
25 PLACE OF BUSINESS OR REGISTERED OFFICE IS LOCATED. IF THE CORPO-  
26 RATION IS A FOREIGN CORPORATION WITHOUT A REGISTERED OFFICE OR  
27 PRINCIPAL PLACE OF BUSINESS IN THIS STATE, IT SHALL COMMENCE THE

1 PROCEEDING IN THE COUNTY IN THIS STATE WHERE THE PRINCIPAL PLACE  
2 OF BUSINESS OR REGISTERED OFFICE OF THE DOMESTIC CORPORATION  
3 WHOSE SHARES ARE TO BE VALUED WAS LOCATED.

4 (3) THE CORPORATION SHALL MAKE ALL DISSENTERS, WHETHER OR  
5 NOT RESIDENTS OF THIS STATE, WHOSE DEMANDS REMAIN UNSETTLED PAR-  
6 TIES TO THE PROCEEDING AS IN AN ACTION AGAINST THEIR SHARES AND  
7 ALL PARTIES SHALL BE SERVED WITH A COPY OF THE PETITION.  
8 NONRESIDENTS MAY BE SERVED BY REGISTERED OR CERTIFIED MAIL OR BY  
9 PUBLICATION AS PROVIDED BY LAW.

10 (4) THE JURISDICTION OF THE COURT IN WHICH THE PROCEEDING IS  
11 COMMENCED UNDER SUBSECTION (2) IS PLENARY AND EXCLUSIVE. THE  
12 COURT MAY APPOINT 1 OR MORE PERSONS AS APPRAISERS TO RECEIVE EVI-  
13 DENCE AND RECOMMEND DECISION ON THE QUESTION OF FAIR VALUE. THE  
14 APPRAISERS HAVE THE POWERS DESCRIBED IN THE ORDER APPOINTING  
15 THEM, OR IN ANY AMENDMENT TO IT. THE DISSENTERS ARE ENTITLED TO  
16 THE SAME DISCOVERY RIGHTS AS PARTIES IN OTHER CIVIL PROCEEDINGS.

17 (5) EACH DISSENTER MADE A PARTY TO THE PROCEEDING IS ENTI-  
18 TLED TO JUDGMENT FOR THE AMOUNT, IF ANY, BY WHICH THE COURT FINDS  
19 THE FAIR VALUE OF HIS OR HER SHARES, PLUS INTEREST, EXCEEDS THE  
20 AMOUNT PAID BY THE CORPORATION OR FOR THE FAIR VALUE, PLUS  
21 ACCRUED INTEREST, OF HIS OR HER AFTER-ACQUIRED SHARES FOR WHICH  
22 THE CORPORATION ELECTED TO WITHHOLD PAYMENT UNDER SECTION 771.

23 SEC. 773A. (1) IN A PROCEEDING BROUGHT PURSUANT TO SECTION  
24 773, THE COURT MAY, PURSUANT TO THE AGREEMENT OF THE PARTIES,  
25 APPOINT A REFEREE SELECTED BY THE PARTIES AND SUBJECT TO THE  
26 APPROVAL OF THE COURT. THE REFEREE MAY CONDUCT PROCEEDINGS  
27 WITHIN THE STATE, OR OUTSIDE THE STATE BY STIPULATION OF THE

1 PARTIES WITH THE REFEREE'S CONSENT, AND PURSUANT TO THE MICHIGAN  
2 COURT RULES. THE REFEREE SHALL HAVE POWERS THAT INCLUDE, BUT ARE  
3 NOT LIMITED TO, THE FOLLOWING:

4 (A) TO HEAR ALL PRETRIAL MOTIONS AND SUBMIT PROPOSED ORDERS  
5 TO THE COURT. IN RULING ON THE PRETRIAL MOTION AND PROPOSED  
6 ORDERS, THE COURT SHALL CONSIDER ONLY THOSE DOCUMENTS, PLEADINGS,  
7 AND ARGUMENTS THAT WERE PRESENTED TO THE REFEREE.

8 (B) TO REQUIRE THE PRODUCTION OF EVIDENCE, INCLUDING THE  
9 PRODUCTION OF ALL BOOKS, PAPERS, DOCUMENTS, AND WRITINGS APPLICA-  
10 BLE TO THE PROCEEDING, AND TO PERMIT ENTRY UPON DESIGNATED LAND  
11 OR OTHER PROPERTY IN THE POSSESSION OR CONTROL OF THE  
12 CORPORATION.

13 (C) TO RULE UPON THE ADMISSIBILITY OF EVIDENCE PURSUANT TO  
14 THE MICHIGAN RULES OF EVIDENCE.

15 (D) TO PLACE WITNESSES UNDER OATH AND TO EXAMINE WITNESSES.

16 (E) TO PROVIDE FOR THE TAKING OF TESTIMONY BY DEPOSITION.

17 (F) TO REGULATE THE COURSE OF THE PROCEEDING.

18 (G) TO ISSUE SUBPOENAS, WHEN A WRITTEN REQUEST IS MADE BY  
19 ANY OF THE PARTIES, REQUIRING THE ATTENDANCE AND TESTIMONY OF ANY  
20 WITNESS AND THE PRODUCTION OF EVIDENCE INCLUDING BOOKS, RECORDS,  
21 CORRESPONDENCE, AND DOCUMENTS IN THE POSSESSION OF THE WITNESS OR  
22 UNDER HIS OR HER CONTROL, AT A HEARING BEFORE THE REFEREE OR AT A  
23 DEPOSITION CONVENED PURSUANT TO SUBDIVISION (E). IN CASE OF A  
24 REFUSAL TO COMPLY WITH A SUBPOENA, THE PARTY ON WHOSE BEHALF THE  
25 SUBPOENA WAS ISSUED MAY FILE A PETITION IN THE COURT FOR AN ORDER  
26 REQUIRING COMPLIANCE.

1 (2) THE AMOUNT AND MANNER OF PAYMENT OF THE REFEREE'S  
2 COMPENSATION SHALL BE DETERMINED BY AGREEMENT BETWEEN THE REFEREE  
3 AND THE PARTIES, SUBJECT TO THE COURT'S ALLOCATION OF COMPENSA-  
4 TION BETWEEN THE PARTIES AT THE END OF THE PROCEEDING PURSUANT TO  
5 EQUITABLE PRINCIPLES, NOTWITHSTANDING SECTION 774.

6 (3) THE REFEREE SHALL DO ALL OF THE FOLLOWING:

7 (A) MAKE A RECORD AND REPORTER'S TRANSCRIPT OF THE  
8 PROCEEDING.

9 (B) PREPARE A REPORT, INCLUDING PROPOSED FINDINGS OF FACT  
10 AND CONCLUSIONS OF LAW, AND A RECOMMENDED JUDGMENT.

11 (C) FILE THE REPORT WITH THE COURT, TOGETHER WITH ALL ORIGI-  
12 NAL EXHIBITS AND THE REPORTER'S TRANSCRIPT OF THE PROCEEDING.

13 (4) UNLESS THE COURT PROVIDES FOR A LONGER PERIOD, NOT MORE  
14 THAN 45 DAYS AFTER BEING SERVED WITH NOTICE OF THE FILING OF THE  
15 REPORT DESCRIBED IN SUBSECTION (3), ANY PARTY MAY SERVE WRITTEN  
16 OBJECTIONS TO THE REPORT UPON THE OTHER PARTY. APPLICATION TO  
17 THE COURT FOR ACTION UPON THE REPORT AND OBJECTIONS TO THE REPORT  
18 SHALL BE MADE BY MOTION UPON NOTICE. THE COURT, AFTER HEARING,  
19 MAY ADOPT THE REPORT, MAY RECEIVE FURTHER EVIDENCE, MAY MODIFY  
20 THE REPORT, OR MAY RECOMMIT THE REPORT TO THE REFEREE WITH  
21 INSTRUCTIONS. UPON ADOPTION OF THE REPORT, JUDGMENT SHALL BE  
22 ENTERED IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE  
23 COURT AND SHALL BE SUBJECT TO REVIEW IN THE SAME MANNER AS ANY  
24 OTHER JUDGMENT OF THE COURT.

25 SEC. 774. (1) THE COURT IN AN APPRAISAL PROCEEDING COM-  
26 MENCED UNDER SECTION 773 SHALL DETERMINE ALL COSTS OF THE  
27 PROCEEDING, INCLUDING THE REASONABLE COMPENSATION AND EXPENSES OF

1 APPRAISERS APPOINTED BY THE COURT. THE COURT SHALL ASSESS THE  
2 COSTS AGAINST THE CORPORATION, EXCEPT THAT THE COURT MAY ASSESS  
3 COSTS AGAINST ALL OR SOME OF THE DISSENTERS, IN AMOUNTS THE COURT  
4 FINDS EQUITABLE, TO THE EXTENT THE COURT FINDS THE DISSENTERS  
5 ACTED ARBITRARILY, VEXATIONOUSLY, OR NOT IN GOOD FAITH IN DEMANDING  
6 PAYMENT UNDER SECTION 772.

7 (2) THE COURT MAY ALSO ASSESS THE FEES AND EXPENSES OF COUN-  
8 SEL AND EXPERTS FOR THE RESPECTIVE PARTIES, IN AMOUNTS THE COURT  
9 FINDS EQUITABLE IN THE FOLLOWING MANNER:

10 (A) AGAINST THE CORPORATION AND IN FAVOR OF ANY OR ALL DIS-  
11 SENTERS IF THE COURT FINDS THE CORPORATION DID NOT SUBSTANTIALLY  
12 COMPLY WITH THE REQUIREMENTS OF SECTIONS 764 THROUGH 772.

13 (B) AGAINST EITHER THE CORPORATION OR A DISSENTER, IN FAVOR  
14 OF ANY OTHER PARTY, IF THE COURT FINDS THAT THE PARTY AGAINST  
15 WHOM THE FEES AND EXPENSES ARE ASSESSED ACTED ARBITRARILY, VEXA-  
16 TIOUSLY, OR NOT IN GOOD FAITH WITH RESPECT TO THE RIGHTS PROVIDED  
17 BY THIS ACT.

18 (3) IF THE COURT FINDS THAT THE SERVICES OF COUNSEL FOR ANY  
19 DISSENTER WERE OF SUBSTANTIAL BENEFIT TO OTHER DISSENTERS SIMI-  
20 LARLY SITUATED, AND THAT THE FEES FOR THOSE SERVICES SHOULD NOT  
21 BE ASSESSED AGAINST THE CORPORATION, THE COURT MAY AWARD TO THOSE  
22 COUNSEL REASONABLE FEES PAID OUT OF THE AMOUNTS AWARDED THE DIS-  
23 SENTERS WHO WERE BENEFITED.

24 Sec. 804. (1) A corporation may be dissolved by action of  
25 its board and shareholders as provided in this section.

1       (2) ~~The board shall adopt a resolution that the corporation~~  
2 ~~be dissolved.~~ A CORPORATION'S BOARD MAY PROPOSE DISSOLUTION FOR  
3 ACTION BY THE SHAREHOLDERS.

4       (3) THE BOARD MUST RECOMMEND DISSOLUTION TO THE SHAREHOLDERS  
5 UNLESS THE BOARD DETERMINES THAT BECAUSE OF CONFLICT OF INTEREST  
6 OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO RECOMMENDATION  
7 AND COMMUNICATES THE BASIS FOR ITS DETERMINATION TO THE  
8 SHAREHOLDERS.

9       (4) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSAL  
10 FOR DISSOLUTION ON ANY BASIS.

11       (5) ~~(3)~~ The proposed dissolution shall be submitted for  
12 approval at a meeting of shareholders. Notice shall be given to  
13 each shareholder of record WHETHER OR NOT entitled to vote at the  
14 meeting WITHIN THE TIME AND IN THE MANNER as provided in this act  
15 for the giving of notice of meetings of shareholders, and shall  
16 state that a purpose of the meeting is to vote on dissolution of  
17 the corporation.

18       (6) ~~(4)~~ At the meeting a vote of shareholders shall be  
19 taken on the proposed dissolution. The dissolution shall be  
20 approved upon receiving the affirmative vote of the holders of a  
21 majority of the outstanding shares of the corporation entitled to  
22 vote thereon. ~~, and if a class or series is entitled to vote~~  
23 ~~thereon as a class, the affirmative vote of a majority of the~~  
24 ~~outstanding shares of each such class or series.~~

25       (7) ~~(5)~~ If the dissolution is approved, ~~a certificate of~~  
26 ~~dissolution shall be executed and filed on behalf of the~~  
27 ~~corporation~~ IT SHALL BE EFFECTED BY THE EXECUTION AND FILING OF

1 A CERTIFICATE OF DISSOLUTION ON BEHALF OF THE CORPORATION,  
2 setting forth ALL OF THE FOLLOWING:

3 (a) The name of the corporation.

4 (b) The date and place of the meeting of shareholders  
5 approving the dissolution.

6 (c) A statement that dissolution was PROPOSED AND approved  
7 by the requisite vote of ~~directors~~ THE BOARD and shareholders.

8 Sec. 805. (1) The articles of incorporation may contain a  
9 provision that a shareholder, or the holders of any specified  
10 number or proportion of shares, or of any specified number or  
11 proportion of shares of a class or series, ~~thereof,~~ may require  
12 dissolution of the corporation at will or upon the occurrence of  
13 a specified event, if all the incorporators have authorized the  
14 provision in the articles or the holders of record of all out-  
15 standing shares authorize the provision in an amendment to the  
16 articles.

17 (2) If the articles contain this provision, dissolution may  
18 be effected by the execution and filing of a certificate of dis-  
19 solution on behalf of the corporation when authorized by a holder  
20 or holders of the number or proportion of shares specified in the  
21 provision, obtained in ~~such~~ THE manner as may be specified  
22 ~~therein~~ IN THE ARTICLES, or if no manner is specified,  
23 ~~therein,~~ when authorized on written consent signed by ~~such~~  
24 THE holder or holders. The certificate of dissolution shall  
25 state the name of the corporation and that the corporation is  
26 dissolved pursuant to a designated provision in the articles.



1       (3) ~~If the articles contain a provision authorized by~~  
2 ~~subsection (1), the existence of the provision shall be noted~~  
3 ~~conspicuously on the face of every certificate for shares issued~~  
4 ~~by the corporation, and a holder of such certificate is conclu-~~  
5 ~~sively deemed to have taken delivery with notice of the~~  
6 ~~provision.~~ A PROVISION AUTHORIZED BY SUBSECTION (1) BECOMES  
7 INVALID IF SUBSEQUENT TO THE ADOPTION OF THE PROVISION, SHARES  
8 ARE TRANSFERRED OR ISSUED TO A PERSON WHO TAKES DELIVERY OF THE  
9 SHARE CERTIFICATE WITHOUT ACTUAL NOTICE OF THE PROVISION, UNLESS  
10 THAT PERSON CONSENTS IN WRITING TO THE PROVISION. IF THE ARTI-  
11 CLES CONTAIN A PROVISION AUTHORIZED BY SUBSECTION (1) AND THE  
12 EXISTENCE OF THE PROVISION IS NOTED ON THE FACE OR BACK OF A CER-  
13 TIFICATE FOR SHARES ISSUED BY THE CORPORATION, A HOLDER OF THAT  
14 CERTIFICATE IS CONCLUSIVELY CONSIDERED TO HAVE TAKEN DELIVERY  
15 WITH ACTUAL NOTICE OF THE PROVISION.

16       (4) THE FAILURE TO INCLUDE A PROVISION OF A KIND AUTHORIZED  
17 IN SUBSECTION (1) IN THE ARTICLES SHALL NOT INVALIDATE ANY AGREE-  
18 MENT WHICH WOULD OTHERWISE BE CONSIDERED VALID.

19       Sec. 815. A corporation whose term has expired may renew  
20 its corporate existence, if a proceeding pursuant to section 851  
21 is not pending, in the following manner:

22       (a) The board shall adopt a resolution that the corporate  
23 existence be renewed. The proposed renewal shall be submitted  
24 for approval at a meeting of shareholders. Notice shall be given  
25 to each shareholder of record entitled to vote at the meeting  
26 within the time and in the manner provided in this act for the  
27 giving of notice of meetings of shareholders, and shall state

1 that a purpose of the meeting is to vote on the renewal of  
2 corporate existence.

3 (b) At the meeting a vote of shareholders entitled to vote  
4 ~~thereat~~ ON THE RENEWAL shall be taken on the proposed renewal  
5 which shall be adopted upon receiving the affirmative vote of  
6 holders of a majority of the outstanding shares. ~~of the corpo-~~  
7 ~~ration and if a class or series is entitled to vote thereon as a~~  
8 ~~class, the affirmative vote of a majority of the outstanding~~  
9 ~~shares of each such class or series.~~

10 (c) If renewal of the corporate existence is approved, a  
11 certificate of renewal shall be executed and filed on behalf of  
12 the corporation, setting forth ALL OF THE FOLLOWING:

13 (i) The name of the corporation.

14 (ii) The date and place of the meeting of shareholders  
15 approving the renewal of existence.

16 (iii) A statement that renewal was approved by the requisite  
17 vote of directors and shareholders.

18 (iv) The duration of the corporation if other than  
19 perpetual.

20 Sec. 817. (1) Upon filing of the certificate of revocation  
21 of dissolution or of renewal of existence, the revocation of the  
22 dissolution proceedings or the renewal of the corporate existence  
23 becomes effective, and the corporation may again transact its  
24 business.

25 (2) Revocation of dissolution or renewal of corporate exis-  
26 tence does not relieve the corporation of any penalty or  
27 liability accrued against it under any law of this state.

1       (3) ~~If during the period of dissolution or expiration of~~  
2 ~~term, the corporate name or a confusingly similar name has been~~  
3 ~~assigned to another corporation, the administrator may require~~  
4 ~~that the corporation adopt a different name upon filing of a cer-~~  
5 ~~tificate of revocation of dissolution or of renewal of~~  
6 ~~existence.~~ UPON FILING A CERTIFICATE OF REVOCATION OF DISSOLU-  
7 TION OR OF RENEWAL OF EXISTENCE, THE ADMINISTRATOR MAY REQUIRE  
8 THE CORPORATION TO ADOPT A CORPORATE NAME THAT COMPLIES WITH THE  
9 PROVISIONS OF SECTION 212.

10       Sec. 821. (1) The attorney general may bring an action in  
11 the circuit court of the county in which the PRINCIPAL PLACE OF  
12 BUSINESS OR registered office of the corporation is located for  
13 dissolution of a corporation upon the ground that the corporation  
14 has committed any of the following acts:

15       (a) Procured its organization through fraud.

16       (b) Repeatedly and ~~wilfully~~ WILLFULLY exceeded the author-  
17 ity conferred upon it by law.

18       (c) Repeatedly and ~~wilfully~~ WILLFULLY conducted its busi-  
19 ness in an unlawful manner.

20       (2) The enumeration in this section of grounds for dissolu-  
21 tion does not exclude any other statutory or common law action by  
22 the attorney general for dissolution of a corporation or revoca-  
23 tion or forfeiture of its corporate franchises.

24       Sec. 823. A corporation may be dissolved by a judgment  
25 entered in an action brought in the circuit court of the county  
26 in which the PRINCIPAL PLACE OF BUSINESS OR registered office of  
27 the corporation is located by 1 or more directors or by 1 or more

1 shareholders entitled to vote in an election of directors of the  
2 corporation, upon proof of both of the following:

3       (a) The directors of the corporation, or its shareholders if  
4 a provision in the articles of incorporation authorized by sub-  
5 section (1) of section 463 is in effect, are unable to agree by  
6 the requisite vote on material matters respecting management of  
7 the corporation's affairs, or the shareholders of the corporation  
8 are so divided in voting power that they have failed to elect  
9 successors to any director whose term has expired or would have  
10 expired upon the election and qualification of his OR HER  
11 successor.

12       (b) As a result of a condition stated in subdivision (a),  
13 the corporation is unable to function effectively in the best  
14 interests of its creditors and shareholders.

15       Sec. 831. A corporation is dissolved when any of the fol-  
16 lowing occurs:

17       (a) The period of duration stated in the corporation's arti-  
18 cles of incorporation expires.

19       (b) A certificate of dissolution is filed pursuant to sec-  
20 tions 803 to 805.

21       (c) A judgment of forfeiture of corporate franchises or of  
22 dissolution is entered by a court of competent jurisdiction and a  
23 copy of a judicial order of dissolution shall be forwarded  
24 promptly to the administrator by the receiver or other person  
25 designated by the court.

26       (d) Failure to file an annual report or pay ~~a privilege~~ AN  
27 ANNUAL FILING fee as provided in section 922.

1 SEC. 841A. (1) THE DISSOLVED CORPORATION MAY NOTIFY ITS  
2 EXISTING CLAIMANTS IN WRITING OF THE DISSOLUTION AT ANY TIME  
3 AFTER THE EFFECTIVE DATE OF THE DISSOLUTION. THE WRITTEN NOTICE  
4 SHALL INCLUDE ALL OF THE FOLLOWING:

5 (A) DESCRIBE INFORMATION THAT MUST BE INCLUDED IN A CLAIM.  
6 THE CORPORATION MAY DEMAND SUFFICIENT INFORMATION TO PERMIT IT TO  
7 MAKE A REASONABLE JUDGMENT WHETHER THE CLAIM SHOULD BE ACCEPTED  
8 OR REJECTED.

9 (B) PROVIDE A MAILING ADDRESS WHERE A CLAIM MAY BE SENT.

10 (C) STATE THE DEADLINE, WHICH MAY NOT BE LESS THAN 6 MONTHS  
11 FROM THE EFFECTIVE DATE OF THE WRITTEN NOTICE, BY WHICH THE DIS-  
12 SOLVED CORPORATION MUST RECEIVE THE CLAIM.

13 (D) STATE THAT THE CLAIM WILL BE BARRED IF NOT RECEIVED BY  
14 THE DEADLINE.

15 (2) THE GIVING OF NOTICE DESCRIBED ABOVE DOES NOT CONSTITUTE  
16 RECOGNITION THAT A PERSON TO WHOM THE NOTICE IS DIRECTED HAS A  
17 VALID CLAIM AGAINST THE CORPORATION.

18 (3) A CLAIM AGAINST THE DISSOLVED CORPORATION IS BARRED IF  
19 EITHER OF THE FOLLOWING APPLIES:

20 (A) IF A CLAIMANT WHO WAS GIVEN WRITTEN NOTICE UNDER SUBSEC-  
21 TION (1) DOES NOT DELIVER THE CLAIM TO THE DISSOLVED CORPORATION  
22 BY THE DEADLINE.

23 (B) IF A CLAIMANT WHOSE CLAIM WAS REJECTED BY A WRITTEN  
24 NOTICE OF REJECTION BY THE DISSOLVED CORPORATION DOES NOT COM-  
25 MENCE A PROCEEDING TO ENFORCE THE CLAIM WITHIN 90 DAYS FROM THE  
26 EFFECTIVE DATE OF THE WRITTEN NOTICE OF REJECTION.

1 (4) FOR PURPOSES OF THIS SECTION, "EXISTING CLAIM" MEANS ANY  
2 CLAIM OR RIGHT AGAINST THE CORPORATION, LIQUIDATED OR  
3 UNLIQUIDATED. IT DOES NOT MEAN A CONTINGENT LIABILITY OR A CLAIM  
4 BASED ON AN EVENT OCCURRING AFTER THE EFFECTIVE DATE OF  
5 DISSOLUTION.

6 (5) FOR PURPOSES OF THIS SECTION, THE EFFECTIVE DATE OF THE  
7 WRITTEN NOTICE IS THE EARLIEST OF THE FOLLOWING:

8 (A) THE DATE IT IS RECEIVED.

9 (B) FIVE DAYS AFTER ITS DEPOSIT IN THE UNITED STATES MAIL,  
10 AS EVIDENCED BY THE POSTMARK, IF IT IS MAILED POSTPAID AND COR-  
11 RECTLY ADDRESSED.

12 (C) THE DATE SHOWN ON THE RETURN RECEIPT, IF THE NOTICE IS  
13 SENT BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED,  
14 AND THE RECEIPT IS SIGNED BY OR ON BEHALF OF THE ADDRESSEE.

15 SEC. 842A. (1) A DISSOLVED CORPORATION MAY ALSO PUBLISH  
16 NOTICE OF DISSOLUTION AT ANY TIME AFTER THE EFFECTIVE DATE OF  
17 DISSOLUTION AND REQUEST THAT PERSONS WITH CLAIMS AGAINST THE COR-  
18 PORATION PRESENT THEM IN ACCORDANCE WITH THE NOTICE.

19 (2) THE NOTICE MUST BE IN ACCORD WITH ALL OF THE FOLLOWING:

20 (A) BE PUBLISHED 1 TIME IN A NEWSPAPER OF GENERAL CIRCULA-  
21 TION IN THE COUNTY WHERE THE DISSOLVED CORPORATION'S PRINCIPAL  
22 OFFICE, OR IF NONE IN THIS STATE, ITS REGISTERED OFFICE, IS OR  
23 WAS LAST LOCATED.

24 (B) DESCRIBE THE INFORMATION THAT MUST BE INCLUDED IN A  
25 CLAIM AND PROVIDE A MAILING ADDRESS WHERE THE CLAIM MAY BE SENT.  
26 THE CORPORATION MAY DEMAND SUFFICIENT INFORMATION TO PERMIT IT TO

1 MAKE A REASONABLE JUDGMENT WHETHER THE CLAIM SHOULD BE ACCEPTED  
2 OR REJECTED.

3 (3) IF THE DISSOLVED CORPORATION PUBLISHES A NEWSPAPER  
4 NOTICE IN ACCORDANCE WITH SUBSECTION (2), THE CLAIM OF EACH OF  
5 THE FOLLOWING CLAIMANTS IS BARRED UNLESS THE CLAIMANT COMMENCES A  
6 PROCEEDING TO ENFORCE THE CLAIM AGAINST THE DISSOLVED CORPORATION  
7 WITHIN 1 YEAR AFTER THE PUBLICATION DATE OF THE NEWSPAPER  
8 NOTICE:

9 (A) A CLAIMANT WHO DID NOT RECEIVE WRITTEN NOTICE UNDER SEC-  
10 TION 841A.

11 (B) A CLAIMANT WHOSE CLAIM WAS TIMELY SENT TO THE DISSOLVED  
12 CORPORATION BUT NOT ACTED ON.

13 (C) A CLAIMANT WHOSE CLAIM IS CONTINGENT OR BASED ON AN  
14 EVENT OCCURRING AFTER THE EFFECTIVE DATE OF DISSOLUTION.

15 (4) NOTWITHSTANDING SUBSECTION (3) ABOVE, A CLAIMANT WHOSE  
16 CLAIM WAS KNOWN TO THE CORPORATION AT THE TIME OF PUBLICATION IN  
17 ACCORDANCE WITH SUBSECTION (2) AND WHO DID NOT RECEIVE WRITTEN  
18 NOTICE UNDER SECTION 841A SHALL IN NO EVENT BE BARRED FROM SUIT  
19 UNTIL 6 MONTHS AFTER HE OR SHE HAS ACTUAL NOTICE OF THE  
20 DISSOLUTION.

21 Sec. 851. (1) After a corporation has been dissolved in any  
22 manner, the corporation, a creditor, or a shareholder may apply  
23 at any time to the circuit court of the county in which the  
24 PRINCIPAL PLACE OF BUSINESS OR registered office of the corpora-  
25 tion is located for a judgment that the affairs of the corpora-  
26 tion and the liquidation of its assets continue under supervision  
27 of the court. The court shall make ~~such~~ orders and judgments

1 as may be required, including, but not limited to, continuance of  
2 the liquidation of the corporation's assets by its officers and  
3 directors under supervision of the court, or the appointment of a  
4 receiver of the corporation to be vested with powers as the court  
5 designates to liquidate the affairs of the corporation.

6 (2) For good cause shown, and so long as a corporation has  
7 not made complete distribution of its assets, the court ~~, in an~~  
8 ~~action pending under this section or otherwise,~~ may permit a  
9 creditor who has not ~~filed~~ DELIVERED his OR HER claim OR COM-  
10 MENCED A PROCEEDING TO ENFORCE HIS OR HER CLAIM within the time  
11 ~~limited by section 841, or who has not commenced an action on a~~  
12 ~~rejected claim within the time limited by section 842,~~ LIMITS  
13 PROVIDED IN SECTIONS 841A AND 842A to file ~~such~~ THE claim or to  
14 commence ~~such action~~ A PROCEEDING within ~~such~~ THE time as the  
15 court directs.

16 SEC. 855A. BEFORE MAKING A DISTRIBUTION OF ASSETS TO SHARE-  
17 HOLDERS IN DISSOLUTION, A CORPORATION SHALL PAY OR MAKE PROVISION  
18 FOR ITS DEBTS AND OBLIGATIONS AND LIABILITIES. COMPLIANCE WITH  
19 THIS SECTION REQUIRES THAT, TO THE EXTENT THAT A REASONABLE ESTI-  
20 MATE IS POSSIBLE, PROVISION BE MADE FOR THOSE DEBTS, OBLIGATIONS,  
21 AND LIABILITIES ANTICIPATED TO ARISE AFTER THE EFFECTIVE DATE OF  
22 DISSOLUTION. IN NO CASE NEED PROVISION BE MADE FOR ANY DEBT,  
23 OBLIGATION, OR LIABILITY THAT IS OR IS REASONABLY ANTICIPATED TO  
24 BE BARRED UNDER SECTION 841A OR 842A. THE FACT THAT CORPORATE  
25 ASSETS ARE INSUFFICIENT TO SATISFY CLAIMS ARISING AFTER A DISSO-  
26 LUTION SHALL NOT CREATE A PRESUMPTION THAT THE CORPORATION HAS  
27 FAILED TO COMPLY WITH THIS SECTION. ADEQUATE PROVISION SHALL BE



1 DEEMED TO HAVE BEEN MADE FOR ANY DEBT, OBLIGATION, OR LIABILITY  
2 OF THE CORPORATION IF PAYMENT HAS BEEN ASSUMED OR GUARANTEED IN  
3 GOOD FAITH BY 1 OR MORE FINANCIALLY RESPONSIBLE CORPORATIONS,  
4 PERSONS, OR THE UNITED STATES GOVERNMENT OR AGENCY OF THE UNITED  
5 STATES GOVERNMENT, AND THE PROVISION, INCLUDING THE FINANCIAL  
6 RESPONSIBILITY OF THE CORPORATIONS OR OTHER PERSONS, WAS DETER-  
7 MINED IN GOOD FAITH AND WITH REASONABLE CARE BY THE BOARD TO BE  
8 ADEQUATE. AFTER PAYMENT OR ADEQUATE PROVISION HAS BEEN MADE FOR  
9 THE CORPORATION'S DEBTS, OBLIGATIONS, OR LIABILITIES, THE REMAIN-  
10 ING ASSETS SHALL BE DISTRIBUTED TO SHAREHOLDERS ACCORDING TO  
11 THEIR RESPECTIVE RIGHTS AND INTERESTS. THE DISTRIBUTION MAY BE  
12 MADE EITHER IN CASH OR IN KIND OR IN BOTH.

13       Sec. 911. Each domestic corporation and each foreign corpo-  
14 ration subject to chapter 10 of this act shall file a report with  
15 the administrator before May 16 of each year. The report shall  
16 be on a form approved by the administrator, signed in ink by an  
17 authorized officer or agent of the corporation, and shall contain  
18 ALL OF the following:

19       (a) Name of the corporation.

20       (b) Name of its resident agent and address of its registered  
21 office in this state.

22       (c) State and date of incorporation, term of corporate exis-  
23 tence, if other than perpetual; and, if a foreign corporation,  
24 the date when authorized to transact business in this state.

25       (d) Names and addresses of its president, secretary, trea-  
26 surer, and directors.

1 (e) General nature and kind of business in which the  
2 corporation is engaged.

3 (f) Amount of authorized ~~capital~~ stock and number ~~and par~~  
4 ~~value~~ of shares of each class authorized. ~~, and the number of~~  
5 ~~shares of stock without par value authorized.~~

6 (g) Amount of ~~capital~~ stock subscribed.

7 (h) Amount of ~~capital~~ stock paid in.

8 (i) Nature and book value of the property owned and used by  
9 the corporation listed separately as to property within and with-  
10 out this state.

11 (j) Complete and detailed statement of the assets and  
12 liabilities of the corporation as shown by the books of the cor-  
13 poration, at the close of business on December 31 or upon the  
14 date of the close of its latest fiscal year, which, in the case  
15 of a domestic corporation shall be the same balance sheet as fur-  
16 nished to shareholders as required by section 901. A corporation  
17 which is a member of an affiliated group of corporations which  
18 regularly prepare financial statements on a consolidated basis  
19 may file a consolidated balance sheet in place of the statement  
20 of assets and liabilities required in this subdivision.

21 Corporations organized after December 31 and before May 15 of a  
22 year, and foreign corporations authorized to transact business in  
23 this state after December 31 and before May 15 of a year, shall  
24 not be required to file the report due that year.

25 (k) Other information as the administrator reasonably  
26 requires for other purposes under this act.

1       Sec. 925. (1) A domestic corporation which has been  
2 dissolved pursuant to subsection (1) of section 922, or a foreign  
3 corporation whose certificate of authority has been revoked pur-  
4 suant to subsection (2) of section 922 or section 1042, may renew  
5 its corporate existence or its certificate of authority by filing  
6 the reports and paying the fees for the years for which they were  
7 not filed and paid, and for every subsequent intervening year,  
8 together with the penalties provided by section 921. Upon filing  
9 the reports and payment of the fees and penalties, the corporate  
10 existence or the certificate of authority is renewed. ~~If during~~  
11 ~~the intervening period the corporate name or a confusingly simi-~~  
12 ~~lar name has been assigned to another corporation, the adminis-~~  
13 ~~trator may require that the corporation adopt or use within this~~  
14 ~~state a different name.~~ THE ADMINISTRATOR MAY REQUIRE THE CORPO-  
15 RATION TO ADOPT A CORPORATE NAME THAT COMPLIES WITH THE PROVI-  
16 SIONS OF SECTION 212.

17       (2) Upon compliance with the provisions of this section, the  
18 rights of the corporation shall be the same as though a dissolu-  
19 tion or revocation had not taken place, and all contracts entered  
20 into and other rights acquired during the interval shall be valid  
21 and enforceable.

22       Sec. 1023. A foreign corporation which has been authorized  
23 to transact business in this state, and which, after its authori-  
24 zation, increases the amount of its authorized ~~capital~~ stock  
25 attributable to this state over the previous highest amount of  
26 its authorized ~~capital~~ stock attributable to this state, shall  
27 file a supplemental statement signed in ink by an officer or

1 agent of the corporation giving a detailed account of the amount  
2 of the increase, and shall pay an additional franchise fee on  
3 account of the increased authorized stock as prescribed by law.  
4 The supplemental statement shall be filed before May 16 of each  
5 year. The administrator for good cause shown may extend the time  
6 for filing of a supplemental statement for not more than 1 year  
7 after the due date of the filing. The portion of authorized  
8 ~~capital~~ stock of the corporation attributable to this state  
9 shall be determined by multiplying the entire amount of its  
10 authorized ~~capital~~ stock by the most recent apportionment per-  
11 centage used in the computation of the tax required by THE SINGLE  
12 BUSINESS TAX ACT, Act No. 228 of the Public Acts of 1975, as  
13 amended, being sections 208.1 to 208.145 of the Michigan Compiled  
14 Laws. The ~~capital~~ stock attributable to this state shall be  
15 determined pursuant to section 1062.

16       Sec. 1032. Upon filing the application for withdrawal, and  
17 payment of the filing ~~and privilege fees~~ FEE prescribed by law,  
18 the administrator shall issue to the corporation a certificate of  
19 withdrawal, ~~whereupon~~ AND THE FOLLOWING SHALL OCCUR:

20       (a) The authority of the corporation to transact business in  
21 this state shall cease.

22       (b) The authority of its resident agent in this state to  
23 accept service of process against the corporation is ~~deemed~~  
24 revoked.

25       Sec. 1035. (1) When a foreign corporation authorized to  
26 transact business in this state is dissolved, or its authority or  
27 existence is otherwise terminated or canceled in the jurisdiction

1 of its incorporation, or it is merged into or consolidated with  
2 another corporation, there shall be filed with the administrator  
3 ~~such~~ information as may be required by the administrator to  
4 determine and assess any unpaid ~~privilege~~ fees payable by  
5 ~~such~~ THE foreign corporation as required by law and either of  
6 the following:

7 (a) A certificate of the official of the jurisdiction of  
8 incorporation of the foreign corporation who has custody of the  
9 records pertaining to corporations, evidencing the occurrence of  
10 ~~any such~~ THE event.

11 (b) A certified copy of an order or judgment of a court of  
12 competent jurisdiction directing dissolution of the foreign cor-  
13 poration, the termination of its existence, or the cancellation  
14 of its authority.

15 (2) Upon filing of the certificate, order, or judgment and  
16 payment of the filing ~~and privilege fees~~ FEE prescribed by law,  
17 the administrator shall issue a certificate of withdrawal with  
18 ~~like~~ THE SAME effect as provided in section 1032.

19 Sec. 1041. In addition to any other ground for revocation  
20 provided by law, the administrator may revoke the certificate of  
21 authority of a foreign corporation to transact business in this  
22 state upon the conditions prescribed in section 1042 upon any of  
23 the following grounds:

24 (a) The corporation fails to maintain a resident agent in  
25 this state as required by this act.

1 (b) The corporation, after change of its registered office  
2 or resident agent, fails to file a statement of ~~such~~ THE change  
3 as required by this act.

4 (c) The corporation, after amending its articles of incorpo-  
5 ration, fails to file ~~a copy of the amendment~~ AN AMENDED  
6 APPLICATION as required by this act.

7 (d) The corporation, after becoming a party to a merger,  
8 consolidation, or similar corporate action, fails to file a copy  
9 of the certificate of merger, consolidation, or similar corporate  
10 action as required by this act.

11 (e) The corporation fails to file a supplemental statement  
12 as required by this act.

13 (f) The corporation fails to file its annual report within  
14 the time required by this act, or fails to pay an annual  
15 ~~privilege~~ fee required by law.

16 Sec. 1042. (1) The administrator shall revoke a certificate  
17 of authority of a foreign corporation only when he OR SHE has  
18 given the corporation not less than 90 days' notice that a  
19 default under section ~~922~~ 1041 exists and that its certificate  
20 of authority will be revoked unless the default is cured within  
21 90 days after mailing of the notice, and the corporation fails  
22 before revocation to cure the default.

23 (2) The notice shall be sent by first class mail to the cor-  
24 poration at its registered office in this state and at its main  
25 business or headquarters office as these offices are on record in  
26 the office of the administrator.

1 (3) Upon revoking ~~such~~ a certificate of authority, the  
2 administrator shall issue a certificate of revocation and mail a  
3 copy to the corporation at each of the addresses designated in  
4 subsection (2).

5 (4) The issuance of the certificate of revocation has the  
6 same force and effect as issuance of a certificate of withdrawal  
7 under section 1031.

8 Sec. 1062. (1) A domestic corporation or cooperative asso-  
9 ciation, organized for profit, and a domestic regulated invest-  
10 ment company, except corporations organized under THE SAVINGS AND  
11 LOAN ACT OF 1980, Act No. 307 of the Public Acts of 1980, being  
12 sections 491.102 to 491.1202 of the Michigan Compiled Laws, at  
13 the time of filing its articles, shall pay to the administrator,  
14 as an organization fee and as an admission fee, a sum equal to  
15 ~~1/2 mill upon the dollar for each dollar of the authorized capi-~~  
16 ~~tal stock of the corporation. The organization fee shall not be~~  
17 ~~less than \$25.00. In case of a regulated investment company the~~  
18 ~~fee shall not exceed \$40.00.~~ \$50.00 FOR THE FIRST 60,000 AUTHO-  
19 RIZED SHARES AND \$30.00 FOR EACH ADDITIONAL 20,000 AUTHORIZED  
20 SHARES.

21 (2) The initial admission franchise fee of a foreign corpo-  
22 ration for profit and foreign regulated investment company apply-  
23 ing for admission to do business in this state shall be ~~\$25.00,~~  
24 ~~and authorized capital stock in the amount of \$50,000.00~~ \$50.00  
25 AND 60,000 SHARES shall be considered initially attributable to  
26 this state at the time of admission.

1 (3) Every corporation incorporated under the laws of this  
2 state which increases its authorized ~~capital~~ stock shall pay a  
3 sum equal to ~~1/2 mill upon each dollar for each increase in its~~  
4 ~~authorized capital stock~~ \$30.00 FOR EACH ADDITIONAL 20,000  
5 AUTHORIZED SHARES OF THE INCREASE.

6 (4) A foreign corporation authorized to transact business in  
7 this state which increases the amount of its authorized ~~capital~~  
8 stock attributable to this state over the previous highest amount  
9 of authorized ~~capital~~ stock attributable to this state upon  
10 which a franchise fee has been paid ~~—~~ shall file a supplemental  
11 statement in accordance with section 1023 and shall pay an addi-  
12 tional ~~sum equal to 1/2 mill upon each dollar of the increase~~  
13 ADMISSION FRANCHISE FEE OF \$30.00 FOR EACH ADDITIONAL 20,000  
14 AUTHORIZED SHARES OF THE INCREASE.

15 (5) The amount of authorized ~~capital~~ stock attributable to  
16 this state shall be determined by multiplying the entire amount  
17 of authorized ~~capital~~ stock by the apportionment percentage  
18 used in the computation of the tax required by THE SINGLE BUSI-  
19 NESS TAX ACT, Act No. 228 of the Public Acts of 1975, as  
20 amended, being sections 208.1 to 208.145 of the Michigan Compiled  
21 Laws. If the business activities are confined solely to this  
22 state, the entire amount of authorized ~~capital~~ stock shall be  
23 considered attributable to this state.

24 ~~(6) A foreign corporation required to file a supplemental~~  
25 ~~statement shall pay with the filing an additional admission fran-~~  
26 ~~chise fee of 1/2 mill upon each dollar of increase in the amount~~  
27 ~~of authorized capital stock attributable to this state. This~~



1 ~~increase shall be the excess of the then current amount of~~  
2 ~~authorized capital stock attributable to this state over the pre-~~  
3 ~~vious highest amount of authorized capital stock attributable to~~  
4 ~~this state.~~

5 ~~(7) A supplemental statement shall be filed on or before May~~  
6 ~~15, 1973, by every foreign corporation authorized to transact~~  
7 ~~business in this state on December 31, 1972. Every such foreign~~  
8 ~~corporation shall be considered to have that amount of its autho-~~  
9 ~~rized capital stock initially attributable to this state which~~  
10 ~~shall be determined by applying its entire amount of authorized~~  
11 ~~capital stock by the allocation factor used in the computation of~~  
12 ~~its annual privilege fee. If the annual privilege fee is com-~~  
13 ~~puted upon the entire paid up capital and surplus, the entire~~  
14 ~~amount of authorized capital stock shall be considered to be ini-~~  
15 ~~tially attributable to this state. A minimum authorized capital~~  
16 ~~stock of \$50,000.00 shall be considered to be initially attribut-~~  
17 ~~able to this state. The supplemental statement setting forth~~  
18 ~~this initial determination shall be without fee other than the~~  
19 ~~filing fee and shall be used as a base in connection with ascer-~~  
20 ~~taining future supplemental statement filing requirements.~~

21 ~~(6) (8)~~ The administrator shall be authorized to require  
22 the corporation to furnish detailed and exact information  
23 ~~touching those matters~~ RELATING TO THE DETERMINATION OF FEES  
24 before making a final determination of the organization fee to be  
25 paid by the corporation.

26 ~~(7) (9)~~ "Corporation", as used in this section, includes  
27 partnership associations limited, cooperative associations, joint

1 associations having any of the powers of corporations, and common  
 2 law trust or trusts created by statute of this or another state  
 3 or country exercising common law powers in the nature of corpora-  
 4 tions, whether domestic or foreign, in addition to other corpora-  
 5 tions as are referred to in this act.

6 (8) ~~(+10)~~ If the capital of a corporation is not divided  
 7 into shares, the ~~property of the corporation is the authorized~~  
 8 ~~capital stock for the purposes of this section~~ FEE FOR PURPOSES  
 9 OF THIS SECTION SHALL BE DETERMINED AS IF THE CORPORATION HAD  
 10 60,000 SHARES.

11 (9) ~~(+11)~~ If a foreign corporation authorized to transact  
 12 business in this state merges into any domestic corporation or  
 13 consolidates with 1 or more corporations into a domestic corpora-  
 14 tion by complying with the provisions of this act, the resulting  
 15 domestic corporation shall pay franchise fees for any increase in  
 16 authorized ~~capital~~ stock or for any authorized ~~capital~~ stock  
 17 as provided in this section, less such sums as the foreign corpo-  
 18 ration so merging or consolidating has previously paid to the  
 19 state under this section as an initial or additional admission  
 20 franchise fee.

21 Section 2. Sections 110, 311, 313, 315, 321, 335, 341, 342,  
 22 351, 355, 356, 361, 362, 363, 365, 366, 367, 371, 372, 376, 377,  
 23 381, 411, 447, 477, 481, 491, 492, 493, 513, 515, 541, 545, 564,  
 24 703, 704, 721, 722, 723, 731, 732, 733, 734, 768a, 825, 841, 842,  
 25 855, 935, 1063, and 1099 of Act No. 284 of the Public Acts of  
 26 1972, being sections 450.1110, 450.1311, 450.1313, 450.1315,  
 27 450.1321, 450.1335, 450.1341, 450.1342, 450.1351, 450.1355,

1 450.1356, 450.1361, 450.1362, 450.1363, 450.1365, 450.1366,  
2 450.1367, 450.1371, 450.1372, 450.1376, 450.1377, 450.1381,  
3 450.1411, 450.1447, 450.1477, 450.1481, 450.1492, 450.1493,  
4 450.1513, 450.1515, 450.1541, 450.1545, 450.1564, 450.1703,  
5 450.1704, 450.1721, 450.1722, 450.1723, 450.1731, 450.1732,  
6 450.1733, 450.1734, 450.1768a, 450.1825, 450.1841, 450.1842,  
7 450.1855, 450.1935, 450.2063, and 450.2099 of the Michigan  
8 Compiled Laws, are repealed.