

HOUSE BILL No. 5316

October 18, 2005, Introduced by Reps. Wenke, Huizenga, Vander Veen, Baxter, Taub and Tobocman and referred to the Committee on Commerce.

A bill to amend 1972 PA 284, entitled
"Business corporation act,"
by amending section 823 (MCL 450.1823), as amended by 1989 PA 121.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 823. A corporation may be dissolved by a judgment entered
2 in an action brought in the circuit court of the county in which
3 the principal place of business or registered office of the
4 corporation is located by 1 or more directors or by 1 or more
5 shareholders entitled to vote in an election of directors of the
6 corporation, upon proof of both of the following:

7 (a) The directors of the corporation, or its shareholders if a
8 ~~provision in the articles of incorporation~~ **AN AGREEMENT AMONG THE**
9 **SHAREHOLDERS** authorized by ~~subsection (1) of section 463~~ **SECTION**
10 **488** is in effect, are unable to agree by the requisite vote on

1 material matters respecting management of the corporation's
2 affairs, or the shareholders of the corporation are so divided in
3 voting power that they have failed to elect successors to any
4 director whose term has expired or would have expired upon the
5 election and qualification of his or her successor.

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