

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2735 Merger of domestic business corporation, foreign corporation, or foreign business corporation with domestic corporation; surviving corporation; compliance; liability for enforcement of obligation; acquisition of shares or memberships through voluntary exchange; distributions.

Sec. 735. (1) One or more domestic business corporations, foreign corporations, or foreign business corporations may merge with 1 or more domestic corporations if all of the following are met:

(a) In a merger involving a foreign corporation or a foreign business corporation, the merger is permitted under the law of the state or country under whose law each foreign corporation and each foreign business corporation is incorporated and each foreign corporation or foreign business corporation complies with that law in effecting the merger. If the parent corporation in a merger conducted under section 711 is a foreign corporation or a foreign business corporation, it shall comply with all of the following, notwithstanding the provisions of the laws of its jurisdiction of incorporation:

(i) Section 711(2) with respect to notice to shareholders or members of a domestic subsidiary corporation that is a party to the merger.

(ii) Section 712 with respect to the certificate of merger.

(b) If a foreign corporation that is authorized to conduct affairs or transact business in this state is a party to the merger, it shall comply with the applicable provision of sections 1021 and 1035.

(c) In a merger involving 1 or more domestic business corporations, the merger is permitted under the business corporation act, and each domestic business corporation complies with that law in effecting the merger. However, if the parent corporation in a merger that is conducted under section 711 is a domestic business corporation, it shall also comply with all of the following:

(i) Section 711(2) with respect to notice to shareholders or members of a domestic subsidiary corporation that is a party to the merger.

(ii) Section 712 with respect to the certificate of merger.

(d) Each domestic corporation complies with the applicable provisions of sections 701 to 713.

(2) If the surviving corporation of a merger is a foreign corporation to be governed by the laws of a jurisdiction other than this state, it shall comply with the provisions of this act with respect to foreign corporations if it is to conduct affairs in this state. If the surviving corporation in a merger is a foreign business corporation to be governed by the laws of a jurisdiction other than this state, it shall comply with the provisions of the business corporation act with respect to foreign business corporations if it is to transact business in this state.

(3) The surviving corporation in a merger is liable, and is subject to service of process in a proceeding in this state, for the enforcement of an obligation of a domestic corporation that is party to the merger.

(4) This section does not limit the power of a domestic business corporation, foreign corporation, or foreign business corporation to acquire all or part of the shares or memberships of 1 or more classes of a domestic corporation through a voluntary exchange or otherwise.

(5) Notwithstanding this section or any other provisions of this act, a corporation shall make distributions to its shareholders or members or to any other person in connection with a merger with a domestic business corporation, foreign corporation, or foreign business corporation under this section only in conformity with section 301 and with any limitations on distributions in the articles of the corporation.

History: Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015.