

SENATE BILL No. 442

June 8, 2017, Introduced by Senator KOWALL and referred to the Committee on Commerce.

A bill to amend 1972 PA 284, entitled
"Business corporation act,"
by amending sections 131, 143, 151, 202, 217, 246, 282, 283, 286,
287, 288, 301, 302, 405, 407, 525, 611, 703a, 707, 746, 762, 764,
765, 778, 784, 922, 923, 1042, 1056, and 1060 (MCL 450.1131,
450.1143, 450.1151, 450.1202, 450.1217, 450.1246, 450.1282,
450.1283, 450.1286, 450.1287, 450.1288, 450.1301, 450.1302,
450.1405, 450.1407, 450.1525, 450.1611, 450.1703a, 450.1707,
450.1746, 450.1762, 450.1764, 450.1765, 450.1778, 450.1784,
450.1922, 450.1923, 450.2042, 450.2056, and 450.2060), sections 131
and 217 as amended and section 746 as added by 2008 PA 402, section
143 as amended by 2006 PA 47, sections 151, 407, and 525 as amended
by 2001 PA 57, sections 202, 405, 611, 703a, 762, and 784 as
amended and sections 282, 283, 286, 287, and 288 as added by 2012

PA 569, sections 246, 765, and 923 as amended by 1989 PA 121, sections 301, 302, 707, and 1042 as amended by 1997 PA 118, sections 764 and 922 as amended by 1993 PA 91, section 778 as amended by 2013 PA 123, section 1056 as added by 1982 PA 407, and section 1060 as amended by 2015 PA 66.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 131. (1) A document required or permitted to be filed
2 under this act shall be submitted by delivering the document to the
3 administrator together with the fees and accompanying documents
4 required by law. The administrator may establish a procedure for
5 accepting delivery of a document submitted under this subsection by
6 facsimile or other electronic transmission. However, by December
7 31, 2006, the administrator shall establish a procedure for
8 accepting delivery of a document submitted under this subsection by
9 electronic mail or over the ~~Internet~~. **INTERNET**. Beginning January
10 1, 2007, the administrator shall accept delivery of documents
11 submitted by electronic mail or over the ~~Internet~~. **INTERNET**.

12 (2) If a document submitted under subsection (1) substantially
13 conforms to the requirements of this act, the administrator shall
14 endorse upon it the word "filed" with his or her official title and
15 the date of receipt and of filing and shall file and index the
16 document or a photostatic, micrographic, photographic, optical disc
17 media, or other reproduced copy in his or her office. If requested
18 at the time of the delivery of the document to his or her office,
19 the administrator shall include the hour of filing in the
20 endorsement on the document.

21 (3) The administrator ~~shall~~ **MAY** return **THE ORIGINAL OR** a copy

1 of a document filed under subsection (2) ~~, other than an annual~~
 2 ~~report, or, at his or her discretion, the original,~~ to the person
 3 ~~who~~ **THAT** submitted it for filing. The administrator shall mark the
 4 filing date on the copy or original before returning it or ~~, if the~~
 5 ~~document was submitted by electronic mail or over the Internet,~~ may
 6 provide proof of the filing date to the person ~~who~~ **THAT** submitted
 7 the document for filing in another manner determined by the
 8 administrator.

9 (4) The records and files of the administrator relating to
 10 domestic and foreign corporations shall be open to reasonable
 11 inspection by the public. The administrator may maintain records or
 12 files ~~either in their original form or in photostatic,~~
 13 ~~micrographic, photographic, optical disc media, or other reproduced~~
 14 ~~form.~~ **MAY MAINTAIN RECORDS OR FILES IN THE FORM OF REPRODUCTIONS**
 15 **PURSUANT TO THE RECORDS REPRODUCTION ACT, 1992 PA 116, MCL 24.401**
 16 **TO 24.406, AND MAY DESTROY THE ORIGINALS OF THE REPRODUCED**
 17 **DOCUMENTS.**

18 (5) The administrator may make ~~copies~~ **REPRODUCTIONS** of any
 19 documents filed under this act or any predecessor act ~~by~~
 20 ~~photostatic, micrographic, photographic, optical disc media, or~~
 21 ~~other reproduced form~~ **PURSUANT TO THE RECORDS REPRODUCTION ACT,**
 22 **1992 PA 116, MCL 24.401 TO 24.406,** and may destroy the originals of
 23 the ~~copied~~ **REPRODUCED** documents. A ~~photostatic, micrographic,~~
 24 ~~photographic, optical disc media, or other reproduced copy~~ **OF A**
 25 **DOCUMENT** certified by the administrator, including a copy sent by
 26 facsimile or other electronic transmission, is considered an
 27 original **DOCUMENT** for all purposes and is admissible in evidence in

1 like manner as an original **DOCUMENT**.

2 (6) Except as provided in section 806, a document filed under
3 subsection (2) is effective at the time it is endorsed unless a
4 subsequent effective time, not later than 90 days after the date of
5 delivery, is set forth in the document.

6 (7) The administrator shall charge 1 of the following
7 nonrefundable fees if expedited filing of a document by the
8 administrator is requested and the administrator shall retain the
9 revenue collected under this subsection and the department shall
10 use it to carry out its duties required by law:

11 (a) For any filing that a person requests the administrator to
12 complete within 1 hour on the same day as the day of the request,
13 \$1,000.00. The department may establish a deadline by which a
14 person must submit a request for filing under this subdivision.

15 (b) For any filing that a person requests the administrator to
16 complete within 2 hours on the same day as the day of the request,
17 \$500.00. The department may establish a deadline by which a person
18 must submit a request for filing under this subdivision.

19 (c) Except for a filing request under subdivision (a) or (b),
20 for the filing of any formation or qualification document that a
21 person requests the administrator to complete on the same day as
22 the day of the request, \$100.00. The department may establish a
23 deadline by which a person must submit a request for filing under
24 this subdivision.

25 (d) Except for a filing request under subdivision (a) or (b),
26 for the filing of any other document concerning an existing
27 domestic corporation or a qualified foreign corporation that a

1 person requests the administrator to complete on the same day as
2 the day of the request, \$200.00. The department may establish a
3 deadline by which a person must submit a request for filing under
4 this subdivision.

5 (e) For the filing of any formation or qualification document
6 that a person requests the administrator to complete within 24
7 hours of the time the administrator receives the request, \$50.00.

8 (f) For the filing of any other document concerning an
9 existing domestic corporation or a qualified foreign corporation
10 that a person requests the administrator to complete within 24
11 hours of the time the administrator receives the request, \$100.00.

12 Sec. 143. (1) If a notice or communication is required or
13 permitted ~~by~~ **UNDER** this act to be given by mail, it shall be
14 mailed, except as otherwise provided in this act, to the person to
15 ~~whom~~ **WHICH** it is directed at the address designated by ~~him or her~~
16 **THE PERSON** for that purpose or, if none is designated, at ~~his or~~
17 ~~her~~ **THE PERSON'S** last known address. The notice or communication is
18 given when deposited, with postage prepaid, in a post office or
19 official depository under the exclusive care and custody of the
20 United States ~~postal service.~~ **POSTAL SERVICE.** Unless the
21 corporation has securities registered under section 12 of title 1
22 of the securities exchange act of 1934, 15 USC 78l, the mailing
23 shall be **SENT BY** registered, certified, or other first-class mail
24 except ~~where~~ **UNLESS** otherwise ~~provided in~~ **REQUIRED UNDER** this act.

25 (2) If a corporation is required or permitted to provide its
26 shareholders with a written notice or other written report,
27 statement, or communication ~~by~~ **UNDER** this act, the articles of

1 incorporation, or the bylaws, the corporation may provide that
2 notice, report, statement, or communication to all shareholders
3 that share a common address by delivering 1 copy of it to the
4 common address if all of the following are met:

5 (a) The corporation addresses the notice, report, statement,
6 or communication to the shareholders ~~who~~**THAT** share the common
7 address as a group, individually, or in any other form to which any
8 of those shareholders have not objected.

9 (b) At least 60 days before the first delivery of any delivery
10 to a common address under this subsection, the corporation gives
11 notice to the shareholders ~~who~~**THAT** share that common address that
12 it intends to provide only 1 copy of notices, reports, statements,
13 or other communications to shareholders that share a common
14 address.

15 (c) The corporation has not received a written objection from
16 any shareholder that shares a common address to deliveries under
17 this subsection to that shareholder. If it receives a written
18 objection under this subdivision, the corporation within 30 days
19 shall begin providing the objecting shareholder with separate
20 copies of any notices, reports, statements, or communications to
21 the shareholders, but the corporation may deliver 1 copy of the
22 notices, reports, statements, or communications to all of the
23 shareholders at that common address that have not objected.

24 (3) If a notice is required or permitted ~~by~~**UNDER** this act to
25 be given in writing, electronic transmission is written notice.

26 (4) If a notice or communication is permitted ~~by~~**UNDER** this
27 act to be transmitted electronically, the notice or communication

1 is given when electronically transmitted to the person **THAT IS**
2 entitled to the notice or communication in a manner authorized by
3 the person.

4 (5) As used in subsection (2), "address" means a street
5 address, post office box, electronic mail address for electronic
6 transmissions by electronic mail, or telephone facsimile number for
7 electronic transmissions by facsimile.

8 **(6) IF THE ADMINISTRATOR IS REQUIRED UNDER THIS ACT TO GIVE**
9 **NOTICE TO THE CORPORATION, THE ADMINISTRATOR MAY ELECTRONICALLY**
10 **TRANSMIT THE NOTICE TO THE CORPORATION'S RESIDENT AGENT IN THE**
11 **MANNER AUTHORIZED BY THE CORPORATION.**

12 Sec. 151. (1) If the administrator fails to promptly file a
13 document, other than an annual report, submitted for filing under
14 this act, the administrator shall within 10 days after ~~receipt of~~
15 **RECEIVING** a written request to file the document from the person
16 ~~submitting~~ **THAT SUBMITTED** the document for filing give written
17 notice of the ~~refusal~~ **FAILURE** to file the document to that person,
18 specifying the reasons for the ~~refusal~~ **FAILURE** to file the
19 document. ~~If the document was not originally submitted by~~
20 ~~electronic transmission, the administrator shall not give the~~
21 ~~written notice by electronic transmission.~~ **THE ADMINISTRATOR MAY**
22 **GIVE WRITTEN NOTICE UNDER THIS SUBSECTION BY POSTING THE NOTICE ON**
23 **THE ADMINISTRATOR'S WEBSITE; BY SENDING THE NOTICE BY MAIL TO THE**
24 **ADDRESS PROVIDED BY THE PERSON THAT SUBMITTED THE DOCUMENT; OR, IF**
25 **THE PERSON THAT SUBMITTED THE DOCUMENT HAS PROVIDED THE**
26 **ADMINISTRATOR WITH AN ELECTRONIC MAIL ADDRESS, BY SENDING THE**
27 **NOTICE TO THAT ELECTRONIC MAIL ADDRESS.** The person may seek

1 judicial review of the refusal to file the document ~~pursuant to~~
2 **UNDER** sections 103, 104, and 106 of the administrative procedures
3 act of 1969, 1969 PA 306, MCL 24.303, 24.304, and 24.306.

4 (2) If the administrator refuses to authorize or revokes the
5 authorization of a foreign corporation to transact business in this
6 state ~~pursuant to~~ **UNDER** this act, the foreign corporation may seek
7 judicial review ~~pursuant to~~ **UNDER** sections 103, 104, and 106 of the
8 administrative procedures act of 1969, 1969 PA 306, MCL 24.303,
9 24.304, and 24.306.

10 Sec. 202. The articles of incorporation shall contain all of
11 the following:

12 (a) The name of the corporation.

13 (b) The purposes for which the corporation is formed. All of
14 the following apply for purposes of this subdivision:

15 (i) Except as otherwise provided in subparagraph (ii) or
16 (iii), it is a sufficient compliance with this subdivision to state
17 substantially, alone or with specifically enumerated purposes, that
18 the corporation may engage in any activity within the purposes for
19 which corporations may be formed under the business corporation
20 act, and all activities shall by the statement be considered within
21 the purposes of the corporation, subject to expressed limitations.

22 (ii) Any corporation that proposes to conduct educational
23 purposes shall state the purposes and shall comply with all
24 requirements of sections 170 to 177 of 1931 PA 327, MCL 450.170 to
25 450.177.

26 (iii) A professional corporation shall comply with section
27 283(2) and (3).

1 (c) The aggregate number of shares that the corporation has
2 authority to issue.

3 (d) If the shares are, or are to be, divided into classes, or
4 into classes and series, the designation of each class and series,
5 the number of shares in each class and series, and a statement of
6 the relative rights, preferences and limitations of the shares of
7 each class and series, to the extent that the designations,
8 numbers, relative rights, preferences, and limitations have been
9 determined.

10 (e) If ~~any class of shares is to be divided into~~ **THE SHARES**
11 **ARE TO BE DESIGNATED AND ISSUED IN 1 OR MORE CLASSES OR** series, a
12 statement of any authority vested in the board to ~~divide the class~~
13 ~~of shares into series,~~ **DESIGNATE AND ISSUE SHARES IN 1 OR MORE**
14 **CLASSES OR SERIES,** and to determine or change for any **CLASS OR**
15 series its designation, number of shares, relative rights,
16 preferences and limitations.

17 (f) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SECTION 611(2)(C),** THE
18 street address, and the mailing address if different from the
19 street address, of the corporation's initial registered office and
20 the name of the corporation's initial resident agent at that
21 address.

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

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

24 Sec. 217. (1) ~~A~~ **EXCEPT AS PROVIDED IN SECTION 212 OR OTHERWISE**
25 **PROHIBITED BY LAW, A** domestic or foreign corporation may transact
26 business under any assumed name or names other than its corporate
27 name ~~, if not precluded from use by section 212,~~ by filing a

1 certificate ~~stating~~ **THAT STATES** the true name of the corporation
2 and the assumed name under which the business is to be transacted.
3 ~~The~~ **A** certificate **OF ASSUMED NAME** is effective, unless sooner
4 terminated by filing a certificate of termination or by the
5 dissolution or withdrawal of the corporation, for a period ~~expiring~~
6 **THAT EXPIRES** on December 31 of the fifth full calendar year
7 following the year in which it was filed. ~~The~~ **A** certificate of
8 assumed name may be extended for additional consecutive periods of
9 5 full calendar years each by filing similar certificates not
10 earlier than 90 days before the expiration of the initial or a
11 subsequent 5-year period. The administrator shall notify the
12 corporation of the impending expiration of the certificate of
13 assumed name not later than 90 days before the expiration of the
14 initial or a subsequent 5-year period. **IF AUTHORIZED BY THE**
15 **CORPORATION, THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT THE**
16 **NOTICE TO THE RESIDENT AGENT OF THE CORPORATION.** A certificate of
17 assumed name filed under this section does not create substantive
18 rights to the use of a particular assumed name.

19 (2) The same name may be assumed by 2 or more corporations, or
20 by 1 or more corporations and 1 or more limited partnerships or
21 other enterprises participating together in a partnership or joint
22 venture. Each participant corporation shall file a certificate
23 under this section.

24 (3) A corporation ~~participating~~ **THAT PARTICIPATES** in a merger,
25 or any other entity ~~participating~~ **THAT PARTICIPATES** in a merger
26 under section 736, may transfer to the surviving entity the use of
27 an assumed name for which a certificate of assumed name is on file

1 with the administrator before the merger, if the transfer is noted
2 in the certificate of merger as provided in section 707(1)(g),
3 712(1)(c), or 736(7)(f) ~~—~~or other applicable statute. The use of
4 an assumed name transferred under this subsection may continue for
5 the remaining effective period of the certificate of assumed name
6 on file before the merger, and the surviving entity may terminate
7 or extend the certificate of assumed name ~~in accordance with~~ **UNDER**
8 subsection (1).

9 (4) A corporation ~~surviving~~ **THAT SURVIVES** a merger may use as
10 an assumed name the corporate name of a merging corporation, or the
11 name of any other entity ~~participating~~ **THAT PARTICIPATES** in the
12 merger under section 736, by filing a certificate of assumed name
13 under subsection (1) or by providing for the use of the name as an
14 assumed name in the certificate of merger. The surviving
15 corporation also may file a certificate of assumed name under
16 subsection (1) or provide in the certificate of merger for the use
17 as an assumed name of an assumed name of a merging entity **THAT IS**
18 not transferred under subsection (3). A provision in a certificate
19 of merger under this subsection shall be treated as a new
20 certificate of assumed name.

21 (5) A business organization into which a corporation has
22 converted under section 745 may use an assumed name of the
23 converting corporation, if the corporation has a certificate of
24 assumed name for that assumed name on file with the administrator
25 before the conversion, by providing for the use of the name as an
26 assumed name in the certificate of conversion. The use of an
27 assumed name under this subsection may continue for the remaining

1 effective period of the certificate of assumed name on file before
 2 the conversion, and the surviving business organization may
 3 terminate or extend the certificate of assumed name in the manner
 4 described in subsection (1).

5 (6) A corporation into which 1 or more business organizations
 6 have converted under section 746 may use as an assumed name the
 7 name of any business organization ~~converting~~ **THAT CONVERTED** into
 8 that corporation, or use as an assumed name an assumed name of that
 9 business organization, by filing a certificate of assumed name
 10 under subsection (1) or by providing for the use of that name or
 11 assumed name as an assumed name of the corporation in the
 12 certificate of conversion. A provision in the certificate of
 13 conversion under this subsection shall be treated as a new
 14 certificate of assumed name.

15 Sec. 246. (1) The resident agent appointed by a corporation is
 16 an agent of the corporation ~~upon whom~~ **ON WHICH** any process, notice,
 17 or demand required or permitted by law to be served upon the
 18 corporation may be served.

19 (2) ~~A person,~~ **IF AN INDIVIDUAL**, whether a resident or
 20 nonresident of this state, ~~who~~ accepts election, appointment, or
 21 employment as a director or officer of a corporation ~~organized~~
 22 **FORMED** under this act or in existence on the effective date of this
 23 act, ~~by the acceptance , is held to have appointed~~ **CONSIDERED AN**
 24 **APPOINTMENT OF** the resident agent of the corporation as his or her
 25 agent ~~upon whom~~ **ON WHICH** process may be served while ~~the person~~ **HE**
 26 **OR SHE** is a director or officer, in any action commenced in a court
 27 of general jurisdiction in this state, arising out of or founded

1 ~~upon~~ **ON** any action of the domestic corporation or of ~~a person~~ **THE**
 2 **INDIVIDUAL** as a director or officer of the domestic corporation.
 3 ~~Upon~~ **AFTER** accepting service of process, the resident agent shall
 4 promptly forward it to the director or officer at his or her last
 5 known address.

6 **(3) THE ADMINISTRATOR MAY SERVE A NOTICE DESCRIBED IN**
 7 **SUBSECTION (1) BY ELECTRONICALLY TRANSMITTING THE NOTICE TO THE**
 8 **RESIDENT AGENT OF THE CORPORATION IN THE MANNER AUTHORIZED BY THE**
 9 **CORPORATION.**

10 Sec. 282. As used in this chapter:

11 (a) "Licensed person" means an individual who is ~~duly~~-licensed
 12 or otherwise legally authorized to practice a professional service
 13 by a court, department, board, commission, or agency of this state
 14 or another jurisdiction. The term includes an entity if ~~all~~ **EITHER**
 15 **OF THE FOLLOWING IS MET:**

16 (i) **ALL** of its owners are licensed persons.

17 (ii) **THE ENTITY ITSELF IS LICENSED OR OTHERWISE LEGALLY**
 18 **AUTHORIZED TO PRACTICE A PROFESSIONAL SERVICE BY A COURT,**
 19 **DEPARTMENT, BOARD, COMMISSION, OR AGENCY OF THIS STATE OR ANOTHER**
 20 **JURISDICTION.**

21 (b) "Professional service" means a type of personal service to
 22 the public that requires that the provider obtain a license or
 23 other legal authorization as a condition precedent to providing
 24 that service. Professional service includes, but is not limited to,
 25 services provided by a certified or other public accountant,
 26 chiropractor, dentist, optometrist, veterinarian, osteopathic
 27 physician, physician, surgeon, podiatrist, chiropodist, physician's

1 assistant, architect, professional engineer, land surveyor, or
2 attorney-at-law.

3 Sec. 283. (1) Except as provided in this section, 1 or more
4 licensed persons may form a professional corporation under this
5 chapter.

6 (2) ~~Each~~ **EXCEPT AS OTHERWISE PERMITTED UNDER SECTION 284(5) OR**
7 **SECTION 288(2), EACH** shareholder of a professional corporation must
8 be ~~a~~ **1 OF THE FOLLOWING:**

9 (A) **A** licensed person in 1 or more of the professional
10 services provided by the professional corporation.

11 (B) **AN ENTITY THAT IS DIRECTLY OR BENEFICIALLY OWNED ONLY BY**
12 **PERSONS THAT ARE LICENSED PERSONS IN 1 OR MORE OF THE PROFESSIONAL**
13 **SERVICES PROVIDED BY THE PROFESSIONAL CORPORATION.**

14 (3) Except as provided in this section or otherwise
15 prohibited, the articles of incorporation of a professional
16 corporation shall state that the professional corporation is formed
17 to provide 1 or more professional services and shall state the
18 specific professional service or services the professional
19 corporation is formed to provide.

20 (4) The name of a professional corporation shall contain the
21 words "professional corporation" or the abbreviation "P.C." with or
22 without periods or other punctuation.

23 Sec. 286. (1) ~~If~~ **SUBJECT TO SUBSECTION (2), A PERSON THAT IS**
24 **ANY OF THE FOLLOWING SHALL WITHIN A REASONABLE PERIOD SEVER ALL**
25 **EMPLOYMENT WITH AND ALL DIRECT AND INDIRECT FINANCIAL INTERESTS IN**
26 **A PROFESSIONAL CORPORATION:**

27 (A) **AN INDIVIDUAL WHO IS** an officer, shareholder, agent, or

1 employee of a professional corporation ~~becomes legally disqualified~~
2 ~~to provide~~ **AND WHO BECOMES LEGALLY DISQUALIFIED WITH THE RESULT**
3 **THAT THE INDIVIDUAL IS NOT A LICENSED PERSON IN AT LEAST 1 OF** the
4 professional services provided by the **PROFESSIONAL** corporation. 7
5 ~~or~~

6 **(B) AN INDIVIDUAL WHO IS AN OFFICER, SHAREHOLDER, AGENT, OR**
7 **EMPLOYEE OF A PROFESSIONAL CORPORATION, WHO** accepts employment that
8 under existing law restricts or limits his or her authority to
9 continue providing ~~these professional services, he or she shall~~
10 ~~sever within a reasonable period all employment with and financial~~
11 ~~interests in the professional corporation.~~ **AND WHO IS NO LONGER**
12 **AUTHORIZED TO PROVIDE AT LEAST 1 OF THE PROFESSIONAL SERVICES**
13 **PROVIDED BY THE PROFESSIONAL CORPORATION WITHOUT THOSE RESTRICTIONS**
14 **OR LIMITATIONS.**

15 **(C) A PERSON THAT IS AN OWNER OF AN ENTITY THAT IS A**
16 **SHAREHOLDER OF A PROFESSIONAL CORPORATION AND THAT BECOMES LEGALLY**
17 **DISQUALIFIED WITH THE RESULT THAT THE PERSON IS NOT A LICENSED**
18 **PERSON IN AT LEAST 1 OF THE PROFESSIONAL SERVICES PROVIDED BY THE**
19 **PROFESSIONAL CORPORATION.**

20 **(D) A PERSON THAT IS AN ENTITY THAT IS A SHAREHOLDER OF A**
21 **PROFESSIONAL CORPORATION; THAT IS ITSELF LICENSED TO PROVIDE 1 OR**
22 **MORE PROFESSIONAL SERVICES; AND THAT BECOMES LEGALLY DISQUALIFIED**
23 **WITH THE RESULT THAT IT IS NOT A LICENSED PERSON IN AT LEAST 1 OF**
24 **THE PROFESSIONAL SERVICES PROVIDED BY THE PROFESSIONAL CORPORATION.**

25 **(2) IF A PERSON DESCRIBED IN SUBSECTION (1) REGAINS STATUS AS**
26 **A LICENSED PERSON IN 1 OR MORE OF THE PROFESSIONAL SERVICES**
27 **PROVIDED BY THE PROFESSIONAL CORPORATION, OR REGAINS THE LEGAL**

1 ABILITY TO PROVIDE 1 OR MORE OF THE PROFESSIONAL SERVICES PROVIDED
2 BY THE PROFESSIONAL CORPORATION, AS APPLICABLE, WITHIN 90 DAYS OF
3 THE EVENT THAT CAUSED THE LOSS OF THAT STATUS, THE PERSON IS NOT
4 REQUIRED TO SEVER EMPLOYMENT WITH AND FINANCIAL INTERESTS IN THE
5 PROFESSIONAL CORPORATION.

6 (3) A professional corporation's failure to require compliance
7 with this section is grounds for the forfeiture of its articles of
8 incorporation and its dissolution. If a professional corporation's
9 failure to comply with this section is brought to the attention of
10 the administrator, he or she shall notify the attorney general of
11 the failure and the attorney general may take appropriate action to
12 dissolve the professional corporation.

13 Sec. 287. (1) A professional corporation shall not engage in
14 any business other than providing the professional service or
15 services for which it was specifically incorporated.

16 (2) This chapter does not prohibit a professional corporation
17 from doing any of the following:

18 (a) Investing its money in real estate, mortgages, stocks,
19 bonds, or any other type of investments.

20 (b) Owning real or personal property necessary to provide a
21 professional service or services.

22 (c) Becoming a partner in a partnership formed under the
23 uniform partnership act, 1917 PA 72, MCL 449.1 to 449.48, if the
24 partnership provides **1 OR MORE OF** the same professional services as
25 the professional corporation.

26 (d) Becoming a member or manager of a professional limited
27 liability company organized under or subject to chapter 9 of the

1 Michigan limited liability company act, 1993 PA 23, MCL 450.4901 to
2 450.4910, if the professional limited liability company provides 1
3 or more of the same professional services as the professional
4 corporation.

5 (e) Becoming a shareholder in a professional corporation
6 governed by this chapter, if both professional corporations provide
7 1 or more of the same professional services.

8 Sec. 288. (1) A professional corporation shall not issue any
9 of its capital stock to anyone other than ~~an individual who is duly~~
10 ~~licensed or otherwise legally authorized to provide the same~~
11 ~~specific professional services as those for which the professional~~
12 ~~corporation was incorporated.~~ **A PERSON THAT IS ELIGIBLE TO BE A**
13 **SHAREHOLDER OF THE PROFESSIONAL CORPORATION UNDER SECTION 283(2).**

14 ~~The uniform securities act, 1964 PA 265, MCL 451.501 to 451.818, or~~
15 ~~the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to~~
16 451.2703, does not apply to the issuance or transfer by a
17 professional corporation of its capital stock.

18 (2) Shares of a professional corporation shall not be sold or
19 transferred ~~except to~~ **ANYONE OTHER THAN** a person ~~who~~ **THAT** is
20 eligible to be a shareholder of the professional corporation **UNDER**
21 **SECTION 283(2);** to the personal representative or estate of a
22 deceased or legally incompetent shareholder; or to a trust or split
23 interest trust in which the trustee and the current income
24 beneficiary are each eligible to be a shareholder of the
25 professional corporation **UNDER SECTION 283(2).** The personal
26 representative or estate of the shareholder may continue to own
27 shares for a reasonable period but is not authorized to participate

1 in any decisions concerning the providing of professional service
2 by the professional corporation.

3 (3) Except as permitted under subsection (2), a shareholder of
4 a professional corporation shall not enter into a voting trust
5 agreement or any other type agreement that vests another person
6 with the authority to exercise the voting power of any or all of
7 his or her stock, unless that other person is ~~duly licensed or~~
8 ~~otherwise legally authorized to provide the same specific~~
9 ~~professional services as those for which the professional~~
10 ~~corporation was incorporated.~~ **ELIGIBLE TO BE A SHAREHOLDER OF THE**
11 **PROFESSIONAL CORPORATION UNDER SECTION 283(2) .**

12 (4) The articles of incorporation, bylaws, or a contract may
13 provide specifically for additional restrictions on the transfer of
14 shares and may provide for the redemption or purchase of the shares
15 by the professional corporation or its shareholders at prices and
16 in a manner specifically set forth in the articles, bylaws, or
17 contract.

18 Sec. 301. (1) A corporation may issue the number of shares
19 authorized in its articles of incorporation. The shares may be all
20 of 1 class or may be ~~divided into 2~~ **DESIGNATED AND ISSUED IN 1** or
21 more classes. Each class shall consist of shares having the
22 designations and relative voting, distribution, dividend,
23 liquidation, and other rights, preferences, and limitations,
24 consistent with this act, as stated in the articles of
25 incorporation. The articles of incorporation may deny, limit, or
26 otherwise prescribe the voting rights and may limit or otherwise
27 prescribe the distribution, dividend, or liquidation rights of

1 shares of any class.

2 (2) If the shares are ~~divided into 2 or more classes,~~
3 **DESIGNATED AND ISSUED IN MORE THAN 1 CLASS**, the shares of each
4 class shall be designated to distinguish them from the shares of
5 ~~the~~ **ANY** other classes.

6 (3) Subject to the designations, relative rights, preferences,
7 and limitations applicable to separate series **WITHIN A CLASS OF**
8 **SHARES UNDER SECTION 302**, each share shall be equal to every other
9 share of the same class.

10 (4) Any of the voting, distribution, liquidation, or other
11 rights, preferences, or limitations of a class or series may be
12 made dependent upon facts or events ascertainable outside of the
13 articles of incorporation or the resolution of the board adopted
14 ~~pursuant to~~ **UNDER** section 302(3), if the manner in which the facts
15 or events operate on the rights, preferences, or limitations is set
16 forth in the articles of incorporation or board resolution.

17 Sec. 302. (1) If provided for in the articles of incorporation
18 **OR A BOARD RESOLUTION ADOPTED UNDER SUBSECTION (3)**, a class of
19 shares may be ~~divided into~~ **DESIGNATED** and issued in **1 OR MORE**
20 series. The shares of each series shall be designated to
21 distinguish them from the shares of ~~the~~ **ANY** other series and
22 classes.

23 (2) Any series of any class and the variations in the relative
24 rights and preferences among different series may be ~~prescribed by~~
25 **ESTABLISHED IN** the articles of incorporation.

26 (3) If the articles of incorporation authorize the board, to
27 the extent that the articles of incorporation have not established

~~series and prescribed variations in the relative rights and preferences among series, the board may divide any class into~~
CLASSES OR SERIES OF SHARES AND ESTABLISHED VARIATIONS IN THE
RELATIVE RIGHTS AND PREFERENCES AMONG THOSE CLASSES OR SERIES, THE
BOARD BY RESOLUTION MAY DESIGNATE SHARES AS 1 OR MORE CLASSES OR
MAY DESIGNATE A CLASS INTO 1 OR MORE series, and, within the
 limitations set forth in the articles of incorporation, ~~prescribe~~
MAY ESTABLISH the relative rights and preferences of the shares of
 any ~~THOSE CLASSES OR~~ series.

~~—— (4) A certificate containing the resolution of the board establishing and designating the series and prescribing the relative rights and preferences shall be filed, and when filed shall constitute~~ **IF THE BOARD ADOPTS A RESOLUTION DESCRIBED IN THIS SUBSECTION, THE CORPORATION SHALL FILE A CERTIFICATE THAT CONTAINS THE RESOLUTION OF THE BOARD WITH THE ADMINISTRATOR. WHEN FILED, THE CERTIFICATE DESCRIBED IN THIS SUBSECTION IS CONSIDERED** an amendment to the articles of incorporation.

(4) ~~(5)~~ Unless otherwise provided in the articles of incorporation, the board ~~may adopt and file an amendment of the articles of incorporation eliminating a series of shares~~ **BY RESOLUTION MAY ELIMINATE A CLASS OR SERIES OF SHARES OR AMEND OR ALTER THE RELATIVE RIGHTS AND PREFERENCES OR DESIGNATIONS OF A CLASS OR SERIES,** if there are no outstanding shares of the **CLASS OR** series, no outstanding shares or bonds convertible into shares of the **CLASS OR** series, or other rights, options, or warrants issued by the corporation that could require issuing shares of the **CLASS OR** series. **IF THE BOARD ADOPTS A RESOLUTION DESCRIBED IN THIS**

1 SUBSECTION, THE CORPORATION SHALL FILE A CERTIFICATE THAT CONTAINS
2 THE RESOLUTION OF THE BOARD WITH THE ADMINISTRATOR. WHEN FILED, THE
3 CERTIFICATE DESCRIBED IN THIS SUBSECTION IS CONSIDERED AN AMENDMENT
4 TO THE ARTICLES OF INCORPORATION AND HAS THE EFFECT OF ELIMINATING
5 FROM THE ARTICLES OF INCORPORATION, OR AMENDING OR ALTERING, AS
6 APPLICABLE, ALL MATTERS INCLUDED IN THE ARTICLES OF INCORPORATION
7 CONCERNING THE AFFECTED CLASS OR SERIES OF STOCK.

8 (5) THE FILING OF A CERTIFICATE DESCRIBED IN SUBSECTION (3) OR
9 (4) OR THE FILING OF RESTATED ARTICLES OF INCORPORATION DOES NOT
10 PROHIBIT THE BOARD OF DIRECTORS FROM SUBSEQUENTLY ADOPTING A
11 RESOLUTION AUTHORIZED UNDER THIS SECTION.

12 Sec. 405. (1) Unless otherwise restricted by the articles of
13 incorporation or bylaws, a shareholder may participate in a meeting
14 of shareholders by a conference telephone or by other means of
15 remote communication ~~through which all persons participating in the~~
16 ~~meeting may communicate with the other participants.~~ **IF ALL OF THE**
17 **FOLLOWING ARE MET:**

18 (A) THE USE OF THE MEANS OF REMOTE COMMUNICATION IS AUTHORIZED
19 BY THE BOARD OF DIRECTORS IN ITS SOLE DISCRETION.

20 (B) THE MEANS OF REMOTE COMMUNICATION MEET THE REQUIREMENTS OF
21 SUBSECTION (4).

22 (C) All participants ~~shall be~~ **ARE** advised of the means, **IF**
23 **ANY**, of remote communication.

24 (2) Participation in a meeting under this section constitutes
25 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 meeting

1 of shareholders conducted solely by means of remote communication.

2 (4) ~~Subject~~ **IF AUTHORIZED BY THE BOARD OF DIRECTORS IN ITS**
3 **SOLE DISCRETION, AND SUBJECT** to any guidelines and procedures
4 adopted by the board of directors, shareholders and proxy holders
5 **THAT ARE** not physically present at a meeting of shareholders may
6 participate in the meeting by means of remote communication and are
7 considered present in person and may vote at the meeting if all of
8 the following are 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 proxy
12 holder.

13 (b) The corporation implements reasonable measures to provide
14 each shareholder and proxy holder a reasonable opportunity to
15 participate in the meeting and to vote on matters submitted to the
16 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 of
21 the vote or other action is maintained by the corporation.

22 Sec. 407. (1) The articles of incorporation may provide that
23 any action required or permitted ~~by~~ **UNDER** this act to be taken at
24 an annual or special meeting of shareholders may be taken without a
25 meeting, without prior notice, and without a vote, if consents in
26 writing, setting forth the action so taken, are signed by the
27 holders of outstanding shares ~~having not less than~~ **THAT HAVE AT**

1 **LEAST** the minimum number of votes that would be necessary to
2 authorize or take the action at a meeting at which all shares
3 entitled to vote on the action were present and voted. A written
4 consent shall bear the date of signature of the shareholder ~~who~~
5 **THAT** signs the consent. Written consents are not effective to take
6 corporate action unless within 60 days after the record date for
7 determining shareholders entitled to express consent to or to
8 dissent from a proposal without a meeting, written consents dated
9 not more than 10 days before the record date and signed by a
10 sufficient number of shareholders to take the action are delivered
11 to the corporation. Delivery shall be to the corporation's
12 registered office, its principal place of business, or an officer
13 or agent of the corporation ~~having~~ **THAT HAS** custody of the minutes
14 of the proceedings of its shareholders. Delivery made to a
15 corporation's registered office shall be by hand or by certified or
16 registered mail, return receipt requested. Prompt notice of the
17 taking of the corporate action without a meeting by less than
18 unanimous written consent shall be given to shareholders ~~who~~ **THAT**
19 would have been entitled to notice of the shareholder meeting if
20 the action had been taken at a meeting and ~~who~~ **THAT** have not
21 consented to the action in writing. If the action consented to
22 would have required filing of a certificate under any other section
23 of this act if the action had been voted ~~upon~~ **ON** by shareholders at
24 a meeting of the shareholders, the certificate filed under the
25 other section shall state, in lieu of any statement required ~~by the~~
26 **UNDER THAT** section concerning a vote of shareholders, that both
27 written consent and written notice have been given as provided in

1 this section.

2 (2) Any action required or permitted ~~by~~**UNDER** this act to be
3 taken at an annual or special meeting of shareholders may be taken
4 without a meeting, without prior notice, and without a vote, if
5 before or after the action all the shareholders entitled to vote
6 consent in writing. If the action consented to would have required
7 filing of a certificate under any other section of this act if the
8 action had been voted upon by shareholders at a meeting, the
9 certificate filed under the other section shall state, in lieu of
10 any statement required ~~by the~~**UNDER THAT** section concerning a vote
11 of shareholders, that written consent has been given as provided in
12 this section.

13 (3) An electronic transmission consenting to an action
14 transmitted by a shareholder or proxy holder, or by a person
15 authorized to act for the shareholder or proxy holder, is written,
16 signed, and dated for the purposes of this section if the
17 electronic transmission is delivered with information from which
18 the corporation can determine that the electronic transmission was
19 transmitted by the shareholder or proxy holder, or by the person
20 authorized to act for the shareholder or proxy holder, and the date
21 on which the electronic transmission was transmitted. The date on
22 which an electronic transmission is transmitted is the date on
23 which the consent was signed for purposes of this section. A
24 consent given by electronic transmission is not delivered until
25 reproduced in paper form and the paper form delivered to the
26 corporation by delivery to its registered office in this state, its
27 principal place of business, or an officer or agent of the

1 corporation ~~having~~**THAT HAS** custody of the book in which
2 proceedings of meetings of shareholders are recorded. Delivery to a
3 corporation's registered office shall be made by hand or by
4 certified or registered mail, return receipt requested. Delivery to
5 a corporation's principal place of business or to an officer or
6 agent of the corporation ~~having~~**THAT HAS** custody of the book in
7 which proceedings of meetings of shareholders are recorded shall be
8 made by hand, by certified or registered mail, return receipt
9 requested, or in any other manner provided in the articles of
10 incorporation or bylaws or by resolution of the board of directors
11 of the corporation.

12 **(4) A PERSON MAY EXECUTE A SHAREHOLDER CONSENT UNDER THIS**
13 **SECTION THAT DIRECTS THAT THE SHAREHOLDER CONSENT WILL TAKE EFFECT**
14 **AT A FUTURE TIME. ALL OF THE FOLLOWING APPLY FOR PURPOSES OF THIS**
15 **SUBSECTION:**

16 **(A) THE PERSON MAY PROVIDE THE DIRECTION THROUGH AN AGENT OR**
17 **IN SOME OTHER MANNER.**

18 **(B) SUBJECT TO SUBDIVISION (C), THE PERSON SHALL SELECT A**
19 **SPECIFIC DATE ON WHICH THE CONSENT TAKES EFFECT THAT IS NOT MORE**
20 **THAN 60 DAYS AFTER THE DATE THE PERSON PROVIDES THE DIRECTION.**

21 **(C) THE PERSON MAY DIRECT THAT THE CONSENT WILL TAKE EFFECT AT**
22 **THE TIME A SPECIFIED FUTURE EVENT OCCURS RATHER THAN ON A SPECIFIC**
23 **DATE UNDER SUBDIVISION (B), IF THAT EVENT WILL OCCUR NOT MORE THAN**
24 **60 DAYS AFTER THE DATE THE PERSON PROVIDES THE DIRECTION.**

25 **(D) THE CONSENT SHALL ONLY TAKE EFFECT IF THE PERSON IS A**
26 **SHAREHOLDER ON THE RECORD DATE APPLICABLE TO THE CONSENT UNDER**
27 **SECTION 412(2). A PERSON IS NOT REQUIRED TO BE A SHAREHOLDER AT THE**

1 TIME THE CONSENT IS EXECUTED OR EVIDENCE OF THE DIRECTION IS
2 PROVIDED TO THE CORPORATION FOR THE CONSENT TO TAKE EFFECT.

3 (E) UNLESS OTHERWISE PROVIDED IN THE DIRECTION, A DIRECTION IS
4 REVOCABLE AT ANY TIME BEFORE THE CONSENT BECOMES EFFECTIVE.

5 (F) FOR THE PURPOSES OF THIS SECTION, IF EVIDENCE OF A
6 DIRECTION UNDER THIS SUBSECTION IS PROVIDED TO THE CORPORATION AND
7 IS NOT REVOKED, THE FUTURE TIME ESTABLISHED IN THE DIRECTION IS
8 CONSIDERED THE TIME THE CONSENT TAKES EFFECT AND IS CONSIDERED THE
9 DATE OF SIGNATURE OF THE CONSENT.

10 Sec. 525. (1) Unless prohibited by the articles of
11 incorporation or bylaws, action required or permitted to be taken
12 under authorization voted at a meeting of the board or a committee
13 of the board, may be taken without a meeting if, before or after
14 the action, all members of the board then in office or of the
15 committee consent to the action in writing or by electronic
16 transmission. ~~The written consents~~

17 (2) A CONSENT UNDER THIS SECTION shall be filed with the
18 minutes of the proceedings of the board or committee. The consent
19 has the same effect as a vote of the board or committee for all
20 purposes.

21 (3) AN INDIVIDUAL MAY DIRECT THAT A CONSENT TO AN ACTION OF
22 THE BOARD OR COMMITTEE WILL TAKE EFFECT AT A FUTURE TIME. ALL OF
23 THE FOLLOWING APPLY FOR PURPOSES OF THIS SUBSECTION:

24 (A) THE INDIVIDUAL MAY PROVIDE THE DIRECTION THROUGH AN AGENT
25 OR IN SOME OTHER MANNER.

26 (B) SUBJECT TO SUBDIVISION (C), THE INDIVIDUAL SHALL SELECT A
27 SPECIFIC DATE ON WHICH THE CONSENT TAKES EFFECT THAT IS NOT MORE

1 THAN 60 DAYS AFTER THE DATE HE OR SHE PROVIDES THE DIRECTION.

2 (C) THE INDIVIDUAL MAY DIRECT THAT THE CONSENT WILL TAKE
3 EFFECT AT THE TIME A SPECIFIED FUTURE EVENT OCCURS RATHER THAN ON A
4 SPECIFIC DATE UNDER SUBDIVISION (B), IF THAT EVENT WILL OCCUR NOT
5 MORE THAN 60 DAYS AFTER THE DATE HE OR SHE PROVIDES THE DIRECTION.

6 (D) THE CONSENT SHALL ONLY TAKE EFFECT IF THE INDIVIDUAL IS A
7 DIRECTOR AT THE FUTURE TIME SPECIFIED IN THE DIRECTION. AN
8 INDIVIDUAL IS NOT REQUIRED TO BE A DIRECTOR AT THE TIME THE CONSENT
9 IS EXECUTED OR EVIDENCE OF THE DIRECTION IS PROVIDED TO THE
10 CORPORATION FOR THE CONSENT TO TAKE EFFECT.

11 (E) UNLESS OTHERWISE PROVIDED IN THE DIRECTION, A DIRECTION IS
12 REVOCABLE AT ANY TIME BEFORE THE CONSENT BECOMES EFFECTIVE.

13 (F) FOR THE PURPOSES OF THIS SECTION, IF EVIDENCE OF A
14 DIRECTION UNDER THIS SUBSECTION IS PROVIDED TO THE CORPORATION AND
15 IS NOT REVOKED, THE FUTURE TIME ESTABLISHED IN THE DIRECTION IS
16 CONSIDERED THE TIME THE CONSENT TAKES EFFECT.

17 Sec. 611. (1) In addition to amendment under subsection (2) or
18 (3), subject to subsection (7), either of the following may amend
19 the articles of incorporation:

20 (a) Before the first meeting of the board, the incorporators.

21 (b) If the corporation has not yet issued shares or accepted
22 any written subscription for shares, the board of directors.

23 (2) Unless the articles of incorporation provide otherwise,
24 subject to subsection (7), the board may **WITHOUT SHAREHOLDER ACTION**
25 adopt ~~1 or more of the following amendments~~ to the corporation's
26 articles of incorporation ~~without shareholder action~~: **TO DO ANY OF**
27 **THE FOLLOWING:**

1 (a) Extend the duration of the corporation if it was
2 incorporated at a time when limited duration was required by law.

3 (b) Delete the names and addresses of the initial directors.

4 (c) Delete the name ~~and OR~~ address of the ~~initial~~ resident
5 agent or registered office, **OR BOTH**, if a statement ~~of change~~ **THAT**
6 **CONTAINS THE NAME OF THE CURRENT RESIDENT AGENT AND THE CURRENT**
7 **REGISTERED OFFICE** is on file with the administrator.

8 (d) Change each issued and unissued authorized share of an
9 outstanding class into a greater number of whole shares if the
10 corporation has only shares of that class outstanding.

11 (e) Change the corporate name by substituting the word
12 "corporation", "incorporated", "company", "limited", or the
13 abbreviation "corp.", "inc.", "co.", or "ltd.", for a similar word
14 or abbreviation in the corporate name, or by adding, deleting, or
15 changing a geographical attribution for the corporate name.

16 (f) ~~Any~~ **MAKE ANY** other change that this act expressly permits
17 without shareholder action.

18 (3) Subject to subsection (7), any amendments of the articles
19 of incorporation that are not described in subsection (1) or (2),
20 except as otherwise provided in this act, shall be proposed by the
21 board and approved by the shareholders as provided in this section.
22 The board may condition its submission of the amendment to the
23 shareholders on any basis.

24 (4) Notice of a meeting setting forth a proposed amendment to
25 the articles of incorporation or a summary of the changes the
26 proposed amendment will make shall be given to each shareholder of
27 record entitled to vote on the proposed amendment within the time

1 and in the manner provided in this act for giving notice of
2 meetings of shareholders.

3 (5) At a meeting described in subsection (4), a vote of
4 shareholders entitled to vote shall be taken on the proposed
5 amendment to the articles of incorporation. The proposed amendment
6 is adopted if it receives the affirmative vote of a majority of the
7 outstanding shares entitled to vote on the proposed amendment and,
8 in addition, if any class or series of shares is entitled to vote
9 on the proposed amendment as a class, the affirmative vote of a
10 majority of the outstanding shares of that class or series. The
11 voting requirements of this section are subject to any higher
12 voting requirements provided in this act for specific amendments or
13 provided in the articles of incorporation.

14 (6) The shareholders may act on any number of amendments to
15 the articles of incorporation at a meeting described in subsection
16 (4).

17 (7) If an amendment to the articles of incorporation is made,
18 a certificate of amendment must be filed as provided in section
19 631.

20 Sec. 703a. (1) A plan of merger or share exchange adopted by
21 the board of each constituent corporation shall, except as provided
22 in ~~subsection (2) (c) and (f),~~ **SUBSECTIONS (2) (F) AND (G) AND (3),**
23 be submitted for approval at a meeting of the shareholders.

24 (2) All of the following apply to the approval of a plan of
25 merger or share exchange under this section:

26 (a) The board must recommend the plan of merger or share
27 exchange to the shareholders, **OR, IF AN OFFER DESCRIBED IN**

1 **SUBSECTION (3) (B) IS MADE, RECOMMEND THAT THE SHAREHOLDERS TENDER**
2 **THEIR SHARES TO THE OFFEROR IN RESPONSE TO THE OFFER,** unless
3 section 529 applies or the board determines that because of
4 conflict of interest, events occurring after the board adopts the
5 plan, contractual obligations, or other special circumstances it
6 should make no recommendation.

7 **(B) If, BECAUSE 1 OR MORE OF THE EXCEPTIONS DESCRIBED IN**
8 **SUBDIVISION (A) APPLY,** the board does not ~~recommend the plan of~~
9 ~~merger or share exchange to the shareholders, or recommends against~~
10 ~~the plan of merger or share exchange, in either case because 1 or~~
11 ~~more of the exceptions described in this subdivision apply, MAKE A~~
12 **RECOMMENDATION DESCRIBED IN SUBDIVISION (A), OR THE BOARD**
13 **RECOMMENDS THAT THE SHAREHOLDERS VOTE AGAINST THE PLAN OF MERGER OR**
14 **SHARE EXCHANGE OR RECOMMENDS AGAINST A TENDER OF SHARES BY THE**
15 **SHAREHOLDERS IN RESPONSE TO AN OFFER DESCRIBED IN SUBSECTION**
16 **(3) (B), AS APPLICABLE,** the board must communicate to the
17 shareholders the basis for its decision.

18 **(C)** ~~(b)~~—The board may condition its submission of the proposed
19 merger or share exchange on any basis.

20 **(D)** ~~(e)~~—Notice of the shareholder meeting shall be given to
21 each shareholder of record, whether or not entitled to vote at the
22 meeting, within the time and in the manner provided in this act for
23 giving notice of meetings of shareholders. The notice shall include
24 or be accompanied by all of the following:

25 (i) A copy or summary of the plan of merger or share exchange.
26 If a summary of the plan is given, the notice shall state that a
27 copy of the plan is available on request.

1 (ii) A statement informing shareholders that are entitled to
2 dissent under section 762 that they have the right to dissent and
3 to be paid the fair value of their shares by complying with the
4 procedures set forth in sections 764 to 772.

5 **(E)** ~~(d)~~—At the meeting, the shareholders shall vote on the
6 proposed plan of merger or share exchange. The plan is approved if
7 it receives the affirmative vote of the holders of a majority of
8 the outstanding shares of the corporation entitled to vote on the
9 plan, and if a class or series is entitled to vote on the plan as a
10 class, the affirmative vote of the holders of a majority of the
11 outstanding shares of the class or series. A class or series of
12 shares is entitled to vote as a class in the case of a merger, if
13 the plan of merger contains a provision that, if contained in a
14 proposed amendment to the articles of incorporation, would entitle
15 the class or series of shares to vote as a class, or, in the case
16 of a share exchange, if the class or series is included in the
17 exchange. A class or series of shares is not entitled to vote as a
18 class in the case of a merger or share exchange, if the board of
19 directors determines on a reasonable basis that the class or series
20 is to receive consideration under the plan of merger or share
21 exchange that has a fair value that is not less than the fair value
22 of the shares of the class or series on the date of adoption of the
23 plan.

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

1 (i) The articles of incorporation of the surviving corporation
2 will not differ from its articles of incorporation before the
3 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 (G) ~~(f)~~—Except as provided in section 754, action by the
10 shareholders of the acquiring corporation on a plan of share
11 exchange is not required.

12 (H) ~~(g)~~—**EXCEPT AS PROVIDED IN SUBSECTION (3),** A plan of
13 merger or share exchange may provide for differing forms of
14 consideration for holders of shares in the same class based on the
15 election of the holders, the amount of shares held, or another
16 reasonable basis.

17 **(3) UNLESS THE ARTICLES OF INCORPORATION PROVIDE OTHERWISE,**
18 **APPROVAL OF A PLAN OF MERGER OR SHARE EXCHANGE BY THE SHAREHOLDERS**
19 **OF A CORPORATION THAT HAS A CLASS OF VOTING STOCK REGISTERED WITH**
20 **THE SECURITIES AND EXCHANGE COMMISSION UNDER SECTION 12 OF THE**
21 **SECURITIES EXCHANGE ACT OF 1934, 15 USC 78L, IMMEDIATELY BEFORE THE**
22 **EXECUTION OF THE PLAN OF MERGER OR SHARE EXCHANGE IS NOT REQUIRED**
23 **IF ALL OF THE FOLLOWING ARE MET:**

24 **(A) THE PLAN OF MERGER OR SHARE EXCHANGE MEETS BOTH OF THE**
25 **FOLLOWING:**

26 **(i) IT EXPRESSLY PERMITS OR REQUIRES THE MERGER OR SHARE**
27 **EXCHANGE TO BE EFFECTED UNDER THIS SUBDIVISION.**

1 (ii) IT EXPRESSLY PROVIDES THAT, IF THE MERGER OR SHARE
2 EXCHANGE IS TO BE EFFECTED UNDER THIS SUBDIVISION, THE MERGER OR
3 SHARE EXCHANGE WILL BE EFFECTED AS SOON AS PRACTICABLE AFTER
4 SUBDIVISION (F) IS MET.

5 (B) ANOTHER PARTY TO THE MERGER OR SHARE EXCHANGE, OR A PARENT
6 OF ANOTHER PARTY TO THE MERGER OR SHARE EXCHANGE, MAKES AN OFFER TO
7 PURCHASE, ON THE TERMS PROVIDED IN THE PLAN OF MERGER OR SHARE
8 EXCHANGE, ANY AND ALL OF THE OUTSTANDING SHARES OF THE CORPORATION
9 THAT WOULD BE ENTITLED TO VOTE ON THE PLAN OR MERGER OR SHARE
10 EXCHANGE IF THIS SUBDIVISION DID NOT APPLY, EXCEPT THAT THE OFFER
11 MAY EXCLUDE SHARES OF THE CORPORATION THAT ARE OWNED AT THE
12 COMMENCEMENT OF THE OFFER BY THE CORPORATION, THE OFFEROR, OR A
13 PARENT OF THE OFFEROR OR BY ANY WHOLLY OWNED SUBSIDIARY OF THE
14 CORPORATION, OFFEROR, OR PARENT.

15 (C) THE OFFER DISCLOSES THAT THE PLAN OF MERGER OR SHARE
16 EXCHANGE PROVIDES THAT THE MERGER OR SHARE EXCHANGE WILL BE
17 EFFECTED AS SOON AS PRACTICABLE FOLLOWING THE SATISFACTION OF THE
18 REQUIREMENT SET FORTH IN SUBDIVISION (F) AND THAT THE SHARES OF THE
19 CORPORATION THAT ARE NOT TENDERED IN RESPONSE TO THE OFFER WILL BE
20 TREATED AS SET FORTH IN SUBDIVISION (H) .

21 (D) THE OFFER REMAINS OPEN FOR AT LEAST 20 BUSINESS DAYS OR
22 FOR ANY OTHER PERIOD THAT IS REQUIRED FOR TENDER OFFERS UNDER THE
23 RULES OR REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION
24 UNDER SECTION 14(E) OF THE SECURITIES EXCHANGE ACT OF 1934, 15 USC
25 78N(E) .

26 (E) THE OFFEROR PURCHASES ALL SHARES THAT ARE PROPERLY
27 TENDERED IN RESPONSE TO THE OFFER AND NOT PROPERLY WITHDRAWN.

1 (F) SHARES THAT MEET ANY OF THE FOLLOWING ARE COLLECTIVELY
2 ENTITLED TO CAST AT LEAST THE MINIMUM NUMBER OF VOTES ON THE MERGER
3 OR SHARE EXCHANGE THAT, EXCEPT FOR THIS SUBDIVISION, WOULD BE
4 REQUIRED UNDER THIS ACT AND UNDER THE ARTICLES OF INCORPORATION OF
5 THE CORPORATION FOR THE APPROVAL OF THE MERGER OR SHARE EXCHANGE BY
6 THE SHAREHOLDERS AND BY ANY OTHER VOTING GROUP THAT IS ENTITLED TO
7 VOTE ON THE MERGER OR SHARE EXCHANGE AT A MEETING AT WHICH ALL
8 SHARES ENTITLED TO VOTE ON THE APPROVAL WERE PRESENT AND VOTED:

9 (i) ARE PURCHASED BY THE OFFEROR IN ACCORDANCE WITH THE OFFER.

10 (ii) ARE OTHERWISE OWNED BY THE OFFEROR OR BY ANY PARENT OR
11 WHOLLY OWNED SUBSIDIARY OF THE OFFEROR.

12 (iii) ARE SUBJECT TO AN AGREEMENT TO BE TRANSFERRED,
13 CONTRIBUTED, OR DELIVERED TO THE OFFEROR, ANY PARENT OF THE
14 OFFEROR, OR ANY WHOLLY OWNED SUBSIDIARY OF THE OFFEROR IN EXCHANGE
15 FOR STOCK OR OTHER EQUITY INTERESTS IN THAT OFFEROR, PARENT, OR
16 SUBSIDIARY.

17 (G) THE OFFEROR OR A WHOLLY OWNED SUBSIDIARY OF THE OFFEROR
18 MERGES WITH OR INTO, OR EFFECTS A SHARE EXCHANGE IN WHICH IT
19 ACQUIRES SHARES OF, THE CORPORATION.

20 (H) EACH OUTSTANDING SHARE OF EACH CLASS OR SERIES OF SHARES
21 OF THE CORPORATION THAT THE OFFEROR IS OFFERING TO PURCHASE IN
22 ACCORDANCE WITH THE OFFER, AND THAT IS NOT PURCHASED IN ACCORDANCE
23 WITH THE OFFER, IS TO BE CONVERTED IN THE MERGER INTO, OR INTO THE
24 RIGHT TO RECEIVE, OR IS TO BE EXCHANGED IN THE SHARE EXCHANGE FOR,
25 OR FOR THE RIGHT TO RECEIVE, THE SAME AMOUNT AND KIND OF
26 SECURITIES, INTERESTS, OBLIGATIONS, RIGHTS, CASH, OR OTHER PROPERTY
27 TO BE PAID OR EXCHANGED IN ACCORDANCE WITH THE OFFER FOR EACH SHARE

1 OF THAT CLASS OR SERIES OF SHARES THAT IS TENDERED IN RESPONSE TO
2 THE OFFER, EXCEPT THAT SHARES OF THE CORPORATION THAT ARE OWNED BY
3 THE CORPORATION OR THAT ARE DESCRIBED IN SUBDIVISION (F) (ii) OR
4 (iii) NEED NOT BE CONVERTED INTO OR EXCHANGED FOR THE CONSIDERATION
5 DESCRIBED IN THIS SUBPARAGRAPH.

6 (4) AS USED IN SUBSECTION (3):

7 (A) "OFFER" MEANS THE OFFER DESCRIBED IN SUBSECTION (3) (B) .

8 (B) "OFFEROR" MEANS A PERSON THAT MAKES THE OFFER.

9 (C) "PARENT" OF AN ENTITY MEANS A PERSON THAT OWNS, DIRECTLY
10 OR INDIRECTLY, THROUGH 1 OR MORE WHOLLY OWNED SUBSIDIARIES, ALL OF
11 THE OUTSTANDING SHARES OF OR INTERESTS IN THAT ENTITY.

12 (D) SHARES TENDERED IN RESPONSE TO AN OFFER ARE CONSIDERED TO
13 HAVE BEEN "PURCHASED" IN ACCORDANCE WITH THE OFFER AT THE EARLIEST
14 TIME AS OF WHICH BOTH OF THE FOLLOWING ARE MET:

15 (i) THE OFFEROR HAS IRREVOCABLY ACCEPTED THOSE SHARES FOR
16 PAYMENT.

17 (ii) ONE OF THE FOLLOWING IS MET, AS APPLICABLE:

18 (A) IN THE CASE OF SHARES REPRESENTED BY CERTIFICATES, THE
19 OFFEROR, OR THE OFFEROR'S DESIGNATED DEPOSITORY OR OTHER AGENT, HAS
20 PHYSICALLY RECEIVED THE CERTIFICATES REPRESENTING THOSE SHARES.

21 (B) IN THE CASE OF SHARES WITHOUT CERTIFICATES, THOSE SHARES
22 HAVE BEEN TRANSFERRED INTO THE ACCOUNT OF THE OFFEROR OR ITS
23 DESIGNATED DEPOSITORY OR OTHER AGENT, OR AN AGENT'S MESSAGE
24 RELATING TO THOSE SHARES HAS BEEN RECEIVED BY THE OFFEROR OR ITS
25 DESIGNATED DEPOSITORY OR OTHER AGENT.

26 (E) "WHOLLY OWNED SUBSIDIARY" OF A PERSON MEANS AN ENTITY OF
27 OR IN WHICH THAT PERSON OWNS, DIRECTLY OR INDIRECTLY, THROUGH 1 OR

1 MORE WHOLLY OWNED SUBSIDIARIES, ALL OF THE OUTSTANDING SHARES OR
2 INTERESTS.

3 Sec. 707. (1) After a plan of merger or share exchange is
4 approved, a certificate of merger or share exchange shall be
5 executed and filed on behalf of each corporation. The certificate
6 shall set forth the following:

7 (a) In the case of a merger, the statements required ~~by~~ **UNDER**
8 section 701(2)(a), (b), and (d), and the manner and basis of
9 converting shares of each constituent corporation as set forth in
10 the plan of merger.

11 (b) In the case of a share exchange, the statement required ~~by~~
12 **UNDER** section 702(2)(a), and the manner and basis of exchanging the
13 shares to be acquired as set forth in the plan of exchange.

14 (c) A statement that the plan of merger or share exchange has
15 been adopted by the boards in accordance with section 701 or 702.

16 (d) A statement that the plan of merger or share exchange will
17 be furnished by the surviving or acquiring corporation, on request
18 and without cost, to any shareholder of any constituent
19 corporation.

20 (e) If approval of the shareholders of 1 or more corporations
21 party to the merger or share exchange was required, a statement
22 that the plan was approved by the shareholders in accordance with
23 section 703a. **IF A PLAN OF MERGER OR SHARE EXCHANGE IS ADOPTED**
24 **WITHOUT THE VOTE OF SHAREHOLDERS UNDER SECTION 703A(3), A STATEMENT**
25 **THAT THE PLAN OF MERGER OR SHARE EXCHANGE HAS BEEN ADOPTED UNDER**
26 **SECTION 703A(3) AND THAT THE CONDITIONS SPECIFIED IN THAT SECTION**
27 **HAVE BEEN SATISFIED.**

(f) In the case of a merger governed by section 706, a statement that the merging corporation has not commenced business, has not issued any shares, **AND** has not elected a board ~~—~~and that the plan of merger was approved by the unanimous consent of the incorporators.

(g) A statement of any assumed names of merging corporations transferred to the surviving corporation as authorized ~~by~~ **UNDER** section 217(3), specifying each transferred assumed name and the name of the corporation from which it is transferred. The certificate may include a statement of corporate names or assumed names of merging corporations that are to be treated as newly filed assumed names of the surviving corporation ~~pursuant to~~ **UNDER** section 217(4).

(2) ~~The~~ **SECTION 131 APPLIES IN DETERMINING WHEN A** certificate of merger or share exchange ~~shall become~~ **UNDER THIS SECTION BECOMES** effective. ~~in accordance with section 131.~~

Sec. 746. (1) A business organization may convert into a domestic corporation if all of the following requirements are satisfied:

(a) The conversion is permitted by the law that governs the internal affairs of the business organization and the business organization complies with that law in converting.

~~—— (b) The business organization proposing to convert into a domestic corporation adopts a plan of conversion that includes all of the following:~~

~~—— (i) The name of the business organization, the type of business organization that is converting, identification of the~~

~~statute that governs the internal affairs of the business organization, the name of the surviving domestic corporation into which the business organization is converting, the street address of the surviving domestic corporation, and the principal place of business of the surviving domestic corporation.~~

~~—— (ii) A description of all of the ownership interests in the business organization, specifying the interests entitled to vote, any rights those interests have to vote collectively or as a class, and if the ownership interests are subject to change before the effective date of the conversion, the manner in which the change may occur.~~

~~—— (iii) The terms and conditions of the proposed conversion, including the manner and basis of converting the ownership interests of the business organization into shares or obligations of the surviving domestic corporation, into cash, into other consideration that may include ownership interests or obligations of an entity that is not a party to the conversion, or into a combination of cash and other consideration.~~

~~—— (iv) The terms and conditions of the articles and bylaws that are to govern the surviving domestic corporation.~~

~~—— (v) Any other provisions with respect to the proposed conversion that the business organization considers necessary or desirable.~~

(B) ~~(c)~~—If a plan of conversion is adopted by the business organization, ~~under subdivision (b),~~ the plan of conversion is submitted for approval in the manner required by the law governing the internal affairs of that business organization.

1 (C) ~~(d) After the plan of conversion is approved under~~
 2 ~~subdivisions (b) and (c),~~ **CONVERSION IS APPROVED IN ACCORDANCE WITH**
 3 **THE LAW THAT GOVERNS THE INTERNAL AFFAIRS OF THE BUSINESS**

4 **ORGANIZATION**, the business organization files a certificate of
 5 conversion with the administrator. The certificate of conversion
 6 shall include all of the following:

7 (i) ~~All of the information described in subdivision (b) (i) and~~
 8 ~~(ii) and the manner and basis of converting the ownership interests~~
 9 ~~of the business organization contained in the plan of conversion.~~

10 **THE NAME OF THE BUSINESS ORGANIZATION, THE TYPE OF BUSINESS**
 11 **ORGANIZATION THAT IS CONVERTING, IDENTIFICATION OF THE STATUTE THAT**
 12 **GOVERNS THE INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION, THE NAME**
 13 **OF THE SURVIVING DOMESTIC CORPORATION INTO WHICH THE BUSINESS**
 14 **ORGANIZATION IS CONVERTING, THE STREET ADDRESS OF THE SURVIVING**
 15 **DOMESTIC CORPORATION, AND THE PRINCIPAL PLACE OF BUSINESS OF THE**
 16 **SURVIVING DOMESTIC CORPORATION.**

17 (ii) A statement that the business organization has, ~~adopted~~
 18 ~~the plan of conversion under subdivision (c).~~ **IN CONNECTION WITH THE**
 19 **CONVERSION, COMPLIED WITH THE LAW THAT GOVERNS THE INTERNAL AFFAIRS**
 20 **OF THE BUSINESS ORGANIZATION.**

21 ~~—— (iii) A statement that the surviving business corporation will~~
 22 ~~furnish a copy of the plan of conversion, on request and without~~
 23 ~~cost, to any owner of the business organization.~~

24 (iii) ~~(iv)~~ A statement specifying each assumed name of the
 25 business organization to be used by the surviving domestic
 26 corporation and authorized under section 217(6).

27 (iv) ~~(v)~~ Articles of incorporation for the surviving domestic

1 corporation that meet all of the requirements of this act
2 applicable to articles of incorporation.

3 (2) Section 131 applies in determining when a certificate of
4 conversion under this section becomes effective.

5 (3) When a conversion under this section takes effect, all of
6 the following apply:

7 (a) The business organization converts into the surviving
8 domestic corporation. Except as otherwise provided in this section,
9 the surviving domestic corporation is organized under and subject
10 to this act.

11 (b) The surviving domestic corporation has all of the
12 liabilities of the business organization. The conversion of the
13 business organization into a domestic corporation under this
14 section shall not be considered to affect any obligations or
15 liabilities of the business organization incurred before the
16 conversion or the personal liability of any person incurred before
17 the conversion, and the conversion shall not be considered to
18 affect the choice of law applicable to the business organization
19 with respect to matters arising before the conversion.

20 (c) The title to all real estate and other property and rights
21 owned by the business organization remain vested in the surviving
22 domestic corporation without reversion or impairment. The rights,
23 privileges, powers, and interests in property of the business
24 organization, as well as the debts, liabilities, and duties of the
25 business organization, shall not be considered, as a consequence of
26 the conversion, to have been transferred to the surviving domestic
27 corporation to which the business organization has converted for

1 any purpose of the laws of this state.

2 (d) The surviving domestic corporation may use the name and
3 the assumed names of the business organization if the filings
4 required under section 217(6) or any other applicable statute are
5 made and the laws regarding use and form of names are followed.

6 (e) A proceeding pending against the business organization may
7 be continued as if the conversion had not occurred, or the
8 surviving domestic corporation may be substituted in the proceeding
9 for the business organization.

10 (f) The surviving domestic corporation is considered to be the
11 same entity that existed before the conversion and is considered to
12 be organized on the date that the business organization was
13 originally organized.

14 (g) The ownership interests of the business organization that
15 were to be converted into shares or obligations of the surviving
16 domestic corporation or into cash or other property are converted.

17 (h) Unless otherwise provided ~~in a plan of conversion adopted~~
18 ~~in accordance with this section,~~ **UNDER THE LAW THAT GOVERNS THE**
19 **INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION,** the business
20 organization is not required to wind up its affairs or pay its
21 liabilities and distribute its assets on account of the conversion,
22 and the conversion does not constitute a dissolution of the
23 business organization.

24 Sec. 762. (1) A shareholder is entitled to dissent from, and
25 obtain payment of the fair value of his, her, or its shares in the
26 event of, any of the following corporate actions:

27 (a) Consummation of a plan of merger to which the corporation

1 is a party if ~~shareholder~~ **ANY OF THE FOLLOWING ARE MET:**

2 (i) **SHAREHOLDER** approval is required for the merger under
3 section 703a or 736(5) or the articles of incorporation and the
4 shareholder is entitled to vote on the merger. ~~or the~~

5 (ii) **SHAREHOLDER APPROVAL WOULD BE REQUIRED IF SECTION 703A(3)**
6 **DID NOT APPLY AND THE SHAREHOLDER IS A SHAREHOLDER ON THE DATE OF**
7 **THE OFFER UNDER SECTION 703A(3) .**

8 (iii) **THE** corporation is a subsidiary that is merged with its
9 parent under section 711.

10 (b) Consummation of a plan of share exchange to which the
11 corporation is a party as the corporation whose shares will be
12 acquired, if ~~the shareholder is~~ **EITHER OF THE FOLLOWING ARE MET:**

13 (i) **THE SHAREHOLDER IS** entitled to vote on the plan.

14 (ii) **THE SHAREHOLDER WOULD BE ENTITLED TO VOTE ON THE PLAN IF**
15 **SECTION 703A(3) DID NOT APPLY AND THE SHAREHOLDER IS A SHAREHOLDER**
16 **ON THE DATE OF THE OFFER UNDER SECTION 703A(3) .**

17 (c) Consummation of a sale or exchange of all, or
18 substantially all, of the property of the corporation other than in
19 the usual and regular course of business, if the shareholder is
20 entitled to vote on the sale or exchange, including a sale in
21 dissolution but not including a sale pursuant to court order.

22 (d) Consummation of a plan of conversion to which the
23 corporation is a party as the corporation that is being converted,
24 if the shareholder is entitled to vote on the plan. However, any
25 rights provided under this section are not available if that
26 corporation is converted into a foreign corporation and the
27 shareholder receives shares that have terms as favorable to the

1 shareholder in all material respects, and represent at least the
2 same percentage interest of the total voting rights of the
3 outstanding shares of the corporation, as the shares held by the
4 shareholder before the conversion.

5 (e) An amendment of the articles of incorporation ~~giving rise~~
6 ~~to~~ **THAT CREATES** a right to dissent under section 621.

7 (f) A transaction ~~giving rise to~~ **THAT CREATES** a right to
8 dissent under section 754.

9 (g) Any corporate action taken pursuant to a shareholder vote
10 to the extent the articles of incorporation, bylaws, or a
11 resolution of the board provides that voting or nonvoting
12 shareholders are entitled to dissent and obtain payment for their
13 shares.

14 (2) Unless otherwise provided in the articles of
15 incorporation, bylaws, or a resolution of the board, a shareholder
16 may not dissent from any of the following:

17 (a) Any corporate action set forth in subsection (1)(a) to (f)
18 as to shares that are listed on a national securities exchange ~~or~~
19 ~~designated as a national market system security on an interdealer~~
20 ~~quotation system by the national association of securities dealers,~~
21 on the record date fixed to vote on the corporate action or on the
22 date the resolution of the parent corporation's board is adopted in
23 the case of a merger under section 711 that does not require a
24 shareholder vote under section 713. **FOR PURPOSES OF THIS**
25 **SUBDIVISION, "NATIONAL SECURITIES EXCHANGE" INCLUDES THE NASDAQ**
26 **GLOBAL SELECT MARKET AND THE NASDAQ GLOBAL MARKET, BUT DOES NOT**
27 **INCLUDE THE NASDAQ CAPITAL MARKET, FORMERLY KNOWN AS THE NASDAQ**

1 **SMALLCAP MARKET.**

2 (b) A transaction described in subsection (1)(a) in which
3 shareholders receive cash, shares that satisfy the requirements of
4 subdivision (a) on the effective date of the merger, or any
5 combination of cash and those shares.

6 (c) A transaction described in subsection (1)(b) in which
7 shareholders receive cash, shares that satisfy the requirements of
8 subdivision (a) on the effective date of the share exchange, or any
9 combination of cash and those shares.

10 (d) A transaction described in subsection (1)(c) that is
11 conducted pursuant to a plan of dissolution ~~providing~~**THAT PROVIDES**
12 for distribution of substantially all of the corporation's net
13 assets to shareholders in accordance with their respective
14 interests within 1 year after the date of closing of the
15 transaction, if the transaction is for cash, shares that satisfy
16 the requirements of subdivision (a) on the date of closing, or any
17 combination of cash and those shares.

18 (e) A transaction described in subsection (1)(d) in which
19 shareholders receive cash, shares that satisfy the requirements of
20 subdivision (a) on the effective date of the conversion, or any
21 combination of cash and those shares.

22 (3) A shareholder **THAT IS** entitled to dissent and obtain
23 payment for shares under subsection (1)(a) to (f) may not challenge
24 the corporate action ~~creating~~**THAT CREATES** that entitlement unless
25 the action is unlawful or fraudulent with respect to the
26 shareholder or the corporation.

27 (4) A shareholder that exercises a right to dissent and seek

1 payment for shares under subsection (1)(g) may not challenge the
2 corporate action ~~creating~~**THAT CREATES** that entitlement unless the
3 action is unlawful or fraudulent with respect to the shareholder or
4 the corporation.

5 Sec. 764. (1) If **A** proposed corporate action ~~creating~~**THAT**
6 **CREATES** dissenters' rights under section 762 is submitted to a vote
7 at a shareholders' meeting, the meeting notice must state that
8 shareholders are or may be entitled to assert dissenters' rights
9 under this act and ~~shall be~~ accompanied by a copy of sections 761
10 to 774.

11 (2) ~~If~~**EXCEPT AS PROVIDED IN SUBSECTION (3), IF A** corporate
12 action ~~creating~~**THAT CREATES** dissenters' rights under section 762
13 is taken without a vote of shareholders, the corporation shall
14 notify in writing all shareholders **THAT ARE** entitled to assert
15 dissenters' rights that the action was taken and send them the
16 dissenters' notice described in section 766. A shareholder ~~who~~**THAT**
17 consents to the corporate action is not entitled to assert
18 dissenters' rights.

19 (3) **IF A CORPORATE ACTION CREATES DISSENTERS' RIGHTS UNDER**
20 **SECTION 762(1)(A)(ii) OR (B)(ii), AN OFFER MADE UNDER SECTION**
21 **703A(3) MUST STATE THAT SHAREHOLDERS ARE OR MAY BE ENTITLED TO**
22 **ASSERT DISSENTERS' RIGHTS UNDER THIS ACT AND BE ACCOMPANIED BY A**
23 **COPY OF SECTIONS 761 TO 774 AND THE DISSENTERS' NOTICE DESCRIBED IN**
24 **SECTION 766.**

25 Sec. 765. (1) If **A** proposed corporate action ~~creating~~**THAT**
26 **CREATES** dissenters' rights under section 762 is submitted to a vote
27 at a shareholders' meeting, a shareholder ~~who~~**THAT** wishes to assert

1 dissenters' rights must deliver to the corporation before the vote
2 is taken written notice of his, ~~or~~ her, **OR ITS** intent to demand
3 payment for his, ~~or~~ her, **OR ITS** shares if the proposed action is
4 effectuated and must not vote his, ~~or~~ her, **OR ITS** shares in favor
5 of the proposed action.

6 **(2) IF A CORPORATE ACTION CREATES DISSENTERS' RIGHTS UNDER**
7 **SECTION 762(1) (A) (ii) OR (B) (ii), A SHAREHOLDER THAT WISHES TO**
8 **ASSERT DISSENTERS' RIGHTS MUST DELIVER TO THE CORPORATION BEFORE**
9 **THE SHARES ARE PURCHASED PURSUANT TO THE OFFER WRITTEN NOTICE OF**
10 **HIS, HER, OR ITS INTENT TO DEMAND PAYMENT FOR HIS, HER, OR ITS**
11 **SHARES IF THE PROPOSED ACTION IS TAKEN AND MUST NOT TENDER, OR**
12 **CAUSE OR PERMIT TO BE TENDERED, ANY SHARES IN RESPONSE TO THE**
13 **OFFER.**

14 **(3) ~~(2)~~ A shareholder ~~who~~ THAT** does not satisfy the
15 requirements of subsection (1) **OR (2), AS APPLICABLE,** is not
16 entitled to payment for his, ~~or~~ her, **OR ITS** shares under this act.

17 Sec. 778. (1) "Equity security" means any 1 of the following:

18 (a) Any stock or similar security, certificate of interest, or
19 participation in any profit sharing agreement, voting trust
20 certificate, or voting share.

21 (b) Any security that is convertible, with or without
22 consideration, into an equity security, or any warrant or other
23 security that carries any right to subscribe to or purchase an
24 equity security.

25 (c) Any put, call, straddle, or other option or privilege of
26 buying an equity security from or selling an equity security to
27 another person without being bound to do so.

(2) Subject to subsection (3), "interested shareholder" means any person, other than the corporation or any subsidiary, that is either of the following:

(a) The beneficial owner, directly or indirectly, of 10% or more of the voting power of the outstanding voting shares of the corporation.

(b) An affiliate of the corporation and at any time within the 2-year period immediately before the date in question was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding voting shares of the corporation.

(3) Both of the following apply for the purpose of determining whether a person is an interested shareholder under subsection

(2) (a) or (b):

(a) The number of shares of voting shares considered to be outstanding includes all voting shares that are owned by the person except for those shares that are issuable under any agreement, arrangement, or understanding, or on the exercise of conversion rights, warrants or options, or otherwise.

~~(b) Voting shares acquired by the person from the corporation or acquired in a public offering by or on behalf of the corporation, whether acquired before or after the effective date of the amendatory act that added this subdivision,~~ **WHETHER ACQUIRED BEFORE OR AFTER THE EFFECTIVE DATE OF THE 2017 AMENDATORY ACT THAT AMENDED THIS SUBDIVISION, VOTING SHARES THAT MEET ANY OF THE FOLLOWING** are not considered to be ~~outstanding or~~ beneficially owned by ~~that~~ **A** person, unless the corporation determines otherwise

1 by a resolution of the board adopted before the person acquired
2 those voting shares: -

3 (i) ARE ACQUIRED BY THE PERSON FROM THE CORPORATION.

4 (ii) ARE ACQUIRED BY THE PERSON IN A PUBLIC OFFERING BY OR ON
5 BEHALF OF THE CORPORATION.

6 (iii) IN A TRANSACTION DESCRIBED IN SECTION 703A(3), ARE
7 ACQUIRED BY THE PERSON IN AN OFFER DESCRIBED IN SECTION 703A(3).

8 (4) "Market value" means either of the following:

9 (a) With respect to shares, the highest closing sale price
10 during the 30-day period immediately preceding the date in question
11 of a share that is listed on any of the following:

12 (i) The composite tape for New York ~~stock exchange-listed~~
13 **STOCK EXCHANGE-LISTED** securities.

14 (ii) If not listed under subparagraph (i), the New York ~~stock~~
15 ~~exchange-~~**STOCK EXCHANGE**.

16 (iii) If not listed under subparagraph (i) or (ii), the
17 principal United States security exchange registered under the
18 securities exchange act of 1934, 15 USC 78a to 78pp.

19 ~~—— (iv) If not listed under subparagraph (i), (ii), or (iii), the~~
20 ~~highest closing bid quotation during the 30-day period preceding~~
21 ~~the date in question as listed on the national association of~~
22 ~~securities dealers, inc. automated quotations system or any other~~
23 ~~system then in use.~~

24 (iv) ~~(v)-~~If a listing is not available under subparagraphs (i)
25 to ~~(iv)-~~ (iii), the fair market value of the shares, on the date in
26 question, as determined in good faith by the corporation's board of
27 directors.

1 (b) With respect to property other than cash or shares, the
2 fair market value of the property on the date in question, as
3 determined in good faith by the corporation's board of directors.

4 (5) "Subsidiary" means a legal entity of which a majority of
5 the voting shares are owned, directly or indirectly, by another
6 person.

7 Sec. 784. ~~(1)~~ Unless a corporation's articles of incorporation
8 provide otherwise, the requirements of section 780 do not apply to
9 any business combination of any of the following:

10 (a) A corporation that does not have a class of voting stock
11 registered with the ~~securities and exchange commission~~ **SECURITIES**
12 **AND EXCHANGE COMMISSION** pursuant to section 12 of the securities
13 exchange act of 1934, 15 USC 78l.

14 (b) A corporation whose original articles of incorporation
15 contain a provision or whose shareholders adopt an amendment to the
16 articles of the corporation after May 29, 1984 by a vote of ~~not~~
17 ~~less than~~ **AT LEAST** 90% of the votes of each class of stock entitled
18 to be cast by the shareholders of the corporation and ~~not less than~~
19 **AT LEAST** 2/3 of the votes of each class of stock entitled to be
20 cast by the shareholders of the corporation other than voting
21 shares beneficially owned by interested shareholders of the
22 corporation, that expressly elects not to be governed by this
23 chapter.

24 (c) An investment company **THAT IS** registered under the
25 investment company act of 1940, 15 USC 80a-1 to 80a-64.

26 ~~—— (2) For purposes of subsection (1) (a), all shareholders of a~~
27 ~~corporation that have executed an agreement to which the~~

~~corporation is an executing party that governs the purchase and sale of shares of the corporation or a voting trust agreement that governs shares of the corporation are considered a single beneficial owner of the shares covered by the agreement.~~

Sec. 922. (1) If a domestic corporation neglects or refuses to file ~~any~~**AN** annual report or pay ~~any~~**AN** annual filing fee or a penalty added to the fee required by law, and the neglect or refusal continues for a period of 2 years from the date on which the annual report or filing fee was due, the corporation ~~shall be~~ **IS** automatically dissolved 60 days after the expiration of the 2-year period. The administrator shall notify the corporation of the impending dissolution not later than 90 days before the 2-year period ~~has expired.~~ **EXPIRES**. Until a corporation ~~has been~~ **IS** dissolved, it is entitled to issuance by the administrator, ~~upon~~**ON** request, of a certificate of good standing setting forth that it ~~has been~~ **IS** validly incorporated as a domestic corporation and that it is validly in existence under laws of this state.

(2) If a foreign corporation neglects or refuses for 1 year to file ~~the~~**AN** annual report or pay ~~the~~**AN** annual filing fee or a penalty added to the fee required by law, its certificate of authority is subject to revocation in accordance with section 1042. Until revocation of its certificate of authority, or its withdrawal from this state or termination of its existence, the foreign corporation is entitled to issuance by the administrator, ~~upon~~**ON** request, of a certificate of good standing setting forth that it ~~has been~~ **IS** validly authorized to transact business in this state and that it holds a valid certificate of authority to transact

1 business in this state.

2 **(3) THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT A**
3 **NOTIFICATION OF IMPENDING DISSOLUTION DESCRIBED IN SUBSECTION (1)**
4 **TO THE RESIDENT AGENT OF THE CORPORATION IN THE MANNER AUTHORIZED**
5 **BY THE CORPORATION.**

6 Sec. 923. (1) If good cause is shown, the administrator may
7 extend the time for filing a report for not more than 1 year from
8 the due date of the filing.

9 (2) The administrator may report promptly to the attorney
10 general any ~~failure or neglect under sections~~ **VIOLATION OF SECTION**
11 **921, 922, 931, and OR 932,** and the attorney general may bring an
12 action for imposition of the prescribed penalties. If a domestic or
13 foreign corporation neglects or refuses to file its report within
14 the time prescribed ~~by~~ **UNDER** this act, the administrator shall
15 notify the corporation of that fact by mail directed to its
16 registered office not later than 90 days after the due date of the
17 filing.

18 **(3) THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT A**
19 **NOTIFICATION DESCRIBED IN SUBSECTION (2) TO THE RESIDENT AGENT OF**
20 **THE CORPORATION IN THE MANNER AUTHORIZED BY THE CORPORATION.**

21 Sec. 1042. (1) The administrator shall revoke a certificate of
22 authority of a foreign corporation only if he or she has given the
23 foreign corporation ~~not less than~~ **AT LEAST** 90 days' notice, **BY MAIL**
24 **OR BY ELECTRONIC TRANSMISSION UNDER SUBSECTION (2),** that a default
25 under section 1041 exists and that **HE OR SHE WILL REVOKE** its
26 certificate of authority ~~will be revoked~~ unless the default is
27 cured within 90 days after the notice is mailed **OR ELECTRONICALLY**

1 **TRANSMITTED**, and the corporation fails within ~~90 days~~ **THE 90-DAY**
2 **PERIOD** to cure the default.

3 (2) ~~The notice shall be sent by first class mail to the~~
4 ~~corporation at its registered office in this state.~~ **THE**
5 **ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT A NOTICE DESCRIBED IN**
6 **SUBSECTION (1) TO THE RESIDENT AGENT OF THE CORPORATION IN THE**
7 **MANNER AUTHORIZED BY THE CORPORATION.**

8 (3) ~~Upon revoking~~ **IF HE OR SHE REVOKES** a certificate of
9 authority **UNDER THIS SECTION**, the administrator shall issue a
10 certificate of revocation and ~~mail a copy to the corporation at its~~
11 ~~registered office in this state.~~ **SHALL MAIL, OR, IF AUTHORIZED BY**
12 **THE CORPORATION, MAY ELECTRONICALLY TRANSMIT, A COPY OF THE**
13 **CERTIFICATE OF REVOCATION TO THE RESIDENT AGENT OF THE CORPORATION.**

14 (4) Issuing the certificate of revocation has the same force
15 and effect as issuing a certificate of withdrawal under section
16 1031.

17 Sec. 1056. (1) Any foreign corporation **THAT IS** not authorized
18 to transact business in this state and **IS** not required to be
19 authorized to transact business in this state may register its
20 corporate name under this act, if permissible under section 212.

21 (2) ~~Registration shall be made~~ **A FOREIGN CORPORATION SHALL**
22 **REGISTER ITS CORPORATE NAME UNDER THIS SECTION** by filing all of the
23 following in the office of the administrator:

24 (a) An application for registration executed on behalf of the
25 corporation, ~~setting forth~~ **THAT INCLUDES** the name and the mailing
26 address of the corporation, the jurisdiction of its incorporation,
27 the date of its incorporation, a statement that it is carrying on

1 or doing business, and a brief statement of the business in which
2 it is engaged.

3 (b) A certificate **THAT IS** dated not earlier than 30 days
4 before filing of the application, ~~setting forth~~ **STATING** that the
5 corporation is in good standing under the laws of the jurisdiction
6 of its incorporation, executed by the office of the jurisdiction
7 ~~which~~ **THAT** has custody of the records pertaining to corporations.

8 (3) Unless sooner terminated by the filing of a certificate of
9 termination, the registration ~~shall be~~ **OF THE CORPORATE NAME OF A**
10 **FOREIGN CORPORATION IS** effective until the close of the calendar
11 year in which the application for registration is filed. However,
12 ~~registrations~~ **A REGISTRATION** filed after September 30 of a year
13 ~~shall expire~~ **EXPIRES** at the end of the following calendar year. The
14 administrator shall notify the corporation of the impending
15 expiration ~~not later than~~ **AT LEAST** 90 days before the expiration of
16 the registration. **THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT THE**
17 **NOTIFICATION TO THE RESIDENT AGENT OF THE CORPORATION IN THE MANNER**
18 **AUTHORIZED BY THE CORPORATION.** A foreign corporation ~~which~~ **THAT** has
19 in effect a registration of its corporate name may renew the
20 registration from year to year by filing annually an application
21 for renewal and a certificate of good standing as required for the
22 original registration. A renewal application may be filed between
23 October 1 and December 31 in each year, and shall extend the
24 registration for the following calendar year.

25 Sec. 1060. (1) ~~The fees a person shall pay to the~~
26 ~~administrator when the documents described in this subsection are~~
27 ~~delivered to him or her for filing are as follows:~~ **WHEN DELIVERING A**

1 DOCUMENT DESCRIBED IN THIS SUBSECTION TO THE ADMINISTRATOR FOR
2 FILING, A PERSON SHALL PAY THE ADMINISTRATOR WHICHEVER OF THE
3 FOLLOWING FEES APPLY TO THAT DOCUMENT:

4 (a) Articles of a domestic corporation, \$10.00.

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

7 (c) Amendment to the articles of a domestic corporation,
8 \$10.00.

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

11 (e) Certificate of merger, conversion, or share exchange under
12 chapter 7, \$50.00.

13 (f) Certificate attesting to the occurrence of a merger **OR**
14 **CONVERSION** of a foreign corporation under section 1021, \$10.00.

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

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

18 (i) Application for reservation of corporate name, \$10.00.

19 (j) Certificate of assumed name or a certificate of
20 termination of assumed name, \$10.00.

21 (k) Statement of change of registered office or resident
22 agent, \$5.00.

23 (l) Restated articles of domestic corporations, \$10.00.

24 (m) Certificate of abandonment, \$10.00.

25 (n) Certificate of correction, \$10.00.

26 (o) Certificate of revocation of dissolution proceedings,
27 \$10.00.

1 (p) Certificate of renewal of corporate existence, \$10.00.

2 (q) For examining a special report required by law, \$2.00.

3 (r) Certificate of registration of corporate name of a foreign
4 corporation, \$50.00.

5 (s) Certificate of renewal of registration of corporate name
6 of a foreign corporation, \$50.00.

7 (t) Certificate of termination of registration of corporate
8 name of a foreign corporation, \$10.00.

9 (u) Report required under section 911, \$15.00 if paid after
10 September 30, 2019. Before October 1, 2019, the fee is \$25.00.

11 (2) The fees described in subsection (1) are in addition to
12 any franchise fees prescribed in this act. The administrator shall
13 not refund all or any part of a fee described in this section.

14 (3) Except as provided in subsection (9), the administrator
15 shall deposit all fees received and collected under this section in
16 the state treasury to the credit of the administrator, who may only
17 use the money credited pursuant to legislative appropriation and
18 only in carrying out those duties of the department required by
19 law.

20 (4) The fees described in this section apply to documents
21 filed by a domestic or foreign regulated investment company as
22 defined in section 1064.

23 (5) If any money received by the administrator from fees paid
24 under subsection (1)(u) is not appropriated to the department in
25 that fiscal year, the money remaining from those fees shall revert
26 to the general fund of this state.

27 (6) A minimum charge of \$1.00 for each certificate and 50

1 cents per folio shall be paid to the administrator for certifying a
2 part of a file or record pertaining to a corporation if a fee for
3 that service is not described in subsection (1). The administrator
4 may furnish copies of documents, reports, and papers required or
5 permitted by law to be filed with the administrator, and shall
6 charge for those copies the fee established in a schedule of fees
7 adopted by the administrator with the approval of the state
8 administrative board. The administrator shall retain the revenue
9 collected under this subsection, and the department shall use it to
10 defray the costs for its copying and certifying services.

11 (7) If a domestic or foreign corporation pays fees or
12 penalties by check and the check is dishonored, **OR BY CREDIT CARD**
13 **AND A CHARGEBACK IS SUCCESSFUL**, the fee is unpaid and the
14 administrator shall rescind the filing of all related documents.

15 (8) The administrator may accept a credit card in lieu of cash
16 or check as payment of a fee under this act. The administrator
17 shall determine which credit cards he or she shall accept for
18 payment.

19 (9) The administrator may charge a nonrefundable fee of up to
20 \$50.00 for any document submitted or certificate sent by facsimile
21 or electronic transmission. The administrator shall retain the
22 revenue collected under this subsection and the department shall
23 use it to carry out its duties required by law.

24 (10) The administrator shall waive any fee otherwise required
25 under this section if a majority of the shares of the domestic or
26 foreign corporation responsible for paying the fee are, and the
27 corporation provides proof satisfactory to the administrator that

1 those shares are, held by 1 or more honorably discharged veterans
2 of the ~~armed forces~~ **ARMED FORCES** of the United States.

3 Enacting section 1. This amendatory act takes effect 90 days
4 after the date it is enacted into law.