

**SB 206, As Passed Senate, April 18, 2001**

**SUBSTITUTE FOR  
SENATE BILL NO. 206  
(As amended April 18, 2001)**

A bill to amend 1972 PA 284, entitled  
"Business corporation act,"  
by amending sections 105, 106, 122, 123, 131, 133, 141, 143, 151,  
338,  
342a, 344, 404, 405, 407, 413, 488, 489, 521, 525, 563, 564b,  
703a, 753, 754, 901, and 1060 (MCL 450.1105, 450.1106, 450.1122,  
450.1123,  
450.1131, 450.1133, 450.1141, 450.1143, 450.1151, 450.1338,  
450.1342a, 450.1344, 450.1404, 450.1405, 450.1407, 450.1413,  
450.1488, 450.1489, 450.1521, 450.1525, 450.1563, 450.1564b,  
450.1703a, 450.1753, 450.1754, 450.1901, and 450.2060),  
sections 106, 122, 133, 141, 405, 521, 525, and 563 as amended  
and sections 342a and 754 as added by 1989 PA 121, section 123 as  
amended by 1993 PA 357, sections 131, 338, 407, and 1060 as  
amended by 1993 PA 91, and sections 151, 344, 404, 489, 564b,  
703a, and 753 as amended and section 488 as added by 1997 PA 118,  
and by adding section 406a.

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

Sec. 105. (1) "Administrator" means the chief officer of the department ~~of commerce~~ or of any other agency or department authorized by law to administer this act, or his OR HER designated representative.

(2) "Articles of incorporation" includes ANY OF THE FOLLOWING:

(a) ~~the~~ THE original articles of incorporation or any other instrument filed or issued under any statute to organize a domestic or foreign corporation, as amended, supplemented, or restated by certificates of amendment, merger, or consolidation or other certificates or instruments filed or issued under any statute. ~~or~~

(b) ~~a~~ A special act or charter creating a domestic or foreign corporation, as amended, supplemented, or restated.

(3) "Authorized shares" means shares of all classes that a corporation is authorized to issue.

(4) "Board" means board of directors or other governing board of a corporation.

(5) "Bonds" includes secured and unsecured bonds, debentures, and notes.

1 Sec. 106. (1) "Corporation" or "domestic corporation" means  
2 a corporation formed under this act, or existing on January 1,  
3 1973 and formed under any other statute of this state for a pur-  
4 pose for which a corporation may be formed under this act.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES.

5 (3) "Director" means a member of the board of a  
6 corporation.

7 (4) "Distribution" means a direct or indirect transfer of  
8 money or other property, except the corporation's shares, or the  
9 incurrence of indebtedness by the corporation to or for the bene-  
10 fit of its shareholders in respect to the corporation's shares.

11 A distribution may be in the form of a dividend, a purchase,  
12 redemption or other acquisition of shares, an issuance of indebt-  
13 edness, or any other declaration or payment to or for the benefit  
14 of the shareholders.

15 (5) "ELECTRONIC TRANSMISSION" OR "ELECTRONICALLY  
16 TRANSMITTED" MEANS ANY FORM OF COMMUNICATION THAT MEETS ALL OF  
17 THE FOLLOWING:

18 (A) IT DOES NOT DIRECTLY INVOLVE THE PHYSICAL TRANSMISSION  
19 OF PAPER.

20 (B) IT CREATES A RECORD THAT MAY BE RETAINED AND RETRIEVED  
21 BY THE RECIPIENT.

22 (C) IT MAY BE DIRECTLY REPRODUCED IN PAPER FORM BY THE  
23 RECIPIENT THROUGH AN AUTOMATED PROCESS.

24 Sec. 122. (1) A reference in any statute of this state to  
25 parts of any act ~~which~~ THAT are repealed by this act is

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1 considered to be a reference to this act, unless the context  
2 requires otherwise.

3 (2) The following statutes do not apply to a corporation —  
4 as defined in section 106:

5 (a) ~~Chapter 55 of the Revised Statutes of 1846, entitled~~  
6 ~~"general provisions relating to corporations", as amended, being~~  
7 ~~sections 450.504 to 450.525 of the Michigan Compiled Laws 1846~~  
8 ~~RS 55, MCL 450.504 TO 450.525.~~

9 (b) ~~Act No. 156 of the Public Acts of 1955, being sections~~  
10 ~~450.701 to 450.704 of the Michigan Compiled Laws 1955 PA 156,~~  
11 ~~MCL 450.701 TO 450.704.~~

12 (3) The uniform fraudulent ~~conveyance~~ TRANSFER act, ~~Act~~  
13 ~~No. 310 of the Public Acts of 1919, being sections 566.11 to~~  
14 ~~566.23 of the Michigan Compiled Laws, shall 1998 PA 434,~~  
15 ~~MCL 566.31 TO 566.43, DOES not apply to distributions governed by~~  
16 ~~this act.~~

17 Sec. 123. (1) Unless otherwise provided in, or inconsistent  
18 with, the act under which a corporation is or has been formed,  
19 this act applies to deposit and security companies, summer resort  
20 associations, brine pipeline companies, telegraph companies,  
21 telephone companies, safety and collateral deposit companies,  
22 canal, river, and harbor improvement companies, cemetery, burial,  
23 and cremation associations, railroad, bridge, and tunnel com-  
24 panies, ~~and~~ agricultural and horticultural fair societies, AND  
25 PROFESSIONAL SERVICE CORPORATIONS FORMED UNDER THE PROFESSIONAL  
26 SERVICE CORPORATION ACT, 1962 PA 192, MCL 450.221 TO 450.235.

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1 The entities specified in this subsection shall not be  
2 incorporated under this act.

3 (2) This act does not apply to insurance, surety, savings  
4 and loan associations, fraternal benefit societies, and banking  
5 corporations.

6 Sec. 131. (1) A document required or permitted to be filed  
7 under this act shall be filed by delivering the document to the  
8 administrator together with the fees and accompanying documents  
9 required by law. The administrator may establish a procedure for  
10 accepting delivery by facsimile OR OTHER ELECTRONIC  
11 transmission. If the document substantially conforms to the  
12 requirements of this act, the administrator shall endorse upon it  
13 the word "filed" with his or her official title and the date of  
14 receipt and of filing and shall file and index the document or a  
15 photostatic, micrographic, photographic, optical disc media, or  
16 other reproduced copy in his or her office. If so requested at  
17 the time of the delivery of the document to his or her office,  
18 the administrator shall include the hour of filing in his or her  
19 endorsement. The administrator shall prepare and return a true  
20 copy of the document other than an annual report, or at his or  
21 her discretion the original, to the person who submitted it for  
22 filing showing the filing date. The records and files of the  
23 administrator relating to domestic and foreign corporations shall  
24 be open to reasonable inspection by the public. The records or  
25 files, at the discretion of the administrator, may be maintained  
26 either in their original form or in photostatic, micrographic,  
27 photographic, optical disc media, or other reproduced form. The

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1 administrator may make reproductions of documents filed under  
2 this act, or any predecessor act, by photostatic, micrographic,  
3 photographic, optical disc media, or other reproduced form and  
4 may destroy the originals of the documents so reproduced.

5 (2) A photostatic, micrographic, photographic, optical disc  
6 media, or other reproduced copy certified by the administrator,  
7 which may be sent by facsimile OR OTHER ELECTRONIC transmission,  
8 shall be considered an original for all purposes and is admissi-  
9 ble in evidence in like manner as an original.

10 (3) The document is effective at the time it is endorsed  
11 unless a subsequent effective time, not later than 90 days after  
12 the date of delivery, is set forth in the document.

13 Sec. 133. If a document relating to a domestic or foreign  
14 corporation filed with the administrator under this act was at  
15 the time of filing an inaccurate record of the corporation action  
16 referred to in the document, or was defectively or erroneously  
17 executed, OR THE DOCUMENT WAS ELECTRONICALLY TRANSMITTED AND THE  
18 ELECTRONIC TRANSMISSION WAS DEFECTIVE, the document may be cor-  
19 rected by filing with the administrator a certificate of correc-  
20 tion on behalf of the corporation. A certificate, entitled  
21 "certificate of correction of ... (correct title of document and  
22 name of corporation)" shall be signed as provided in this act  
23 with respect to the document being corrected and filed with the  
24 administrator. The certificate shall set forth the name of the  
25 corporation, the date the document to be corrected was filed by  
26 the administrator, the provision in the document as it should  
27 have originally appeared, and if the execution was defective, the

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1 proper execution. The corrected document is effective in its  
2 corrected form as of its original filing date except as to a  
3 person who relied upon the inaccurate portion of the document and  
4 was, as a result of the inaccurate portion of the document,  
5 adversely affected by the correction.

6       Sec. 141. When, under this act or the articles of incorpo-  
7 ration or bylaws of a corporation or by the terms of an agreement  
8 or instrument, a corporation or the board or any committee of the  
9 board may take action after notice to any person or after lapse  
10 of a prescribed period of time, the action may be taken without  
11 notice and without lapse of the period of time, if at any time  
12 before or after the action is completed the person entitled to  
13 notice or to participate in the action to be taken or, in case of  
14 a shareholder, his or her attorney-in-fact, submits a signed  
15 waiver OR A WAIVER BY ELECTRONIC TRANSMISSION of the  
16 requirements.

17       Sec. 143. (1) When a notice or communication is required or  
18 permitted by this act to be given by mail, it shall be mailed,  
19 except as otherwise provided in this act, to the person to whom  
20 it is directed at the address designated by him OR HER for that  
21 purpose or, if none is designated, at his OR HER last known  
22 address. The notice or communication is given when deposited,  
23 with postage thereon prepaid, in a post office or official depos-  
24 itory under the exclusive care and custody of the United States  
25 postal service. The mailing shall be registered, certified, or  
26 other first-class mail except where otherwise provided in this  
27 act.

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1 (2) WHEN A NOTICE IS REQUIRED OR PERMITTED BY THIS ACT TO BE  
2 GIVEN IN WRITING, ELECTRONIC TRANSMISSION IS WRITTEN NOTICE.

3 (3) WHEN A NOTICE OR COMMUNICATION IS PERMITTED BY THIS ACT  
4 TO BE TRANSMITTED ELECTRONICALLY, THE NOTICE OR COMMUNICATION IS  
5 GIVEN WHEN ELECTRONICALLY TRANSMITTED TO THE PERSON ENTITLED TO  
6 THE NOTICE OR COMMUNICATION IN A MANNER AUTHORIZED BY THE PERSON.

7 Sec. 151. (1) If the administrator fails to promptly file a  
8 document, other than an annual report, submitted for filing under  
9 this act, the administrator shall ~~—~~ within 10 days after  
10 receipt of a written request to file the document from the person  
11 submitting the document for filing ~~—~~ give written notice of the  
12 refusal to file the document to that person, specifying the rea-  
13 sons for the refusal to file the document. IF THE DOCUMENT WAS  
14 NOT ORIGINALLY SUBMITTED BY ELECTRONIC TRANSMISSION, THE ADMINIS-  
15 TRATOR SHALL NOT GIVE THE WRITTEN NOTICE BY ELECTRONIC  
16 TRANSMISSION. The person may seek judicial review of the refusal  
17 to file the document pursuant to sections 103, 104, and 106 of  
18 the administrative procedures act of 1969, 1969 PA 306,  
19 MCL 24.303, 24.304, and 24.306.

20 (2) If the administrator refuses to authorize or revokes the  
21 authorization of a foreign corporation to transact business in  
22 this state pursuant to this act, the foreign corporation may seek  
23 judicial review pursuant to sections 103, 104, and 106 of the  
24 administrative procedures act of 1969, 1969 PA 306, MCL 24.303,  
25 24.304, and 24.306.

26 Sec. 338. (1) A corporation may issue ~~certificates for~~  
27 fractions of ~~a share where necessary to effect share transfers,~~

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1 ~~share distributions or a reclassification, merger, share~~  
2 ~~exchange, or reorganization, which shall~~ SHARES AND MAY DO 1 OF  
3 THE FOLLOWING:

4 (A) ISSUE CERTIFICATES FOR FRACTIONS OF SHARES THAT entitle  
5 the holders ~~, in proportion to their fractional holdings,~~ to  
6 exercise voting rights and to receive dividends and distributions  
7 IN PROPORTION TO THEIR FRACTIONAL HOLDINGS.

8 (B) ~~(2) As an alternative, a corporation may pay~~ PAY in  
9 cash the fair value of fractions of ~~a share~~ SHARES as of the  
10 time when those entitled to receive the fractions are  
11 determined.

12 (C) ~~(3) As an alternative, a corporation may issue~~ ISSUE  
13 scrip in registered or bearer form over the manual or facsimile  
14 signature of an officer of the corporation or of its agent,  
15 exchangeable as ~~therein~~ provided IN THE SCRIP for full shares.  
16 ~~, but such~~ THE scrip shall not entitle the holder to any right  
17 of a shareholder except as ~~therein~~ provided IN THE SCRIP. The  
18 scrip shall be issued subject to the condition that it becomes  
19 void if not exchanged for certificates representing full shares  
20 before a specified date. The scrip MAY BE subject to the condi-  
21 tion that the shares for which the scrip is exchangeable may be  
22 sold by the corporation and the proceeds ~~thereof~~ OF THE SALE  
23 distributed to the holders of the scrip, or subject to any other  
24 condition ~~which~~ THAT the board may determine.

25 (2) ~~(4)~~ A corporation may provide reasonable opportunity  
26 for persons entitled to fractions of a share or scrip to sell



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1 them or to purchase additional fractions of a share or scrip  
2 needed to acquire a full share.

3       Sec. 342a. (1) A corporation may issue rights, options, or  
4 warrants for the purchase of shares OR OTHER SECURITIES of the  
5 corporation. The board shall determine the terms upon which the  
6 rights, options, or warrants are issued, their form and content,  
7 and the consideration for which the shares are to be issued.

8       (2) THE TERMS AND CONDITIONS OF ANY RIGHT, OPTION, OR WAR-  
9 RANT ISSUED UNDER SUBSECTION (1), INCLUDING THOSE OUTSTANDING ON  
10 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSEC-  
11 TION, MAY INCLUDE, WITHOUT LIMITATION, RESTRICTIONS OR CONDITIONS  
12 THAT PRECLUDE OR LIMIT THE EXERCISE, TRANSFER, OR RECEIPT OF THE  
13 RIGHT, OPTION, OR WARRANT BY ANY PERSON OWNING OR OFFERING TO  
14 ACQUIRE A SPECIFIED NUMBER OR PERCENTAGE OF THE OUTSTANDING  
15 COMMON SHARES OR OTHER SECURITIES OF A CORPORATION, OR ANY TRANS-  
16 FEREE OR TRANSFEREES OF THAT PERSON, OR THAT INVALIDATE OR VOID  
17 THE RIGHT, OPTION, OR WARRANT HELD BY A PERSON OR HIS OR HER  
18 TRANSFEREE.

19       Sec. 344. (1) Subject to restrictions imposed by this act  
20 or the articles of incorporation, a corporation may acquire its  
21 own shares and those shares constitute authorized but unissued  
22 shares, except as provided in subsection (4).

23       (2) If the articles of incorporation prohibit reissue of any  
24 shares acquired pursuant to subsection (1), the board, by resolu-  
25 tion, shall adopt and file an amendment of the articles of incor-  
26 poration reducing the number of authorized shares accordingly.

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1       (3) A corporation shall not acquire its own shares by  
2 purchase, redemption, or otherwise unless after the acquisition  
3 there remain outstanding shares possessing, collectively, voting  
4 rights and unlimited rights to receive assets in dissolution.

5       (4) ~~Shares of a~~ A corporation ~~acquired by the corporation~~  
6 ~~may be pledged~~ THAT ACQUIRES ITS OWN SHARES MAY GRANT A SECURITY  
7 INTEREST IN THE SHARES as security for the payment of the pur-  
8 chase price of the shares. ~~and, until the purchase price is paid~~  
9 ~~by the corporation, the~~ ANY shares ~~of the corporation~~ acquired  
10 by the corporation IN WHICH IT HAS GRANTED A SECURITY INTEREST  
11 are not canceled and do not constitute authorized but unissued  
12 shares UNTIL THE CORPORATION PAYS THE PURCHASE PRICE. ~~However,~~  
13 ~~the acquired and pledged~~ IF THE CORPORATION HAS GRANTED A SECUR-  
14 ITY INTEREST IN THE SHARES, THE shares shall not be voted  
15 directly or indirectly ~~at any meeting or otherwise~~ and shall  
16 not be counted in determining the total number of issued shares  
17 entitled to vote at any given time, except to the extent provided  
18 by the ~~pledge~~ agreement CREATING THE SECURITY INTEREST in the  
19 event of default. Upon payment of the purchase price, the  
20 ~~acquired and pledged~~ shares shall be canceled and constitute  
21 authorized but unissued shares. If the articles of incorporation  
22 prohibit reissue of canceled shares, then the amendment required  
23 by subsection (2) shall be filed.

24       Sec. 404. (1) Except as otherwise provided in this act,  
25 written notice of the time, place IF ANY, and purposes of a meet-  
26 ing of shareholders shall be given not less than 10 nor more than  
27 60 days before the date of the meeting ~~, either personally or by~~

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1 ~~mail,~~ to each shareholder of record entitled to vote at the  
2 meeting. NOTICE MAY BE GIVEN PERSONALLY, BY MAIL, OR BY ELEC-  
3 TRONIC TRANSMISSION. IF A SHAREHOLDER OR PROXY HOLDER MAY BE  
4 PRESENT AND VOTE AT THE MEETING BY REMOTE COMMUNICATION, THE  
5 MEANS OF REMOTE COMMUNICATION ALLOWED SHALL BE INCLUDED IN THE  
6 NOTICE.

7 (2) Unless the corporation has securities registered under  
8 section 12 of TITLE I OF the securities exchange act of 1934,  
9 chapter 404, 48 Stat. 892, 15 U.S.C. 78l, notice of the purposes  
10 of a meeting shall include notice of shareholder proposals that  
11 are proper subjects for shareholder action and are intended to be  
12 presented by shareholders who have notified the corporation in  
13 writing of their intention to present the proposals at the  
14 meeting. The bylaws may establish reasonable procedures for the  
15 submission of proposals to the corporation in advance of the  
16 meeting.

17 (3) If a meeting is adjourned to another time or place, it  
18 is not necessary, unless the bylaws otherwise provide, to give  
19 notice of the adjourned meeting if the time, and place IF ANY, to  
20 which the meeting is adjourned are announced at the meeting at  
21 which the adjournment is taken. ~~and at~~ A SHAREHOLDER OR PROXY  
22 HOLDER MAY BE PRESENT AND VOTE AT THE ADJOURNED MEETING BY A  
23 MEANS OF REMOTE COMMUNICATION IF HE OR SHE WAS PERMITTED TO BE  
24 PRESENT AND VOTE BY THAT MEANS OF REMOTE COMMUNICATION IN THE  
25 ORIGINAL MEETING NOTICE. AT the adjourned meeting, only business  
26 ~~is transacted~~ that might have been transacted at the original  
27 meeting MAY BE TRANSACTED IF A NOTICE OF THE ADJOURNED MEETING IS

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1 NOT GIVEN. If after the adjournment the board fixes a new record  
2 date for the adjourned meeting, a notice of the adjourned meeting  
3 shall be given to each shareholder of record on the new record  
4 date entitled to notice under subsection (1).

5 (4) A shareholder's attendance at a meeting will result in  
6 both of the following:

7 (a) Waiver of objection to lack of notice or defective  
8 notice of the meeting, unless the shareholder at the beginning of  
9 the meeting objects to holding the meeting or transacting busi-  
10 ness at the meeting.

11 (b) Waiver of objection to consideration of a particular  
12 matter at the meeting that is not within the purpose or purposes  
13 described in the meeting notice, unless the shareholder objects  
14 to considering the matter when it is presented.

15 Sec. 405. (1) Unless otherwise restricted by the articles  
16 of incorporation or bylaws, a shareholder may participate in a  
17 meeting of shareholders by a conference telephone or by other  
18 ~~similar communications equipment~~ MEANS OF REMOTE COMMUNICATION  
19 through which all persons participating in the meeting may commu-  
20 nicate with the other participants. All participants shall be  
21 advised of the ~~communications equipment~~ MEANS OF REMOTE  
22 COMMUNICATION and the names of the participants in the  
23 ~~conference~~ MEETING shall be divulged to all participants.

24 (2) Participation in a meeting pursuant to this section con-  
25 stitutes presence in person at the meeting.

26 (3) UNLESS OTHERWISE RESTRICTED BY THE ARTICLES OF  
27 INCORPORATION OR BYLAWS, THE BOARD OF DIRECTORS MAY HOLD A

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1 MEETING OF SHAREHOLDERS CONDUCTED SOLELY BY MEANS OF REMOTE  
2 COMMUNICATION.

3 (4) SUBJECT TO ANY GUIDELINES AND PROCEDURES ADOPTED BY THE  
4 BOARD OF DIRECTORS, SHAREHOLDERS AND PROXY HOLDERS NOT PHYSICALLY  
5 PRESENT AT A MEETING OF SHAREHOLDERS MAY PARTICIPATE IN THE MEET-  
6 ING BY MEANS OF REMOTE COMMUNICATION AND ARE CONSIDERED PRESENT  
7 IN PERSON AND MAY VOTE AT THE MEETING IF ALL OF THE FOLLOWING ARE  
8 MET:

9 (A) THE CORPORATION IMPLEMENTS REASONABLE MEASURES TO VERIFY  
10 THAT EACH PERSON CONSIDERED PRESENT AND PERMITTED TO VOTE AT THE  
11 MEETING BY MEANS OF REMOTE COMMUNICATION IS A SHAREHOLDER OR  
12 PROXY HOLDER.

13 (B) THE CORPORATION IMPLEMENTS REASONABLE MEASURES TO PRO-  
14 VIDE EACH SHAREHOLDER AND PROXY HOLDER A REASONABLE OPPORTUNITY  
15 TO PARTICIPATE IN THE MEETING AND TO VOTE ON MATTERS SUBMITTED TO  
16 THE SHAREHOLDERS, INCLUDING AN OPPORTUNITY TO READ OR HEAR THE  
17 PROCEEDINGS OF THE MEETING SUBSTANTIALLY CONCURRENTLY WITH THE  
18 PROCEEDINGS.

19 (C) IF ANY SHAREHOLDER OR PROXY HOLDER VOTES OR TAKES OTHER  
20 ACTION AT THE MEETING BY MEANS OF REMOTE COMMUNICATION, A RECORD  
21 OF THE VOTE OR OTHER ACTION IS MAINTAINED BY THE CORPORATION.

22 SEC. 406A. IN ADDITION TO ANY OTHER FORM OF NOTICE TO A  
23 SHAREHOLDER PERMITTED BY THE ARTICLES OF INCORPORATION, THE  
24 BYLAWS, OR THIS CHAPTER, ANY NOTICE GIVEN TO A SHAREHOLDER BY A  
25 FORM OF ELECTRONIC TRANSMISSION TO WHICH THE SHAREHOLDER HAS CON-  
26 SENTED IS EFFECTIVE.

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1       Sec. 407. (1) The articles of incorporation may provide  
2 that any action required or permitted by this act to be taken at  
3 an annual or special meeting of shareholders may be taken without  
4 a meeting, without prior notice, and without a vote, if consents  
5 in writing, setting forth the action so taken, are signed by the  
6 holders of outstanding shares having not less than the minimum  
7 number of votes that would be necessary to authorize or take the  
8 action at a meeting at which all shares entitled to vote on the  
9 action were present and voted. ~~The~~ A written ~~consents~~  
10 CONSENT shall bear the date of signature of ~~each~~ THE share-  
11 holder who signs the consent. ~~No written~~ WRITTEN consents  
12 ~~shall be~~ ARE NOT effective to take ~~the~~ corporate action  
13 ~~referred to~~ unless ~~—~~ within 60 days after the record date for  
14 determining shareholders entitled to express consent to or to  
15 dissent from a proposal without a meeting, written consents dated  
16 not more than 10 days before the record date and signed by a suf-  
17 ficient number of shareholders to take the action are delivered  
18 to the corporation. Delivery shall be to the corporation's reg-  
19 istered office, its principal place of business, or an officer or  
20 agent of the corporation having custody of the minutes of the  
21 proceedings of its shareholders. Delivery made to a  
22 corporation's registered office shall be by hand or by certified  
23 or registered mail, return receipt requested. Prompt notice of  
24 the taking of the corporate action without a meeting by less than  
25 unanimous written consent shall be given to shareholders who  
26 would have been entitled to notice of the shareholder meeting if  
27 the action had been taken at a meeting and who have not consented

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1 TO THE ACTION in writing. If the action consented to would have  
2 required filing of a certificate under any other section of this  
3 act ~~—~~, if the action had been voted upon by shareholders at a  
4 meeting of the shareholders, the certificate filed under ~~such~~  
5 THE other section shall state, in lieu of any statement required  
6 by the section concerning a vote of shareholders, that both writ-  
7 ten consent and written notice have been given as provided in  
8 this section.

9 (2) Any action required or permitted by this act to be taken  
10 at an annual or special meeting of shareholders may be taken  
11 without a meeting, without prior notice, and without a vote, if  
12 before or after the action all the shareholders entitled to vote  
13 consent in writing. If the action consented to would have  
14 required filing of a certificate under any other section of this  
15 act if the action had been voted upon by shareholders at a meet-  
16 ing, the certificate filed under the other section shall state,  
17 in lieu of any statement required by the section concerning a  
18 vote of shareholders, that written consent has been given as pro-  
19 vided ~~by~~ IN this section.

20 (3) AN ELECTRONIC TRANSMISSION CONSENTING TO AN ACTION  
21 TRANSMITTED BY A SHAREHOLDER OR PROXY HOLDER, OR BY A PERSON  
22 AUTHORIZED TO ACT FOR THE SHAREHOLDER OR PROXY HOLDER, IS WRIT-  
23 TEN, SIGNED, AND DATED FOR THE PURPOSES OF THIS SECTION IF THE  
24 ELECTRONIC TRANSMISSION IS DELIVERED WITH INFORMATION FROM WHICH  
25 THE CORPORATION CAN DETERMINE THAT THE ELECTRONIC TRANSMISSION  
26 WAS TRANSMITTED BY THE SHAREHOLDER OR PROXY HOLDER, OR BY THE  
27 PERSON AUTHORIZED TO ACT FOR THE SHAREHOLDER OR PROXY HOLDER, AND

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1 THE DATE ON WHICH THE ELECTRONIC TRANSMISSION WAS TRANSMITTED.  
2 THE DATE ON WHICH AN ELECTRONIC TRANSMISSION IS TRANSMITTED IS  
3 THE DATE ON WHICH THE CONSENT WAS SIGNED FOR PURPOSES OF THIS  
4 SECTION. A CONSENT GIVEN BY ELECTRONIC TRANSMISSION IS NOT  
5 DELIVERED UNTIL REPRODUCED IN PAPER FORM AND THE PAPER FORM  
6 DELIVERED TO THE CORPORATION BY DELIVERY TO ITS REGISTERED OFFICE  
7 IN THIS STATE, ITS PRINCIPAL PLACE OF BUSINESS, OR AN OFFICER OR  
8 AGENT OF THE CORPORATION HAVING CUSTODY OF THE BOOK IN WHICH PRO-  
9 CEEDINGS OF MEETINGS OF SHAREHOLDERS ARE RECORDED. DELIVERY TO A  
10 CORPORATION'S REGISTERED OFFICE SHALL BE MADE BY HAND OR BY CER-  
11 TIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED. DELIVERY TO  
12 A CORPORATION'S PRINCIPAL PLACE OF BUSINESS OR TO AN OFFICER OR  
13 AGENT OF THE CORPORATION HAVING CUSTODY OF THE BOOK IN WHICH PRO-  
14 CEEDINGS OF MEETINGS OF SHAREHOLDERS ARE RECORDED SHALL BE MADE  
15 BY HAND, BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT  
16 REQUESTED, OR IN ANY OTHER MANNER PROVIDED IN THE ARTICLES OF  
17 INCORPORATION OR BYLAWS OR BY RESOLUTION OF THE BOARD OF DIREC-  
18 TORS OF THE CORPORATION.

19 Sec. 413. (1) The officer or agent having charge of the  
20 stock transfer books for shares of a corporation shall make and  
21 certify a complete list of the shareholders entitled to vote at a  
22 shareholders' meeting or any ~~adjournment thereof~~ ADJOURNED  
23 SHAREHOLDERS' MEETING. The list shall BE ALL OF THE FOLLOWING:

24 (a) ~~Be arranged~~ ARRANGED alphabetically within each class  
25 and series, with the address of —, and the number of shares held  
26 by —, each shareholder.



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1 (b) ~~Be produced~~ PRODUCED at the time and place of the  
2 meeting.

3 (c) ~~Be subject~~ SUBJECT to inspection by any shareholder  
4 during the ~~whole time of the~~ ENTIRE meeting. IF THE MEETING IS  
5 HELD SOLELY BY MEANS OF REMOTE COMMUNICATION, THEN THE LIST SHALL  
6 BE OPEN TO THE EXAMINATION OF ANY SHAREHOLDER DURING THE ENTIRE  
7 MEETING BY POSTING THE LIST ON A REASONABLY ACCESSIBLE ELECTRONIC  
8 NETWORK AND THE INFORMATION REQUIRED TO ACCESS THE LIST SHALL BE  
9 PROVIDED WITH THE NOTICE OF THE MEETING.

10 (d) ~~Be prima~~ PRIMA facie evidence as to who are the share-  
11 holders entitled to examine the list or to vote at the meeting.

12 (2) If the requirements of this section have not been com-  
13 plied with, ~~on demand of~~ AND a shareholder PRESENT in person or  
14 by proxy ~~, who~~ in good faith challenges the existence of suffi-  
15 cient votes to carry any action at the meeting, the meeting shall  
16 be adjourned until the requirements are complied with. Failure  
17 to comply with the requirements of this section does not affect  
18 the validity of an action taken at the meeting before ~~the making~~  
19 ~~of such a demand~~ A CHALLENGE DESCRIBED IN THIS SUBSECTION.

20 Sec. 488. (1) An agreement among the shareholders of a cor-  
21 poration that complies with this section is effective among the  
22 shareholders and the corporation even though it is inconsistent  
23 with this act in 1 or more of the following ways:

24 (a) It eliminates the board or restricts the discretion or  
25 powers of the board.

26 (b) It governs the authorization or making of distributions  
27 whether or not in proportion to ownership of shares, subject to

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1 limitations in sections 345 and 855a pertaining to the protection  
2 of creditors.

3 (c) It establishes who shall be directors or officers of the  
4 corporation, or the terms of office or manner of selection or  
5 removal of directors or officers of the corporation.

6 (d) ~~It governs, in~~ IN general or in regard to specific  
7 matters, IT GOVERNS the exercise or division of voting power by  
8 or between the shareholders and directors or by or among any of  
9 the shareholders or directors, including use of weighted voting  
10 rights or director proxies.

11 (e) It establishes the terms and conditions of any agreement  
12 for the transfer or use of property or the provision of services  
13 between the corporation and any shareholder, director, officer,  
14 or employee of the corporation or among the shareholders, direc-  
15 tors, officers, or employees of the corporation.

16 (f) It transfers to 1 or more shareholders or other persons  
17 all or part of the authority to exercise the corporate powers or  
18 to manage the business and affairs of the corporation, including  
19 the resolution of any issue about which there exists a deadlock  
20 among directors or shareholders.

21 (g) It requires dissolution of the corporation at the  
22 request of 1 or more of the shareholders or upon the occurrence  
23 of a specified event or contingency.

24 (h) It otherwise governs the exercise of the corporate  
25 powers or the management of the business and affairs of the cor-  
26 poration or the relationship among the shareholders, the

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1 directors, and the corporation, or among any of the shareholders  
2 or directors, and is not contrary to public policy.

3 (2) An agreement authorized by this section shall meet both  
4 of the following requirements:

5 (a) Be set forth in a provision of the articles of incorpo-  
6 ration or bylaws approved by all persons who are shareholders at  
7 the time of the agreement, or in a written agreement that is  
8 signed by all persons who are shareholders at the time of the  
9 agreement and made known to the corporation.

10 (b) Be subject to amendment only by all persons who are  
11 shareholders at the time of the amendment, unless the agreement  
12 provides otherwise. ~~If amended by an amendment to the articles~~  
13 ~~of incorporation or bylaws, the amendment shall be approved by~~  
14 ~~all shareholders. If amended by written agreement, the amendment~~  
15 ~~shall be in a writing signed by all shareholders and made known~~  
16 ~~to the corporation.~~

17 (3) The existence of an agreement authorized by this section  
18 shall be noted conspicuously on the face or back of a certificate  
19 for shares issued by the corporation or on the information state-  
20 ment required by section 336. If at the time of the agreement  
21 the corporation has shares outstanding represented by certifi-  
22 cates, the corporation shall recall the outstanding certificates  
23 and issue substitute certificates that comply with this  
24 subsection. The failure to note the existence of the agreement  
25 on the certificate or information statement does not affect the  
26 validity of the agreement or any action taken pursuant to it.  
27 Any purchaser of shares who ~~, at the time ownership is~~

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1 ~~transferred,~~ did not have knowledge of the existence of the  
2 agreement AT THE TIME OWNERSHIP IS TRANSFERRED is entitled to  
3 rescission of the purchase. A purchaser ~~is deemed to have~~ HAS  
4 knowledge of the existence of the agreement at the time ownership  
5 is transferred if the agreement's existence is noted on the cer-  
6 tificate or information statement in compliance with this subsec-  
7 tion and, if the shares are not represented by a certificate, the  
8 information statement is delivered to the purchaser at or prior  
9 to the time ownership of the shares is transferred. An action to  
10 enforce the right of rescission authorized by this subsection  
11 must be commenced within 90 days after discovery of the existence  
12 of the agreement or 2 years after the shares are transferred,  
13 whichever is earlier.

14 (4) An agreement authorized by this section shall cease to  
15 be effective when shares of the corporation are listed on a  
16 national securities exchange or regularly traded in a market  
17 maintained by 1 or more members of a national or affiliated  
18 securities association.

19 (5) If the agreement ceases to be effective for any reason  
20 and is contained or referred to in the corporation's articles of  
21 incorporation or bylaws, the board may WITHOUT SHAREHOLDER ACTION  
22 adopt an amendment to the articles of incorporation or bylaws —  
23 ~~without shareholder action,~~ to delete the agreement and any ref-  
24 erences to it.

25 (6) An agreement authorized by this section that limits the  
26 discretion or powers of the board shall relieve the directors of,  
27 and impose upon the person or persons in whom the discretion or

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1 powers are vested, liability for acts or omissions imposed by law  
2 on directors to the extent that the discretion or powers of the  
3 directors are limited by the agreement. The person or persons in  
4 whom the discretion or powers are vested ~~shall be~~ ARE treated  
5 as a director or directors for purposes of any indemnification  
6 and any limitation on liability under section 209(1)(c).

7       (7) The existence or performance of an agreement authorized  
8 by this section is not grounds for imposing personal liability on  
9 any shareholder for the acts or debts of the corporation or for  
10 treating the corporation as if it were a partnership or unincor-  
11 porated entity, even if the agreement or its performance results  
12 in failure to observe the corporate formalities otherwise appli-  
13 cable to the matters governed by the agreement.

14       (8) Dissolution pursuant to an agreement authorized in  
15 subsection (1)(g) shall be implemented by filing a certificate of  
16 dissolution under section 805.

17       (9) Incorporators or subscribers for shares may act as  
18 shareholders with respect to an agreement authorized by this sec-  
19 tion if no shares have been issued when the agreement is made.

20       (10) The failure to satisfy the unanimity requirement of  
21 subsection (2) with respect to an agreement authorized by this  
22 section does not invalidate any agreement that would otherwise be  
23 considered valid.

24       Sec. 489. (1) ~~A~~ IN ADDITION TO OR INSTEAD OF ANY OTHER  
25 ACTION THAT MAY BE AVAILABLE TO A SHAREHOLDER OR A CORPORATION, A  
26 shareholder may bring ~~an~~ A DIRECT action in the circuit court  
27 of the county in which the principal place of business or

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1 registered office of the corporation is located to establish that  
2 the acts of the directors or those in control of the corporation  
3 are illegal, fraudulent, or willfully unfair and oppressive to  
4 the corporation or to the shareholder. If the shareholder estab-  
5 lishes grounds for relief, the circuit court may make an order or  
6 grant relief as it considers appropriate, including, without lim-  
7 itation, an order providing for any of the following:

8 (a) The dissolution and liquidation of the assets and busi-  
9 ness of the corporation.

10 (b) The cancellation or alteration of a provision contained  
11 in the articles of incorporation, an amendment of the articles of  
12 incorporation, or the bylaws of the corporation.

13 (c) The cancellation, alteration, or injunction against a  
14 resolution or other act of the corporation.

15 (d) The direction or prohibition of an act of the corpora-  
16 tion or of shareholders, directors, officers, or other persons  
17 party to the action.

18 (e) The purchase at fair value of the shares of a sharehold-  
19 er, either by the corporation or by the officers, directors, or  
20 other shareholders responsible for the wrongful acts.

21 (f) ~~Award~~ AN AWARD of damages to the corporation or a  
22 shareholder. AN ACTION SEEKING AN AWARD OF DAMAGES MUST BE COM-  
23 MENCED WITHIN 3 YEARS AFTER THE CAUSE OF ACTION UNDER THIS SEC-  
24 TION HAS ACCRUED, OR WITHIN 2 YEARS AFTER THE SHAREHOLDER DISCOV-  
25 ERS OR REASONABLY SHOULD HAVE DISCOVERED THE CAUSE OF ACTION  
26 UNDER THIS SECTION, WHICHEVER OCCURS FIRST.

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1       (2) No action under this section shall be brought by a  
2 shareholder whose shares are listed on a national securities  
3 exchange or regularly traded in a market maintained by 1 or more  
4 members of a national or affiliated securities association.

5       (3) AS USED IN THIS SECTION, "WILLFULLY UNFAIR AND OPPRES-  
6 SIVE CONDUCT" MEANS A CONTINUING COURSE OF CONDUCT OR A SIGNIFI-  
7 CANT ACTION OR SERIES OF ACTIONS THAT SUBSTANTIALLY INTERFERES  
8 WITH THE INTERESTS OF THE SHAREHOLDER AS A SHAREHOLDER. THE TERM  
9 DOES NOT INCLUDE CONDUCT OR ACTIONS THAT ARE PERMITTED BY AN  
10 AGREEMENT, THE ARTICLES OF INCORPORATION, THE BYLAWS, OR A CON-  
11 SISTENTLY APPLIED WRITTEN CORPORATE POLICY OR PROCEDURE.

12       Sec. 521. (1) Regular or special meetings of a board may be  
13 held either in or outside this state.

14       (2) A regular meeting may be held with or without notice as  
15 prescribed in the bylaws. A special meeting shall be held upon  
16 notice as prescribed in the bylaws. A director's attendance at  
17 or participation in a meeting waives any required notice to him  
18 or her of the meeting unless he or she at the beginning of the  
19 meeting, or upon his or her arrival, objects to the meeting or  
20 the transacting of business at the meeting and does not thereaf-  
21 ter vote for or assent to any action taken at the meeting.

22 Unless required by the bylaws, neither the business to be trans-  
23 acted at, nor the purpose of, a regular or special meeting need  
24 be specified in the notice or waiver of notice of the meeting.

25       (3) Unless otherwise restricted by the articles of incorpo-  
26 ration or bylaws, a member of the board or of a committee  
27 designated by the board may participate in a meeting by means of

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1 conference telephone or ~~similar communications equipment~~ OTHER  
2 MEANS OF REMOTE COMMUNICATION through which all persons partici-  
3 pating in the meeting can communicate with the other  
4 participants. Participation in a meeting pursuant to this sub-  
5 section constitutes presence in person at the meeting.

6       Sec. 525. Unless prohibited by the articles of incorpora-  
7 tion or bylaws, action required or permitted to be taken under  
8 authorization voted at a meeting of the board or a committee of  
9 the board, may be taken without a meeting if, before or after the  
10 action, all members of the board then in office or of the commit-  
11 tee consent to the action in writing OR BY ELECTRONIC  
12 TRANSMISSION. The written consents shall be filed with the  
13 minutes of the proceedings of the board or committee. The con-  
14 sent has the same effect as a vote of the board or committee for  
15 all purposes.

16       Sec. 563. To the extent that a director ~~—~~ OR officer ~~—~~,  
17 ~~employee, or agent~~ of a corporation has been successful on the  
18 merits or otherwise in defense of an action, suit, or proceeding  
19 referred to in section 561 or 562, or in defense of a claim,  
20 issue, or matter in the action, suit, or proceeding, ~~he or she~~  
21 ~~shall be indemnified~~ THE CORPORATION SHALL INDEMNIFY HIM OR HER  
22 against actual and reasonable expenses, including attorneys'  
23 fees, incurred by him or her in connection with the action, suit,  
24 or proceeding and an action, suit, or proceeding brought to  
25 enforce the mandatory indemnification provided in this section.

26       Sec. 564b. (1) A corporation may pay or reimburse the  
27 reasonable expenses incurred by a director, officer, employee, or



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1 agent who is a party or threatened to be made a party to an  
2 action, suit, or proceeding in advance of final disposition of  
3 the proceeding if ~~both of the following apply: (a) The person~~  
4 ~~furnishes the corporation a written affirmation of his or her~~  
5 ~~good faith belief that he or she has met the applicable standard~~  
6 ~~of conduct set forth in sections 561 and 562. (b) The~~ THE  
7 person furnishes the corporation a written undertaking, executed  
8 personally or on his or her behalf, to repay the advance if it is  
9 ultimately determined that he or she did not meet the APPLICABLE  
10 standard of conduct, ~~set forth in sections 561 and 562~~ IF ANY,  
11 REQUIRED BY THIS ACT FOR THE INDEMNIFICATION OF A PERSON UNDER  
12 THE CIRCUMSTANCES.

13 (2) The undertaking required by subsection ~~(1)(b)~~ (1) must  
14 be an unlimited general obligation of the person but need not be  
15 secured and may be accepted without reference to the financial  
16 ability of the person to make repayment.

17 (3) ~~Determinations and evaluations~~ AN EVALUATION OF  
18 REASONABLENESS under this section shall be made in the manner  
19 specified in section 564a(1) FOR AN EVALUATION OF REASONABLENESS  
20 OF EXPENSES, and ~~authorizations~~ AN AUTHORIZATION shall be made  
21 in the manner specified in section 564a(4) UNLESS AN ADVANCE IS  
22 MANDATORY.

23 (4) A provision in the articles of incorporation or bylaws,  
24 a resolution of the board or shareholders, or an agreement making  
25 indemnification mandatory shall also make the advancement of  
26 expenses mandatory unless the provision, resolution, or agreement  
27 specifically provides otherwise.

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1       Sec. 703a. (1) A plan of merger or share exchange adopted  
2 by the board of each constituent corporation shall, except as  
3 provided in subsection (2)(e) and (f), be submitted for approval  
4 at a meeting of the shareholders.

5       (2) For a plan of merger or share exchange to be approved  
6 all of the following shall apply:

7       (a) The board must recommend the plan of merger or share  
8 exchange to the shareholders, unless the board determines that  
9 because of conflict of interest, EVENTS OCCURRING AFTER THE BOARD  
10 ADOPTS THE PLAN, CONTRACTUAL OBLIGATIONS, or other special cir-  
11 cumstances it should make no recommendation and communicates the  
12 basis for its determination to the shareholders with the plan.

13       (b) The board may condition its submission of the proposed  
14 merger or share exchange on any basis.

15       (c) Notice of the shareholder meeting shall be given to each  
16 shareholder of record, whether or not entitled to vote at the  
17 meeting, within the time and in the manner provided in this act  
18 for giving notice of meetings of shareholders. The notice shall  
19 include or be accompanied by all of the following:

20       (i) A copy or summary of the plan of merger or share  
21 exchange. If a summary of the plan is given, the notice shall  
22 state that a copy of the plan is available upon request.

23       (ii) A statement informing shareholders who ~~—, under~~  
24 ~~section 762,~~ are entitled to dissent ~~—~~ UNDER SECTION 762 that  
25 they have the right to dissent and to be paid the fair value of  
26 their shares by complying with the procedures set forth in  
27 sections 764 to 772.

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1       (d) At the meeting, a vote of the shareholders shall be  
2 taken on the proposed plan of merger or share exchange. The plan  
3 ~~shall be~~ IS approved ~~upon receiving~~ IF IT RECEIVES the affir-  
4 mative vote of the holders of a majority of the outstanding  
5 shares of the corporation entitled to vote on the plan, and if a  
6 class or series is entitled to vote on the plan as a class, the  
7 affirmative vote of the holders of a majority of the outstanding  
8 shares of the class or series. A class or series of shares is  
9 entitled to vote as a class in the case of a merger, if the plan  
10 of merger contains a provision that, if contained in a proposed  
11 amendment to the articles of incorporation, would entitle the  
12 class or series of shares to vote as a class, or, in the case of  
13 a share exchange, if the class or series is included in the  
14 exchange. A class or series of shares is not entitled to vote as  
15 a class in the case of a merger ~~the sole purpose of which is to~~  
16 ~~change the corporation's jurisdiction of incorporation~~ OR SHARE  
17 EXCHANGE, IF THE BOARD OF DIRECTORS DETERMINES ON A REASONABLE  
18 BASIS THAT THE CLASS OR SERIES IS TO RECEIVE CONSIDERATION UNDER  
19 THE PLAN OF MERGER OR SHARE EXCHANGE THAT HAS A FAIR VALUE THAT  
20 IS NOT LESS THAN THE FAIR VALUE OF THE SHARES OF THE CLASS OR  
21 SERIES ON THE DATE OF ADOPTION OF THE PLAN.

22       (e) Except as provided in section 754 or unless required by  
23 the articles of incorporation, action by the shareholders of the  
24 surviving corporation on a plan of merger is not required if all  
25 of the following apply:

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1       (i) The articles of incorporation of the surviving  
2 corporation will not differ from its articles of incorporation  
3 before the merger.

4       (ii) Each shareholder of the surviving corporation whose  
5 shares were outstanding immediately before the effective date of  
6 the merger will hold the same number of shares, with identical  
7 designations, preferences, limitations, and relative rights,  
8 immediately after the merger.

9       (f) Except as provided in section 754, action by the share-  
10 holders of the acquiring corporation on a plan of share exchange  
11 is not required.

12       (G) A PLAN OF MERGER OR SHARE EXCHANGE MAY PROVIDE FOR DIF-  
13 FERENT FORMS OF CONSIDERATION FOR HOLDERS OF SHARES WITHIN THE  
14 SAME CLASS BASED UPON THE ELECTION OF THE HOLDERS, THE AMOUNT OF  
15 SHARES HELD, OR ANOTHER REASONABLE BASIS.

16       Sec. 753. (1) Except as provided in section 751, a corpora-  
17 tion may sell, lease, exchange, or otherwise dispose of all, or  
18 substantially all, of its property and assets, with or without  
19 the goodwill, if not in the usual and regular course of its busi-  
20 ness as conducted by the corporation, upon terms and conditions  
21 and for a consideration, which may consist in whole or in part of  
22 cash or other property, including shares, bonds, or other securi-  
23 ties of any other corporation, domestic or foreign, as authorized  
24 as provided in this section. A CORPORATION HAS NOT DISPOSED OF  
25 ALL OR SUBSTANTIALLY ALL OF ITS PROPERTY AND ASSETS IF IT RETAINS  
26 A SIGNIFICANT CONTINUING BUSINESS ACTIVITY. FOR PURPOSES OF THIS  
27 SUBSECTION, IT IS CONCLUSIVELY PRESUMED THAT A CORPORATION HAS

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1 RETAINED A SIGNIFICANT CONTINUING BUSINESS ACTIVITY IF THE  
2 CORPORATION RETAINS A BUSINESS ACTIVITY THAT REPRESENTED AT LEAST  
3 25% OF TOTAL ASSETS AT THE END OF THE MOST RECENTLY COMPLETED  
4 FISCAL YEAR, AND 25% OF EITHER INCOME FROM CONTINUING OPERATIONS  
5 BEFORE TAXES OR REVENUES FROM CONTINUING OPERATIONS FOR THAT  
6 FISCAL YEAR, IN EACH CASE OF THE CORPORATION AND ITS SUBSIDIARIES  
7 ON A CONSOLIDATED BASIS.

8       (2) The board must recommend the proposed transaction to the  
9 shareholders unless the board determines that because of conflict  
10 of interest, EVENTS OCCURRING AFTER THE BOARD ADOPTS THE PLAN,  
11 CONTRACTUAL OBLIGATIONS, or other special circumstances it should  
12 make no recommendation and communicates the basis for its deter-  
13 mination to the shareholders with the submission of the proposed  
14 transaction.

15       (3) The board may condition its submission of the proposed  
16 transaction on any basis.

17       (4) The proposed transaction shall be submitted for approval  
18 at a meeting of shareholders. Notice of the meeting shall be  
19 given to each shareholder of record whether or not entitled to  
20 vote at the meeting within the time and in the manner provided in  
21 this act for giving notice of meetings of shareholders. The  
22 notice shall include or be accompanied by both of the following:

23       (a) A statement summarizing the principal terms of the pro-  
24 posed transaction or a copy of any documents containing the prin-  
25 cipal terms.

26       (b) A statement informing shareholders who ~~—, under section~~  
27 ~~762,~~ are entitled to dissent UNDER SECTION 762 that they have

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1 the right to dissent and to be paid the fair value of their  
2 shares by complying with the procedures set forth in sections 762  
3 to 772.

4       (5) At the meeting, the shareholders may authorize the sale,  
5 lease, exchange, or other disposition and may fix, or may autho-  
6 rize the board to fix, any term or condition and the considera-  
7 tion to be received by the corporation. The authorization  
8 requires the affirmative vote of the holders of a majority of the  
9 outstanding shares of the corporation entitled to vote on the  
10 sale, lease, exchange, or other disposition.

11       (6) Notwithstanding authorization by the shareholders, the  
12 board may abandon the sale, lease, exchange, or other disposi-  
13 tion, subject to the rights of third parties under any contracts  
14 relating to the sale, lease, exchange, or other disposition,  
15 without further action or approval by shareholders.

16       (7) A sale, lease, exchange, or other disposition of all, or  
17 substantially all, of the property and assets of a corporation or  
18 other entity a majority of the shares or beneficial interests of  
19 which are owned by a second corporation, including a change in  
20 shares of the corporation or beneficial interest in another  
21 entity held by the second corporation because of a merger or  
22 share exchange, is a disposition by the second corporation of its  
23 pro rata share of the property and assets of the corporation or  
24 other entity ON A CONSOLIDATED BASIS for purposes of this  
25 section.

26       (8) A transaction that is a distribution is governed by  
27 section 345 and not by this section or section 751.

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1       Sec. 754. Shareholders of a corporation ~~which~~ THAT  
2 proposes to issue, directly or through a subsidiary, its shares,  
3 obligations, or securities in the course of a merger, acquisition  
4 of some or all of the outstanding shares of another corporation  
5 OR INTERESTS IN ANOTHER ENTITY, or ACQUISITION OF some or all of  
6 the assets OTHER THAN CASH of a corporation ~~, proprietorship,~~  
7 ~~partnership, or other type of business organization, shall~~ OR  
8 OTHER ENTITY, have the ~~same~~ rights to receive notice and to  
9 vote on the proposed MERGER OR acquisition ~~as~~ provided in  
10 section 703a(2) and to receive dissenters' rights as provided in  
11 section 762 if both of the following apply:

12       (a) The securities to be issued or delivered in the acquisi-  
13 tion are ~~—~~ or may be converted into ~~—~~ shares of the acquiring  
14 corporation's common stock.

15       (b) The number of the acquiring corporation's common shares  
16 to be issued or delivered, plus those initially issuable upon  
17 conversion or exchange of any other securities to be issued or  
18 delivered, will exceed 100% of the number of its common shares  
19 outstanding immediately prior to the acquisition plus the number  
20 of its common shares, if any, initially issuable upon conversion  
21 or exchange of any other securities then outstanding.

22       Sec. 901. (1) Each domestic corporation at least once in  
23 each year shall cause a financial report of the corporation for  
24 the preceding fiscal year to be made and distributed to each  
25 shareholder thereof within 4 months after the end of the fiscal  
26 year. The report shall include the corporation's statement of  
27 income, its year-end balance sheet, ~~and, if prepared by the~~

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1 ~~corporation,~~ its statement of source and application of funds IF  
2 PREPARED BY THE CORPORATION, and ~~such~~ ANY other information as  
3 may be required by this act.

4 (2) THE FINANCIAL REPORT REQUIRED BY SUBSECTION (1) MAY BE  
5 DISTRIBUTED ELECTRONICALLY, EITHER BY ELECTRONIC TRANSMISSION OF  
6 THE REPORT OR BY MAKING THE REPORT AVAILABLE FOR ELECTRONIC  
7 TRANSMISSION. IF THE REPORT IS DISTRIBUTED ELECTRONICALLY UNDER  
8 THIS SUBSECTION, THE CORPORATION SHALL PROVIDE THE REPORT IN  
9 WRITTEN FORM TO A SHAREHOLDER ON REQUEST.

10 Sec. 1060. (1) The fees to be paid to the administrator  
11 when the documents described in this subsection are delivered to  
12 him or her for filing are as follows:

13 (a) Articles of domestic corporations, \$10.00.

14 (b) Application of a foreign corporation for a certificate  
15 of authority to transact business in this state, \$10.00.

16 (c) Amendment to the articles of a domestic corporation,  
17 \$10.00.

18 (d) Amended application for a certificate of authority to  
19 transact business in this state, \$10.00.

20 (e) Certificate of merger or share exchange as provided in  
21 chapter 7, \$50.00.

22 (f) Certificate attesting to the occurrence of a merger of a  
23 foreign corporation ~~—~~ as provided in section 1021, \$10.00.

24 (g) Certificate of dissolution, \$10.00.

25 (h) Application for withdrawal and issuance of a certificate  
26 of withdrawal of a foreign corporation, \$10.00.



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- 1 (i) Application for reservation of corporate name, \$10.00.
- 2 (j) Certificate of assumed name or a certificate of
- 3 termination of assumed name, \$10.00.
- 4 (k) Statement of change of registered office or resident
- 5 agent, \$5.00.
- 6 (l) Restated articles of domestic corporations, \$10.00.
- 7 (m) Certificate of abandonment, \$10.00.
- 8 (n) Certificate of correction, \$10.00.
- 9 (o) Certificate of revocation of dissolution proceedings,
- 10 \$10.00.
- 11 (p) Certificate of renewal of corporate existence, \$10.00.
- 12 (q) For examining a special report required by law, \$2.00.
- 13 (r) Certificate of registration of corporate name of a for-
- 14 eign corporation, \$50.00.
- 15 (s) Certificate of renewal of registration of corporate name
- 16 of a foreign corporation, \$50.00.
- 17 (t) Certificate of termination of registration of corporate
- 18 name of a foreign corporation, \$10.00.
- 19 (2) The fees prescribed in subsection (1), no part of which
- 20 shall be refunded, shall be in addition to the franchise fees
- 21 prescribed in this act, and shall, when collected, be paid into
- 22 the treasury of the state and credited to the administrator to be
- 23 used solely by the ~~corporation, and securities~~
- 24 ~~bureau~~ DEPARTMENT in carrying out those duties required
- 25 by law.
- 26 (3) Fees paid by or on behalf of domestic and foreign regu-
- lated investment companies as defined in section 1064 ~~shall be~~

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1 ARE the same as are charged foreign and domestic corporations for  
2 the purposes specified in this section.

3 (4) The fees received pursuant to section 915 shall be  
4 deposited in the state treasury to the credit of the administra-  
5 tor to be used by the ~~corporation, and securities~~  
6 ~~bureau~~ DEPARTMENT in carrying out those duties required  
by law.  
7 After the payment of the amounts appropriated by the legislature  
8 for the necessary expenses incurred in the administration of this  
9 act, the money remaining shall be credited to the general fund of  
10 the state.

11 (5) A minimum charge of \$1.00 for each certificate and 50  
12 cents per folio shall be paid to the administrator for certifying  
13 a part of a file or record pertaining to a corporation for which  
14 provision for payment is not set forth in subsection (1). The  
15 administrator may furnish copies of documents, reports, and  
16 papers required or permitted by law to be filed with the adminis-  
17 trator, and shall charge for those copies pursuant to a schedule  
18 of fees which the administrator shall adopt with the approval of  
19 the state administrative board. The administrator shall retain  
20 the revenue collected under this subsection to be used by the  
21 ~~corporation, and securities~~ ~~bureau~~ DEPARTMENT  
to  
22 defray the costs for its copying and certifying services.

23 (6) If a domestic or foreign corporation pays fees or penal-  
24 ties by check and the check is dishonored, the fee ~~shall be~~  
25 ~~considered~~ IS unpaid and the filing of all related documents  
26 will be rescinded.

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1       (7) The administrator may accept a credit card, in lieu of  
2 cash or check, as payment of a fee under this act. The  
3 administrator shall determine which credit cards may be accepted  
4 for payment.

5       (8) The administrator may charge a nonrefundable fee of up  
6 to \$50.00 for any document submitted or certificate sent by fac-  
7 simile OR ELECTRONIC transmission. The administrator shall  
8 retain the revenue collected under this section to be used by the  
9 ~~corporation, and securities~~ bureau DEPARTMENT  
in car-  
10 rying out its duties required by law.