

# HOUSE BILL No. 5868

April 24, 2018, Introduced by Reps. Sheppard, Greig, Vaupel, Green, Lasinski, Chang, Love, Cochran, Pagan, Hoadley, Hertel, Dianda, Zemke, Yanez, Brinks, Garrett, Lucido, Iden, LaGrand, Canfield, Inman, Faris and Sneller and referred to the Committee on Commerce and Trade.

A bill to amend 1972 PA 284, entitled  
"Business corporation act,"  
by amending sections 105, 106, 131, 202, 211, 745, 746, and 762  
(MCL 450.1105, 450.1106, 450.1131, 450.1202, 450.1211, 450.1745,  
450.1746, and 450.1762), sections 105, 106, 202, 211, and 762 as  
amended by 2012 PA 569 and section 131 as amended and sections 745  
and 746 as added by 2008 PA 402.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

4       (2) "Articles of incorporation" includes any of the following:

5       (a) The original articles of incorporation or any other

1 instrument filed or issued under any statute to organize a domestic  
2 or foreign corporation, as amended, supplemented, or restated by  
3 certificates of amendment, merger, conversion, or consolidation or  
4 other certificates or instruments filed or issued under any  
5 statute.

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

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

10 (4) **"BENEFIT CORPORATION" MEANS A DOMESTIC CORPORATION THAT**  
11 **MEETS THE REQUIREMENTS FOR BEING A BENEFIT CORPORATION UNDER**  
12 **CHAPTER 9A AND HAS NOT TERMINATED ITS STATUS AS A BENEFIT**  
13 **CORPORATION UNDER THAT CHAPTER.**

14 (5) ~~(4)~~ "Board" means board of directors or other governing  
15 board of a corporation.

16 (6) ~~(5)~~ "Bonds" includes secured and unsecured bonds,  
17 debentures, and notes.

18 Sec. 106. (1) "Corporation" or "domestic corporation" means a  
19 corporation formed under this act, or existing on January 1, 1973  
20 and formed under any other statute of this state for a purpose for  
21 which a corporation may be formed under this act. **THE TERM INCLUDES**  
22 **A BENEFIT CORPORATION.**

23 (2) "Department" means the department of licensing and  
24 regulatory affairs.

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

26 (4) "Distribution" means a direct or indirect transfer of  
27 money or other property, except the corporation's shares, or the

1 incurrence of indebtedness by the corporation to or for the benefit  
2 of its shareholders in respect to the corporation's shares. A  
3 distribution may be in the form of a dividend, a purchase,  
4 redemption or other acquisition of shares, an issuance of  
5 indebtedness, or any other declaration or payment to or for the  
6 benefit of the shareholders.

7 (5) "Electronic transmission" or "electronically transmitted"  
8 means any form of communication that meets all of the following:

9 (a) It does not directly involve the physical transmission of  
10 paper.

11 (b) It creates a record that may be retained and retrieved by  
12 the recipient.

13 (c) It may be directly reproduced in paper form by the  
14 recipient through an automated process.

15 Sec. 131. (1) A document **THAT IS** required or permitted to be  
16 filed under this act shall be submitted by delivering the document  
17 to the administrator together with the fees and accompanying  
18 documents required by law. The administrator may establish a  
19 procedure for accepting delivery of a document submitted under this  
20 subsection by facsimile or other electronic transmission. However,  
21 by December 31, 2006, the administrator shall establish a procedure  
22 for accepting delivery of a document submitted under this  
23 subsection by electronic mail or over the Internet. Beginning  
24 January 1, 2007, the administrator shall accept delivery of  
25 documents submitted by electronic mail or over the  
26 ~~Internet.~~**INTERNET.**

27 (2) If a document submitted under subsection (1), **OTHER THAN**

1 **AN ANNUAL BENEFIT REPORT SUBMITTED UNDER SECTION 961**, substantially  
2 conforms to the requirements of this act, the administrator shall  
3 endorse upon it the word "filed" with his or her official title and  
4 the date of receipt and of filing and shall file and index the  
5 document or a photostatic, micrographic, photographic, optical disc  
6 media, or other reproduced copy in his or her office. If requested  
7 at the time of the delivery of the document to his or her office,  
8 the administrator shall include the hour of filing in the  
9 endorsement on the document.

10 (3) The administrator shall return a copy of a document filed  
11 under subsection (2), other than an annual report, or, at his or  
12 her discretion, the original, to the person ~~who~~**THAT** submitted it  
13 for filing. The administrator shall mark the filing date on the  
14 copy or original before returning it or, if the document was  
15 submitted by electronic mail or over the Internet, may provide  
16 proof of the filing date to the person ~~who~~**THAT** submitted the  
17 document for filing in another manner determined by the  
18 administrator.

19 (4) The records and files of the administrator relating to  
20 domestic and foreign corporations shall be open to reasonable  
21 inspection by the public. The administrator may maintain records or  
22 files either in their original form or in photostatic,  
23 micrographic, photographic, optical disc media, or other reproduced  
24 form.

25 (5) The administrator may make copies of any documents filed  
26 under this act or any predecessor act by photostatic, micrographic,  
27 photographic, optical disc media, or other reproduced form and may

1 destroy the originals of the copied documents. A photostatic,  
2 micrographic, photographic, optical disc media, or other reproduced  
3 copy certified by the administrator, including a copy sent by  
4 facsimile or other electronic transmission, is considered an  
5 original for all purposes and is admissible in evidence in like  
6 manner as an original.

7 (6) Except as provided in section 806, a document filed under  
8 subsection (2) is effective at the time it is endorsed unless a  
9 subsequent effective time, not later than 90 days after the date of  
10 delivery, is ~~set forth~~ **STATED** in the document.

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

16 (a) For any filing that a person requests the administrator to  
17 complete within 1 hour on the same day as the day of the request,  
18 \$1,000.00. The department may establish a deadline by which a  
19 person must submit a request for filing under this subdivision.

20 (b) For any filing that a person requests the administrator to  
21 complete within 2 hours on the same day as the day of the request,  
22 \$500.00. The department may establish a deadline by which a person  
23 must submit a request for filing under this subdivision.

24 (c) Except for a filing request under subdivision (a) or (b),  
25 for the filing of any formation or qualification document that a  
26 person requests the administrator to complete on the same day as  
27 the day of the request, \$100.00. The department may establish a

1 deadline by which a person must submit a request for filing under  
2 this subdivision.

3 (d) Except for a filing request under subdivision (a) or (b),  
4 for the filing of any other document concerning an existing  
5 domestic corporation or a qualified foreign corporation that a  
6 person requests the administrator to complete on the same day as  
7 the day of the request, \$200.00. The department may establish a  
8 deadline by which a person must submit a request for filing under  
9 this subdivision.

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

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

17 Sec. 202. The articles of incorporation shall contain all of  
18 the following:

19 (a) The name of the corporation.

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

22 (i) Except as otherwise provided in subparagraph (ii) or  
23 (iii), it is a sufficient compliance with this subdivision to state  
24 substantially, alone or with specifically enumerated purposes, that  
25 the corporation may engage in any activity within the purposes for  
26 which corporations may be formed under the business corporation  
27 act, and all activities shall by the statement be considered within

1 the purposes of the corporation, subject to expressed limitations.

2 (ii) Any corporation that proposes to conduct educational  
3 purposes shall state the purposes and shall comply with all  
4 requirements of sections 170 to 177 of 1931 PA 327, MCL 450.170 to  
5 450.177.

6 (iii) A professional corporation shall comply with section  
7 283(2) and (3).

8 (iv) **THE PURPOSES OF A BENEFIT CORPORATION MUST COMPLY WITH**  
9 **SECTION 953, BUT A BENEFIT CORPORATION IS NOT REQUIRED TO STATE ITS**  
10 **GENERAL PUBLIC BENEFIT PURPOSE IN THE ARTICLES.**

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

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

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

25 (f) The street address, and the mailing address if different  
26 from the street address, of the corporation's initial registered  
27 office and the name of the corporation's initial resident agent at

1 that address.

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

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

4 Sec. 211. **(1)** Except as provided in chapter 2A for a  
5 professional corporation **AND IN SUBSECTION (2) FOR A BENEFIT**  
6 **CORPORATION**, the corporate name of a domestic corporation shall  
7 contain the word "corporation", "company", "incorporated", or  
8 "limited" or shall contain 1 of the following abbreviations: corp.,  
9 co., inc., or ltd., with or without periods.

10 **(2) THE CORPORATE NAME OF A BENEFIT CORPORATION SHALL CONTAIN**  
11 **THE WORDS "BENEFIT CORPORATION" OR "BENEFIT COMPANY" OR CONTAIN THE**  
12 **INITIALS "B.C.", WITH OR WITHOUT PERIODS.**

13 Sec. 745. (1) A domestic corporation, **EXCEPT A BENEFIT**  
14 **CORPORATION**, may convert into a business organization if all of the  
15 following requirements are satisfied:

16 (a) The conversion is permitted by the law that will govern  
17 the internal affairs of the business organization after conversion  
18 and the surviving business organization complies with that law in  
19 converting.

20 (b) Unless subdivision (d) applies, the board of the domestic  
21 corporation proposing to convert adopts a plan of conversion that  
22 includes all of the following:

23 (i) The name of the domestic corporation, the name of the  
24 business organization into which the domestic corporation is  
25 converting, the type of business organization into which the  
26 domestic corporation is converting, identification of the statute  
27 that will govern the internal affairs of the surviving business



1 organization, the street address of the surviving business  
2 organization, the street address of the domestic corporation if  
3 different from the street address of the surviving business  
4 organization, and the principal place of business of the surviving  
5 business organization.

6 (ii) For the domestic corporation, the designation and number  
7 of outstanding shares of each class and series, specifying the  
8 classes and series entitled to vote, each class and series entitled  
9 to vote as a class, and, if the number of shares is subject to  
10 change before the effective date of the conversion, the manner in  
11 which the change may occur.

12 (iii) The terms and conditions of the proposed conversion,  
13 including the manner and basis of converting the shares into  
14 ownership interests or obligations of the surviving business  
15 organization, into cash, into other consideration that may include  
16 ownership interests or obligations of an entity that is not a party  
17 to the conversion, or into a combination of cash and other  
18 consideration.

19 (iv) The terms and conditions of the organizational documents  
20 that are to govern the surviving business organization.

21 (v) Any other provisions with respect to the proposed  
22 conversion that the board considers necessary or desirable.

23 (c) If the board adopts the plan of conversion under  
24 subdivision (b), the plan of conversion is submitted for approval  
25 in the same manner required for a merger under section 703a(2),  
26 including the procedures pertaining to dissenters' rights if any  
27 shareholder has the right to dissent under section 762.

1 (d) If the domestic corporation has not commenced business,  
2 has not issued any shares, and has not elected a board,  
3 subdivisions (b) and (c) do not apply and the incorporators may  
4 approve of the conversion of the corporation into a business  
5 organization by unanimous consent. To effect the conversion, the  
6 majority of the incorporators must execute and file a certificate  
7 of conversion under subdivision (e).

8 (e) After the plan of conversion is approved under  
9 subdivisions (b) and (c) or the conversion is approved under  
10 subdivision (d), the domestic corporation files any formation  
11 documents required to be filed under the laws governing the  
12 internal affairs of the surviving business organization, in the  
13 manner prescribed by those laws, and files a certificate of  
14 conversion with the administrator. The certificate of conversion  
15 shall include all of the following:

16 (i) Unless subdivision (d) applies, all of the information  
17 described in subdivision (b) (i) and (ii) and the manner and basis  
18 of converting the shares of the domestic corporation contained in  
19 the plan of conversion.

20 (ii) Unless subdivision (d) applies, a statement that the  
21 board has adopted the plan of conversion by the board under  
22 subdivision (c), or if subdivision (d) applies to the conversion, a  
23 statement that the domestic corporation has not commenced business,  
24 has not issued any shares, and has not elected a board and that the  
25 plan of conversion was approved by the unanimous consent of the  
26 incorporators.

27 (iii) A statement that the surviving business organization

1 will furnish a copy of the plan of conversion, on request and  
2 without cost, to any shareholder of the domestic corporation.

3 (iv) If approval of the shareholders of the domestic  
4 corporation was required, a statement that the plan was approved by  
5 the shareholders under subdivision (c).

6 (v) A statement specifying each assumed name of the domestic  
7 corporation to be used by the surviving business organization and  
8 authorized under section 217(5).

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

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

13 (a) The domestic corporation converts into the surviving  
14 business organization, and the articles of incorporation of the  
15 domestic corporation are canceled. Except as otherwise provided in  
16 this section, the surviving business organization is organized  
17 under and subject to the organizational laws of the jurisdiction of  
18 the surviving business organization as stated in the certificate of  
19 conversion.

20 (b) The surviving business organization has all of the  
21 liabilities of the domestic corporation. The conversion of the  
22 domestic corporation into a business organization under this  
23 section shall not be considered to affect any obligations or  
24 liabilities of the domestic corporation incurred before the  
25 conversion or the personal liability of any person incurred before  
26 the conversion, and the conversion shall not be considered to  
27 affect the choice of law applicable to the domestic corporation

1 with respect to matters arising before the conversion.

2 (c) The title to all real estate and other property and rights  
3 owned by the domestic corporation remain vested in the surviving  
4 business organization without reversion or impairment. The rights,  
5 privileges, powers, and interests in property of the domestic  
6 corporation, as well as the debts, liabilities, and duties of the  
7 domestic corporation, shall not be considered, as a consequence of  
8 the conversion, to have been transferred to the surviving business  
9 organization to which the domestic corporation has converted for  
10 any purpose of the laws of this state.

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

15 (e) A proceeding pending against the domestic corporation may  
16 be continued as if the conversion had not occurred, or the  
17 surviving business organization may be substituted in the  
18 proceeding for the domestic corporation.

19 (f) The surviving business organization is considered to be  
20 the same entity that existed before the conversion and is  
21 considered to be organized on the date that the domestic  
22 corporation was originally incorporated.

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

26 (h) Unless otherwise provided in a plan of conversion adopted  
27 in accordance with this section, the domestic corporation is not

1 required to wind up its affairs or pay its liabilities and  
2 distribute its assets on account of the conversion, and the  
3 conversion does not constitute a dissolution of the domestic  
4 corporation.

5 (4) If the surviving business organization of a conversion  
6 under this section is a foreign business organization, it is  
7 subject to the laws of this state pertaining to the transaction of  
8 business in this state if it transacts business in this state. The  
9 surviving business organization is liable, and is subject to  
10 service of process in a proceeding in this state, for the  
11 enforcement of an obligation of the domestic corporation, and in a  
12 proceeding for the enforcement of a right of a dissenting  
13 shareholder of the domestic corporation against the surviving  
14 business organization.

15 (5) As used in this section and section 746, "business  
16 organization" and "entity" mean those terms as defined in section  
17 736(1).

18 Sec. 746. (1) A business organization may convert into a  
19 domestic corporation, **EXCEPT A BENEFIT CORPORATION**, if all of the  
20 following requirements are satisfied:

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

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

27 (i) The name of the business organization, the type of

1 business organization that is converting, identification of the  
2 statute that governs the internal affairs of the business  
3 organization, the name of the surviving domestic corporation into  
4 which the business organization is converting, the street address  
5 of the surviving domestic corporation, and the principal place of  
6 business of the surviving domestic corporation.

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

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

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

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

25 (c) If a plan of conversion is adopted by the business  
26 organization under subdivision (b), the plan of conversion is  
27 submitted for approval in the manner required by the law governing

1 the internal affairs of that business organization.

2 (d) After the plan of conversion is approved under  
3 subdivisions (b) and (c), the business organization files a  
4 certificate of conversion with the administrator. The certificate  
5 of conversion shall include all of the following:

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

9 (ii) A statement that the business organization has adopted  
10 the plan of conversion under subdivision (c).

11 (iii) A statement that the surviving business corporation will  
12 furnish a copy of the plan of conversion, on request and without  
13 cost, to any owner of the business organization.

14 (iv) A statement specifying each assumed name of the business  
15 organization to be used by the surviving domestic corporation and  
16 authorized under section 217(6).

17 (v) Articles of incorporation for the surviving domestic  
18 corporation that meet all of the requirements of this act  
19 applicable to articles of incorporation.

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

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

24 (a) The business organization converts into the surviving  
25 domestic corporation. Except as otherwise provided in this section,  
26 the surviving domestic corporation is organized under and subject  
27 to this act.

1 (b) The surviving domestic corporation has all of the  
2 liabilities of the business organization. The conversion of the  
3 business organization into a domestic corporation under this  
4 section shall not be considered to affect any obligations or  
5 liabilities of the business organization incurred before the  
6 conversion or the personal liability of any person incurred before  
7 the conversion, and the conversion shall not be considered to  
8 affect the choice of law applicable to the business organization  
9 with respect to matters arising before the conversion.

10 (c) The title to all real estate and other property and rights  
11 owned by the business organization remain vested in the surviving  
12 domestic corporation without reversion or impairment. The rights,  
13 privileges, powers, and interests in property of the business  
14 organization, as well as the debts, liabilities, and duties of the  
15 business organization, shall not be considered, as a consequence of  
16 the conversion, to have been transferred to the surviving domestic  
17 corporation to which the business organization has converted for  
18 any purpose of the laws of this state.

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

23 (e) A proceeding pending against the business organization may  
24 be continued as if the conversion had not occurred, or the  
25 surviving domestic corporation may be substituted in the proceeding  
26 for the business organization.

27 (f) The surviving domestic corporation is considered to be the



1 same entity that existed before the conversion and is considered to  
2 be organized on the date that the business organization was  
3 originally organized.

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

7 (h) Unless otherwise provided in a plan of conversion adopted  
8 in accordance with this section, the business organization is not  
9 required to wind up its affairs or pay its liabilities and  
10 distribute its assets on account of the conversion, and the  
11 conversion does not constitute a dissolution of the business  
12 organization.

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

16 (a) Consummation of a plan of merger to which the corporation  
17 is a party if shareholder approval is required for the merger under  
18 section 703a or 736(5) or the articles of incorporation and the  
19 shareholder is entitled to vote on the merger, or the corporation  
20 is a subsidiary that is merged with its parent under section 711.

21 (b) Consummation of a plan of share exchange to which the  
22 corporation is a party as the corporation whose shares will be  
23 acquired, if the shareholder is entitled to vote on the plan.

24 (c) Consummation of a sale or exchange of all, or  
25 substantially all, of the property of the corporation other than in  
26 the usual and regular course of business, if the shareholder is  
27 entitled to vote on the sale or exchange, including a sale in

1 dissolution but not including a sale pursuant to court order.

2 (d) Consummation of a plan of conversion to which the  
3 corporation is a party as the corporation that is being converted,  
4 if the shareholder is entitled to vote on the plan. However, any  
5 rights provided under this section are not available if that  
6 corporation is converted into a foreign corporation and the  
7 shareholder receives shares that have terms as favorable to the  
8 shareholder in all material respects, and represent at least the  
9 same percentage interest of the total voting rights of the  
10 outstanding shares of the corporation, as the shares held by the  
11 shareholder before the conversion.

12 (e) An amendment of the articles of incorporation giving rise  
13 to a right to dissent under section 621.

14 (f) A transaction giving rise to a right to dissent under  
15 section 754.

16 **(G) AN AMENDMENT TO THE ARTICLES OF INCORPORATION OF A BENEFIT**  
17 **CORPORATION GIVING RISE TO A RIGHT TO DISSENT UNDER SECTION 953.**

18 **(H) CONSUMMATION OF A PLAN OF MERGER OR SHARE EXCHANGE GIVING**  
19 **RISE TO A RIGHT TO DISSENT UNDER SECTION 955.**

20 **(I) ~~(g)~~** Any corporate action taken pursuant to a shareholder  
21 vote to the extent the articles of incorporation, bylaws, or a  
22 resolution of the board provides that voting or nonvoting  
23 shareholders are entitled to dissent and obtain payment for their  
24 shares.

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

1 (a) Any corporate action set forth in subsection (1)(a) to (f)  
2 as to shares that are listed on a national securities exchange or  
3 designated as a national market system security on an interdealer  
4 quotation system by the national association of securities dealers,  
5 on the record date fixed to vote on the corporate action or on the  
6 date the resolution of the parent corporation's board is adopted in  
7 the case of a merger under section 711 that does not require a  
8 shareholder vote under section 713.

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

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

17 (d) A transaction described in subsection (1)(c) that is  
18 conducted pursuant to a plan of dissolution providing for  
19 distribution of substantially all of the corporation's net assets  
20 to shareholders in accordance with their respective interests  
21 within 1 year after the date of closing of the transaction, if the  
22 transaction is for cash, shares that satisfy the requirements of  
23 subdivision (a) on the date of closing, or any combination of cash  
24 and those shares.

25 (e) A transaction described in subsection (1)(d) in which  
26 shareholders receive cash, shares that satisfy the requirements of  
27 subdivision (a) on the effective date of the conversion, or any

1 combination of cash and those shares.

2 (3) A shareholder entitled to dissent and obtain payment for  
3 shares under subsection (1)(a) to (f) may not challenge the  
4 corporate action creating that entitlement unless the action is  
5 unlawful or fraudulent with respect to the shareholder or the  
6 corporation.

7 (4) A shareholder that exercises a right to dissent and seek  
8 payment for shares under subsection ~~(1)(g)~~ **(1)(I)** may not challenge  
9 the corporate action creating that entitlement unless the action is  
10 unlawful or fraudulent with respect to the shareholder or the  
11 corporation.

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

14 Enacting section 2. This amendatory act does not take effect  
15 unless all of the following bills of the 99th Legislature are  
16 enacted into law:

17 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 5872 (request no.  
18 00377'17).

19 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 5867 (request no.  
20 00829'17).

21 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 5869 (request no.  
22 00831'17).