

# SENATE BILL No. 181

March 1, 1989, Introduced by Senator V. SMITH and  
referred to the Committee on Commerce and  
Technology.

A bill to amend sections 103, 104, 106, 107, 108, 109, 121, 122, 123, 131, 132, 133, 141, 202, 209, 211, 212, 217, 221, 231, 241, 242, 243, 246, 251, 261, 275, 301, 302, 303, 304, 305, 306, 307, 317, 331, 332, 404, 405, 407, 415, 422, 423, 441, 444, 455, 461, 463, 472, 473, 485, 487, 505, 506, 511, 521, 523, 525, 528, 548, 551, 552, 562, 563, 565, 567, 571, 601, 602, 621, 701, 706, 707, 711, 712, 713, 741, 753, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 799, 801, 804, 805, 815, 817, 821, 823, 831, 851, 911, 913, 915, 923, 925, 932, 1014, 1021, 1023, 1032, 1035, 1041, 1042, 1060, 1062, and 1064 of Act No. 284 of the Public Acts of 1972, entitled "Business corporation act," sections 123, 132, 212, 707, 711, 911, 923, 1021, 1023, 1060, and 1062 as amended and sections 571 and 706 as added by Act No. 407 of the Public Acts of 1982, sections 209, 562, 563, and 565 as

amended by Act No. 1 of the Public Acts of 1987, sections 441, 761, and 762 as amended and section 799 as added by Act No. 58 of the Public Acts of 1988, and sections 767 and 768 as amended by Act No. 76 of the Public Acts of 1985, being sections 450.1103, 450.1104, 450.1106, 450.1107, 450.1108, 450.1109, 450.1121, 450.1122, 450.1123, 450.1131, 450.1132, 450.1133, 450.1141, 450.1202, 450.1209, 450.1211, 450.1212, 450.1217, 450.1221, 450.1231, 450.1241, 450.1242, 450.1243, 450.1246, 450.1251, 450.1261, 450.1275, 450.1301, 450.1302, 450.1303, 450.1304, 450.1305, 450.1306, 450.1307, 450.1317, 450.1331, 450.1332, 450.1404, 450.1405, 450.1407, 450.1415, 450.1422, 450.1423, 450.1441, 450.1444, 450.1455, 450.1461, 450.1463, 450.1472, 450.1473, 450.1485, 450.1487, 450.1505, 450.1506, 450.1511, 450.1521, 450.1523, 450.1525, 450.1528, 450.1548, 450.1551, 450.1552, 450.1562, 450.1563, 450.1565, 450.1567, 450.1571, 450.1601, 450.1602, 450.1621, 450.1701, 450.1706, 450.1707, 450.1711, 450.1712, 450.1713, 450.1741, 450.1753, 450.1761, 450.1762, 450.1763, 450.1764, 450.1765, 450.1766, 450.1767, 450.1768, 450.1769, 450.1770, 450.1771, 450.1799, 450.1801, 450.1804, 450.1805, 450.1815, 450.1817, 450.1821, 450.1823, 450.1831, 450.1851, 450.1911, 450.1913, 450.1915, 450.1923, 450.1925, 450.1932, 450.2014, 450.2021, 450.2023, 450.2032, 450.2035, 450.2041, 450.2042, 450.2060, 450.2062, and 450.2064 of the Michigan Compiled Laws; to add sections 144, 301a, 304a, 314, 336, 341a, 342a, 343, 344, 345, 392, 412, 432, 447a, 489, 491a, 492a, 493a, 494, 495, 496, 497, 514, 515a, 541a, 545a, 564a, 564b, 564c, 702, 703a, 724, 735, 736, 737, 754, 772, 773, 773a,

774, 841a, 842a, and 855a; and to repeal certain parts of the act.

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

1       Section 1. Sections 103, 104, 106, 107, 108, 109, 121, 122,  
2 123, 131, 132, 133, 141, 202, 209, 211, 212, 217, 221, 231, 241,  
3 242, 243, 246, 251, 261, 275, 301, 302, 303, 304, 305, 306, 307,  
4 317, 331, 332, 404, 405, 407, 415, 422, 423, 441, 444, 455, 461,  
5 463, 472, 473, 485, 487, 505, 506, 511, 521, 523, 525, 528, 548,  
6 551, 552, 562, 563, 565, 567, 571, 601, 602, 621, 701, 706, 707,  
7 711, 712, 713, 741, 753, 761, 762, 763, 764, 765, 766, 767, 768,  
8 769, 770, 771, 799, 801, 804, 805, 815, 817, 821, 823, 831, 851,  
9 911, 913, 915, 923, 925, 932, 1014, 1021, 1023, 1032, 1035, 1041,  
10 1042, 1060, 1062, and 1064 of Act No. 284 of the Public Acts of  
11 1972, sections 123, 132, 212, 707, 711, 911, 923, 1021, 1023,  
12 1060, and 1062 as amended and sections 571 and 706 as added by  
13 Act No. 407 of the Public Acts of 1982, sections 209, 562, 563,  
14 and 565 as amended by Act No. 1 of the Public Acts of 1987, sec-  
15 tions 441, 761, and 762 as amended and section 799 as added by  
16 Act No. 58 of the Public Acts of 1988, and sections 767 and 768  
17 as amended by Act No. 76 of the Public Acts of 1985, being sec-  
18 tions 450.1103, 450.1104, 450.1106, 450.1107, 450.1108, 450.1109,  
19 450.1121, 450.1122, 450.1123, 450.1131, 450.1132, 450.1133,  
20 450.1141, 450.1202, 450.1209, 450.1211, 450.1212, 450.1217,  
21 450.1221, 450.1231, 450.1241, 450.1242, 450.1243, 450.1246,  
22 450.1251, 450.1261, 450.1275, 450.1301, 450.1302, 450.1303,  
23 450.1304, 450.1305, 450.1306, 450.1307, 450.1317, 450.1331,  
24 450.1332, 450.1404, 450.1405, 450.1407, 450.1415, 450.1422,

1 450.1423, 450.1441, 450.1444, 450.1455, 450.1461, 450.1463,  
 2 450.1472, 450.1473, 450.1485, 450.1487, 450.1505, 450.1506,  
 3 450.1511, 450.1521, 450.1523, 450.1525, 450.1528, 450.1548,  
 4 450.1551, 450.1552, 450.1562, 450.1563, 450.1565, 450.1567,  
 5 450.1571, 450.1601, 450.1602, 450.1621, 450.1701, 450.1706,  
 6 450.1707, 450.1711, 450.1712, 450.1713, 450.1741, 450.1753,  
 7 450.1761, 450.1762, 450.1763, 450.1764, 450.1765, 450.1766,  
 8 450.1767, 450.1768, 450.1769, 450.1770, 450.1771, 450.1799,  
 9 450.1801, 450.1804, 450.1805, 450.1815, 450.1817, 450.1821,  
 10 450.1823, 450.1831, 450.1851, 450.1911, 450.1913, 450.1915,  
 11 450.1923, 450.1925, 450.1932, 450.2014, 450.2021, 450.2023,  
 12 450.2032, 450.2035, 450.2041, 450.2042, 450.2060, 450.2062, and  
 13 450.2064 of the Michigan Compiled Laws, are amended and sections  
 14 144, 301a, 304a, 314, 336, 341a, 342a, 343, 344, 345, 392, 412,  
 15 432, 447a, 489, 491a, 492a, 493a, 494, 495, 496, 497, 514, 515a,  
 16 541a, 545a, 564a, 564b, 564c, 702, 703a, 724, 735, 736, 737, 754,  
 17 772, 773, 773a, 774, 841a, 842a, and 855a are added to read as  
 18 follows:

19       Sec. 103. This act shall be liberally construed and applied  
 20 to promote its underlying purposes and policies which include ALL  
 21 OF THE FOLLOWING:

22       (a) To simplify, clarify, and modernize the law governing  
 23 business corporations.

24       (b) To provide a general corporate form for the conduct OR  
 25 PROMOTION of A lawful business OR PURPOSE with ~~such~~ variations  
 26 and modifications from the form as interested parties in any

1 corporation may agree upon, subject only to overriding interests  
2 of this state and of third parties.

3 (c) To give special recognition to the legitimate needs of  
4 close corporations.

5 Sec. 104. The definitions contained in sections 105 through  
6 ~~110~~ 109 shall control ~~only in~~ the interpretation of this act,  
7 unless the context otherwise requires.

8 Sec. 106. ~~(1) "Capital surplus" means the entire surplus~~  
9 ~~of a corporation other than its earned surplus.~~

10 (1) ~~(2)~~ "Corporation" or "domestic corporation" means a  
11 corporation ~~for profit organized~~ FORMED under this act, or  
12 existing on ~~its effective date~~ JANUARY 1, 1973 and  
13 ~~theretofore~~ formed under any other statute of this state for a  
14 purpose for which a corporation may be ~~organized~~ FORMED under  
15 this act.

16 (2) ~~(3)~~ "Director" means a member of the board of a  
17 corporation. ~~, and shall be construed to be synonymous with~~  
18 ~~"trustee" of a nonprofit corporation.~~

19 (3) "DISTRIBUTION" MEANS A DIRECT OR INDIRECT TRANSFER OF  
20 MONEY OR OTHER PROPERTY, EXCEPT THE CORPORATION'S SHARES OR THE  
21 INCURRENCE OF INDEBTEDNESS BY THE CORPORATION TO OR FOR THE BENE-  
22 FIT OF ITS SHAREHOLDERS IN RESPECT TO THE CORPORATION'S SHARES.  
23 A DISTRIBUTION MAY BE IN THE FORM OF A DIVIDEND, A PURCHASE,  
24 REDEMPTION OR OTHER ACQUISITION OF SHARES, A DISTRIBUTION OF  
25 INDEBTEDNESS, OR ANY OTHER DECLARATION OR PAYMENT TO OR FOR THE  
26 BENEFIT OF THE SHAREHOLDERS.

1       Sec. 107. ~~(1) "Earned surplus" means the portion of the~~  
 2 ~~surplus of a corporation that represents the accumulated net~~  
 3 ~~earnings, gains and profits, after deduction of all losses, that~~  
 4 ~~has not been distributed to shareholders as dividends or trans-~~  
 5 ~~ferred to stated capital or capital surplus, or applied to other~~  
 6 ~~purposes permitted by law, as determined in accordance with sec-~~  
 7 ~~tion 381.~~

8       (1) ~~(2)~~ "Foreign corporation" means a corporation for  
 9 profit ~~organized~~ FORMED under laws other than the laws of this  
 10 state, which includes in its purposes a purpose for which a cor-  
 11 poration may be ~~organized~~ FORMED under this act.

12       ~~(3) "Insolvent" means being unable to pay debts as they~~  
 13 ~~become due in the usual course of a debtor's business.~~

14       (2) "FOREIGN NONPROFIT CORPORATION" MEANS A CORPORATION  
 15 ORGANIZED UNDER LAWS OTHER THAN THE LAWS OF THIS STATE, WHICH  
 16 INCLUDES IN ITS PURPOSES A PURPOSE FOR WHICH A CORPORATION MAY BE  
 17 ORGANIZED UNDER THE NONPROFIT CORPORATION ACT, ACT NO. 162 OF THE  
 18 PUBLIC ACTS OF 1982, BEING SECTIONS 450.2101 TO 450.3192 OF THE  
 19 MICHIGAN COMPILED LAWS.

20       (3) "INDEPENDENT DIRECTOR" MEANS A DIRECTOR WHO MEETS ALL OF  
 21 THE FOLLOWING REQUIREMENTS:

22       (A) IS ELECTED BY THE SHAREHOLDERS.

23       (B) IS DESIGNATED AS AN INDEPENDENT DIRECTOR BY THE BOARD OR  
 24 THE SHAREHOLDERS.

25       (C) HAS AT LEAST 10 YEARS' EXPERIENCE AS A SENIOR EXECUTIVE  
 26 OR DIRECTOR OF, OR ATTORNEY FOR, A CORPORATION WITH SECURITIES  
 27 REGISTERED UNDER SECTION 12 OF TITLE I OF THE SECURITIES EXCHANGE

1 ACT OF 1934, CHAPTER 404, 48 STAT. 881, 15 U.S.C. 78L, OR HAS  
2 EQUIVALENT BUSINESS OR FINANCIAL EXPERIENCE.

3 (D) IS NOT AT THE TIME OF DESIGNATION AND HAS NOT BEEN  
4 DURING THE 3 YEARS PRIOR TO BEING DESIGNATED AS AN INDEPENDENT  
5 DIRECTOR ANY OF THE FOLLOWING:

6 (i) AN OFFICER OR EMPLOYEE OF THE CORPORATION OR ANY AFFILI-  
7 ATE OF THE CORPORATION.

8 (ii) ENGAGED IN ANY BUSINESS TRANSACTION FOR PROFIT OR  
9 SERIES OF TRANSACTIONS FOR PROFIT, INCLUDING BANKING, LEGAL, OR  
10 CONSULTING SERVICES, INVOLVING MORE THAN \$10,000.00 WITH THE COR-  
11 PORATION OR ANY AFFILIATE OF THE CORPORATION.

12 (iii) AN AFFILIATE, EXECUTIVE OFFICER, GENERAL PARTNER, OR  
13 MEMBER OF THE IMMEDIATE FAMILY OF ANY PERSON THAT HAD THE STATUS  
14 OR ENGAGED IN A TRANSACTION DESCRIBED IN SUBPARAGRAPH (i) OR  
15 (ii).

16 (E) DOES NOT PROPOSE TO ENTER INTO A RELATIONSHIP OR TRANS-  
17 ACTION DESCRIBED IN SUBDIVISION (D)(i) THROUGH (iii).

18 (F) HAS NOT SERVED AS A DIRECTOR FOR MORE THAN 3 YEARS.

19 Sec. 108. (1) ~~"Net assets" means the amount by which the~~  
20 ~~total assets of a corporation, defined in section 110, exceeds~~  
21 ~~its total liabilities as determined in accordance with generally~~  
22 ~~accepted accounting principles. Stated capital and surplus are~~  
23 ~~not liabilities.~~ "NONPROFIT CORPORATION" OR "DOMESTIC NONPROFIT  
24 CORPORATION" MEANS A NONPROFIT CORPORATION SUBJECT TO THE NON-  
25 PROFIT CORPORATION ACT, ACT NO. 162 OF THE PUBLIC ACTS OF 1982,  
26 BEING SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN COMPILED  
27 LAWS.

1 (2) "Person" means an individual, a partnership, a domestic  
2 or foreign corporation, or any other association, corporation,  
3 trust, or legal entity.

4 Sec. 109. ~~(1) "Shareholder" shall be construed to be syn-~~  
5 ~~onymous with "member" in nonstock corporations.~~

6 ~~(2) "Shares" means the units into which proprietary inter-~~  
7 ~~ests in a corporation are divided. , and shall be construed to~~  
8 ~~be synonymous with membership in nonstock corporations.~~

9 ~~(3) "Stated capital" means the sum of (a) the par value of~~  
10 ~~all shares with par value that have been issued, (b) the amount~~  
11 ~~of consideration received for all shares without par value that~~  
12 ~~have been issued, except such part of the consideration therefor~~  
13 ~~as has been allocated to surplus in a manner permitted by law,~~  
14 ~~and (c) such amounts not included in classes (a) and (b) as have~~  
15 ~~been transferred to stated capital, whether upon the issuance of~~  
16 ~~shares or otherwise, less reductions from such sum as have been~~  
17 ~~effected in a manner permitted by law.~~

18 ~~(4) "Surplus" means the excess of the net assets of a corpo-~~  
19 ~~ration over its stated capital.~~

20 Sec. 121. This act applies to every domestic ~~business~~  
21 corporation and to every foreign ~~business~~ corporation which is  
22 authorized TO or ~~transacts~~ DOES TRANSACT business in this state  
23 except as otherwise provided in this act or by other law. This  
24 act also applies to any other ~~domestic~~ corporation ~~or foreign~~  
25 ~~corporation of any type or kind~~ NOT FORMED UNDER THIS ACT to the  
26 extent, if any, provided under this act or any law governing  
27 ~~such~~ THE corporation.



1       Sec. 122. (1) A reference in any statute of this state to  
 2 parts of any act which are repealed by this act is ~~deemed~~  
 3 CONSIDERED to be a reference to this act, unless the context  
 4 requires otherwise.

5       (2) The following statutes do not apply to a corporation, as  
 6 defined in section 106: ~~, or to any kind of nonprofit corpora-~~  
 7 ~~tion subject to Act No. 327 of the Public Acts of 1931, as~~  
 8 ~~amended, being sections 450.1 to 450.192 of the Compiled Laws of~~  
 9 ~~1948.~~

10       (a) Chapter 55 of the Revised Statutes of 1846, entitled  
 11 "general provisions relating to corporations", as amended, being  
 12 sections 450.504 to 450.525 of the MICHIGAN Compiled Laws. ~~of~~  
 13 ~~1948.~~

14       ~~(b) Act No. 112 of the Public Acts of 1889, being sections~~  
 15 ~~450.631 and 450.632 of the Compiled Laws of 1948.~~

16       (B) ~~(c)~~ Act No. 156 of the Public Acts of 1955, being sec-  
 17 tions 450.701 to 450.704 of the MICHIGAN Compiled Laws. ~~of~~  
 18 ~~1948.~~

19       (3) THE UNIFORM FRAUDULENT CONVEYANCE ACT, ACT NO. 310 OF  
 20 THE PUBLIC ACTS OF 1919, BEING SECTIONS 566.11 TO 566.23 OF THE  
 21 MICHIGAN COMPILED LAWS, SHALL NOT APPLY TO DISTRIBUTIONS GOVERNED  
 22 BY THIS ACT.

23       Sec. 123. (1) Unless otherwise provided in, or inconsistent  
 24 with, the act under which a DOMESTIC OR FOREIGN corporation is or  
 25 has been formed, this act applies to deposit and security com-  
 26 panies, summer resort associations, brine pipeline companies,  
 27 telegraph companies, telephone companies, safety and collateral

1 deposit companies, canal, river, and harbor improvement  
2 companies, cemetery, burial, and cremation associations, and  
3 agricultural and horticultural fair societies. ~~However, the~~  
4 THE entities specified in this subsection shall not be incorpo-  
5 rated under this act.

6 (2) This act does not apply to insurance, surety, savings  
7 and loan associations, fraternal benefit societies, railroad,  
8 bridge, and tunnel companies, union depot companies, and banking  
9 corporations.

10 Sec. 131. (1) A document required or permitted to be filed  
11 under this act shall be filed by delivering the document to the  
12 administrator together with the fees and accompanying documents  
13 required by law. If the document substantially conforms to the  
14 requirements of this act, the administrator shall indorse upon it  
15 the word "filed" with his OR HER official title and the ~~dates~~  
16 DATE of receipt and of filing, ~~thereof,~~ and shall file and  
17 index the document, or a microfilm, or other reproduced copy  
18 ~~thereof~~ in his OR HER office. If so requested at the time of  
19 the delivery of the document to his OR HER office, the adminis-  
20 trator shall include the hour of filing in his OR HER  
21 indorsement. ~~thereon.~~ The administrator shall prepare and  
22 return a true copy of the document other than an annual report,  
23 or at his OR HER discretion the original, ~~thereof,~~ to the  
24 person who submitted it for filing showing the filing date.  
25 ~~thereof.~~ The records and files of the administrator relating to  
26 DOMESTIC AND FOREIGN corporations shall be open to reasonable  
27 inspection by the public. The records or files may, at the

1 discretion of the administrator, be maintained either in their  
2 original form, or in microfilm, or other reproduced form. The  
3 administrator may make copies of all documents filed under this  
4 act, or any predecessor act, by microfilm or other process, and  
5 may destroy the originals of the documents so copied.

6 (2) The document is effective at the time it is indorsed  
7 unless a subsequent effective time is set forth in the document  
8 which shall not be later than 90 days after the date of  
9 delivery.

10 Sec. 132. (1) A document filed with the administrator shall  
11 be in the English language, except that the corporate name need  
12 not be in the English language if written in English letters or  
13 Arabic or Roman numerals. ~~and the articles of incorporation~~  
14 ~~of a foreign corporation need not be in the English language.~~

15 (2) A document required or permitted to be filed under this  
16 act which is also required by this act to be executed on behalf  
17 of the DOMESTIC OR FOREIGN corporation ~~and~~ shall be signed in ink  
18 by the ~~chairman or vice chairman~~ CHAIRPERSON OR  
19 VICE-CHAIRPERSON of the board, OR IF THE BOARD HAS NOT YET MET,  
20 BY THE INCORPORATOR OR THE MAJORITY OF INCORPORATORS IF THERE ARE  
21 MORE THAN 1, or BY the president or a ~~vicepresident~~  
22 VICE-PRESIDENT. If the DOMESTIC OR FOREIGN corporation is in the  
23 hands of a receiver, trustee, or other court appointed officer,  
24 the document shall be signed in ink by the fiduciary or the  
25 majority of ~~them~~ THE FIDUCIARIES, if there ~~is~~ ARE more than  
26 1. The name of a person signing the document and the capacity in  
27 which he or she signs ~~and~~ shall be stated beneath or opposite his

1 or her signature. The document may, but need not, contain ANY OF  
2 THE FOLLOWING:

3 (a) The corporate seal.

4 (b) An attestation by the secretary or an assistant secre-  
5 tary of the corporation.

6 (c) An acknowledgment or proof.

7 Sec. 133. If a document relating to a domestic or foreign  
8 corporation filed with the administrator under this act ~~is~~ WAS  
9 AT THE TIME OF FILING an inaccurate record of the corporation  
10 action referred to in the document, or was defectively or errone-  
11 ously executed, the document may be corrected by filing with the  
12 administrator a certificate of correction on behalf of the  
13 corporation. A certificate, entitled "certificate of correction  
14 of ... (correct title of document and name of corporation)"  
15 shall be signed as provided in this act with respect to the docu-  
16 ment being corrected and filed with the administrator. The cer-  
17 tificate shall set forth the name of the corporation, the date  
18 the document to be corrected was filed by the administrator, the  
19 provision in the document as ~~corrected or eliminated~~ IT SHOULD  
20 HAVE ORIGINALLY APPEARED, and if the execution was defective, the  
21 proper execution. The corrected document is effective in its  
22 corrected form as of its original filing date except as to a  
23 person who relied upon the inaccurate portion of the document and  
24 was, as a result of the inaccurate portion of the document,  
25 adversely affected by the correction.

26 Sec. 141. When, under this act or the articles of  
27 incorporation or bylaws of a corporation or by the terms of an

1 agreement or instrument, a corporation or the board or any  
2 committee ~~thereof~~ OF THE BOARD may take action after notice to  
3 any person or after lapse of a prescribed period of time, the  
4 action may be taken without notice and without lapse of the  
5 period of time, if at any time before or after the action is com-  
6 pleted the person entitled to notice or to participate in the  
7 action to be taken or, in case of a shareholder, ~~by~~ his OR HER  
8 attorney-in-fact, submits a signed waiver of ~~such~~ THE  
9 requirements.

10 SEC. 144. THE ADMINISTRATOR MAY REQUIRE AND PROVIDE FEDERAL  
11 IDENTIFICATION NUMBERS FOR ALL ENTITIES INCORPORATED UNDER THIS  
12 ACT.

13 Sec. 202. The articles of incorporation shall contain ALL  
14 OF THE FOLLOWING:

15 (a) The name of the corporation.

16 (b) The purposes for which the corporation is ~~organized~~  
17 FORMED. It is a sufficient compliance with this subdivision to  
18 state substantially, alone or with specifically enumerated pur-  
19 poses, that the corporation may engage in any activity within the  
20 purposes for which corporations may be ~~organized~~ FORMED under  
21 the business corporation act, and all ~~such~~ activities shall by  
22 ~~such~~ THE statement be ~~deemed~~ CONSIDERED within the purposes  
23 of the corporation, subject to expressed limitations. ~~if~~  
24 ~~any: Provided, however, That any~~ ANY corporation which proposes  
25 to conduct educational purposes shall state ~~such~~ THE purposes  
26 and shall comply with all requirements of SECTIONS 170 TO 177 OF

1 ACT NO. 327 OF THE PUBLIC ACTS OF 1931, BEING sections 450.170 to  
2 450.177 of the MICHIGAN Compiled Laws. ~~of 1948.~~

3 (c) The aggregate number of shares which the corporation has  
4 authority to issue. ~~, the number and par value of any shares~~  
5 ~~having a par value, and the number of any shares without par~~  
6 ~~value together with a statement that such shares are without par~~  
7 ~~value.~~

8 (d) If the shares are, or are to be, divided into classes,  
9 or into classes and series, the designation of each class and  
10 series, the number of shares in each class and series, and a  
11 statement of the relative rights, preferences and limitations of  
12 the shares of each class and series, to the extent that the des-  
13 ignations, numbers, relative rights, preferences, and limitations  
14 have been determined.

15 (e) If any class of shares is to be divided into series, a  
16 statement of any authority vested in the board to divide the  
17 class of shares into series, and to determine or change for any  
18 series its designation, number of shares, relative rights, pref-  
19 erences and limitations.

20 (f) The street address, and the mailing address if different  
21 from the street address, of the corporation's initial registered  
22 office and the name of the corporation's initial resident agent  
23 at that address.

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

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

1       Sec. 209. The articles of incorporation may contain any  
2 provision not inconsistent with any of the following:

3       (a) A provision of this act or another statute of this  
4 state, for management of the business and conduct of the affairs  
5 of the corporation, or creating, defining, limiting, or regulat-  
6 ing the powers of the corporation, its directors and sharehold-  
7 ers, or a class of shareholders.

8       (b) A provision that under this act is required or permitted  
9 to be set forth in the bylaws.

10       (c) A provision providing that a director is not personally  
11 liable to the corporation or its shareholders for monetary dam-  
12 ages for a breach of the director's fiduciary duty. ~~However,~~  
13 ~~the~~ THE provision ~~does~~ SHALL not eliminate or limit the  
14 liability of a director for any of the following:

15       (i) A breach of the director's duty of loyalty to the corpo-  
16 ration or its shareholders.

17       (ii) Acts or omissions not in good faith or that involve  
18 intentional misconduct or knowing violation of law.

19       (iii) A violation of section 551(1).

20       (iv) A transaction from which the director derived an  
21 improper personal benefit.

22       (v) An act or omission occurring ~~before March 1, 1987~~  
23 PRIOR TO THE DATE WHEN THE PROVISION BECOMES EFFECTIVE.

24       Sec. 211. The corporate name of a domestic corporation  
25 shall contain the word "corporation", "company", "incorporated",  
26 or "limited" or shall contain ~~one~~ 1 of the following

1 abbreviations, corp., co., inc., or ltd. ~~This section shall not~~  
2 ~~be applicable to non profit corporations.~~

3 Sec. 212. (1) The corporate name of a corporation formed or  
4 existing under or subject to this act SHALL COMPLY WITH ALL OF  
5 THE FOLLOWING:

6 (a) Shall not contain a word or phrase, or abbreviation or  
7 derivative of a word or phrase, which indicates or implies that  
8 the corporation is ~~organized~~ FORMED for a purpose other than  
9 or more of the purposes permitted by its articles of  
10 incorporation.

11 (b) Shall be such as to distinguish the corporate name upon  
12 the records in the office of the administrator from ALL OF THE  
13 FOLLOWING:

14 (i) ~~the~~ THE corporate name of any other domestic corpora-  
15 tion or foreign corporation authorized to transact business in  
16 this state. —

17 (ii) ~~the~~ THE corporate name of any corporation subject to  
18 THE NONPROFIT CORPORATION ACT, Act No. 162 of the Public Acts of  
19 1982, being sections 450.2101 to ~~450.3099~~ 450.3192 of the  
20 Michigan Compiled Laws, or any corporation authorized to conduct  
21 affairs in this state under that act. —

22 (iii) ~~a~~ A corporate name currently reserved, registered,  
23 or assumed under this act or Act No. 162 of the Public Acts of  
24 1982. —, or —

25 (iv) ~~the~~ THE name of any domestic limited partnership or  
26 foreign limited partnership as filed or registered under THE  
27 MICHIGAN REVISED UNIFORM LIMITED PARTNERSHIP ACT, Act No. 213 of



1 the Public Acts of 1982, being sections 449.1101 to 449.2108 of  
2 the Michigan Compiled Laws, or any name currently reserved or  
3 assumed under that act.

4 (c) Shall not contain a word or phrase, ~~or~~ an abbrevia-  
5 tion, or derivative of a word or phrase, the use of which is pro-  
6 hibited or restricted by any other statute of this state, unless  
7 in compliance with that restriction.

8 (2) If a foreign corporation is unable to obtain a certifi-  
9 cate of authority to transact business in this state because its  
10 corporate name does not comply with the provisions of subsection  
11 (1), the foreign corporation may apply for authority to transact  
12 business in this state by adding to its corporate name in the  
13 application a word, abbreviation, or other distinctive and dis-  
14 tinguishing element, or alternatively, adopting for use in this  
15 state an assumed name otherwise available for use. If in the  
16 judgment of the administrator that name would comply with the  
17 provisions of subsection (1), that subsection shall not be a bar  
18 to the issuance to the foreign corporation of a certificate of  
19 authority to transact business in this state. The certificate  
20 issued to the foreign corporation shall be issued in the name  
21 applied for and the foreign corporation shall use that name in  
22 all its dealings with the administrator and in the ~~conduct of~~  
23 ~~its affairs~~ TRANSACTION OF BUSINESS in this state.

24 Sec. 217. (1) A domestic or foreign corporation may trans-  
25 act its business under any assumed name or names other than its  
26 corporate name if not precluded from use by section 212, ~~and the~~  
27 ~~same name may be assumed by 2 or more corporations in the case of~~

1 ~~corporations participating together in any partnership or joint~~  
2 ~~venture~~ by filing a certificate stating the true name of the  
3 corporation and the assumed name under which the business is to  
4 be transacted. ~~Such~~ THE certificate shall be effective, unless  
5 sooner terminated by the filing of a certificate of termination  
6 or by the dissolution or withdrawal of the corporation, for a  
7 period expiring on December 31 of the fifth full calendar year  
8 following the year in which it was filed. It may be extended for  
9 additional consecutive periods of 5 full calendar years each by  
10 ~~the filing of~~ similar certificates not earlier than 90 days  
11 preceding the expiration of any ~~such~~ period. The administrator  
12 shall notify the corporation of the impending expiration of the  
13 certificate of assumed name ~~no~~ NOT later than 90 days before  
14 THE EXPIRATION OF the initial or subsequent 5-year period. ~~will~~  
15 ~~expire.~~ This section does not create substantive rights to the  
16 use of a particular assumed name.

17 (2) THE SAME NAME MAY BE ASSUMED BY 2 OR MORE CORPORATIONS,  
18 OR BY 1 OR MORE CORPORATIONS AND 1 OR MORE LIMITED PARTNERSHIPS  
19 OR OTHER ENTERPRISES, IN THE CASE OF CORPORATIONS AND OTHER  
20 ENTERPRISES PARTICIPATING TOGETHER IN A PARTNERSHIP OR JOINT  
21 VENTURE. EACH PARTICIPANT CORPORATION SHALL FILE A CERTIFICATE  
22 UNDER THIS SECTION.

23 Sec. 221. The corporate existence shall begin on the effec-  
24 tive date of the articles of incorporation as provided in section  
25 131. Filing is conclusive evidence that all conditions precedent  
26 required to be performed under this act have been fulfilled and  
27 that the corporation has been ~~organized~~ FORMED under this act,

1 except in an action or special proceeding by the attorney  
2 general.

3       Sec. 231. The initial bylaws of a corporation shall be  
4 adopted by its incorporators, its shareholders, or its board.  
5 The shareholders or the board may amend or repeal the bylaws or  
6 adopt new bylaws unless ~~power to do so is reserved exclusively~~  
7 ~~to the shareholders by the articles of incorporation. The share-~~  
8 ~~holders may prescribe in the bylaws that any bylaw made by them~~  
9 ~~shall not be altered or repealed by the board~~ THE ARTICLES OF  
10 INCORPORATION OR BYLAWS PROVIDE THAT THE POWER TO ADOPT NEW  
11 BYLAWS IS RESERVED EXCLUSIVELY TO THE SHAREHOLDERS OR THAT THE  
12 BYLAWS OR ANY PARTICULAR BYLAW SHALL NOT BE ALTERED OR REPEALED  
13 BY THE BOARD. The bylaws may contain any provision for the regu-  
14 lation and management of the affairs of the corporation not  
15 inconsistent with law or the articles of incorporation.

16       Sec. 241. Each domestic ~~corporation~~ and ~~each~~ foreign  
17 corporation authorized to transact business in this state shall  
18 have and continuously maintain in this state BOTH OF THE  
19 FOLLOWING:

20       (a) A registered office which may be the same as its place  
21 of business.

22       (b) A resident agent, which agent may be either an individ-  
23 ual resident in this state whose business office OR RESIDENCE is  
24 identical with ~~such~~ THE registered office, a domestic corpora-  
25 tion, or a foreign corporation authorized to transact business in  
26 this state and having a business office identical with ~~such~~ THE  
27 registered office.

1       Sec. 242. (1) A domestic ~~corporation~~ or ~~a~~ foreign  
2 corporation authorized to transact business in this state ~~,~~ may  
3 change its registered office or change its resident agent, or  
4 both, upon filing a statement. ~~, which~~ THE STATEMENT may be  
5 executed by any of the individuals set forth in section 132 or by  
6 the secretary or assistant secretary of the corporation.  
7 ~~, setting forth~~ THE STATEMENT SHALL PROVIDE ALL OF THE FOLLOW-  
8 ING INFORMATION:

9       (a) The CORPORATE name. ~~of the corporation.~~

10       (b) The street address of ~~its~~ THE CORPORATION'S then reg-  
11 istered office, and its mailing address if different from its  
12 street address.

13       (c) If the address of ~~its~~ THE CORPORATION'S registered  
14 office is changed, the street address and the mailing address, if  
15 different from the street address, to which the registered office  
16 is to be changed.

17       (d) The name of ~~its~~ THE CORPORATION'S then resident  
18 agent.

19       (e) If ~~its~~ THE CORPORATION'S resident agent is changed,  
20 the name of its successor resident agent.

21       (f) That the address of ~~its~~ THE CORPORATION'S registered  
22 office and the address ~~of the business office~~ of its resident  
23 agent, as changed, will be identical.

24       (g) That the change was authorized by resolution duly  
25 adopted by ~~its~~ THE CORPORATION'S board.

26       (2) IF A RESIDENT AGENT CHANGES HIS OR HER BUSINESS ADDRESS  
27 TO ANOTHER PLACE WITHIN THIS STATE, THE RESIDENT AGENT MAY CHANGE

1 THE ADDRESS OF THE REGISTERED OFFICE OF ANY DOMESTIC OR FOREIGN  
2 CORPORATION OF WHICH HE OR SHE IS A RESIDENT AGENT BY FILING A  
3 STATEMENT AS REQUIRED IN SUBSECTION (1), EXCEPT, THE STATEMENT  
4 NEED ONLY BE SIGNED BY THE RESIDENT AGENT, NEED NOT BE RESPONSIVE  
5 TO SUBSECTION (1)(E) OR (G), AND SHALL RECITE THAT A COPY OF THE  
6 STATEMENT HAS BEEN MAILED TO THE CORPORATION.

7       Sec. 243. A resident agent of a domestic or foreign corpo-  
8 ration may resign by filing a written notice ~~thereof,~~ OF  
9 RESIGNATION with the president or a ~~vice president~~ VICE  
10 PRESIDENT of the corporation and with the administrator. The  
11 corporation shall promptly appoint a successor resident agent.  
12 The appointment of the resigning agent terminates upon appoint-  
13 ment of a successor or upon expiration of 30 days after receipt  
14 of the notice by the administrator, whichever first occurs. UPON  
15 THE RESIGNATION BECOMING EFFECTIVE, THE BUSINESS ADDRESS OF THE  
16 RESIGNED AGENT SHALL NO LONGER BE THE REGISTERED OFFICE OF THE  
17 CORPORATION.

18       Sec. 246. (1) The resident agent ~~so~~ appointed by a corpo-  
19 ration is an agent of the corporation upon whom any process,  
20 notice, or demand required or permitted by law to be served upon  
21 the corporation may be served.

22       (2) A person, whether a resident or nonresident of this  
23 state, ~~by acceptance of~~ WHO ACCEPTS election, appointment, or  
24 employment as a director or officer of a corporation organized  
25 under this act or in existence on the effective date of this act,  
26 by ~~such~~ THE acceptance, is held to have appointed the resident  
27 agent of the corporation as his OR HER agent upon whom process

1 may be served while the person is a director or officer, in any  
 2 action commenced in a court of general jurisdiction in this  
 3 state, arising out of or founded upon any action of ~~such a~~ THE  
 4 domestic corporation or of ~~such~~ A person as a director or offi-  
 5 cer of the domestic corporation. Upon accepting service of  
 6 ~~such~~ process, the resident agent shall promptly forward it to  
 7 the director or officer at his OR HER last known address.

8       Sec. 251. (1) A corporation may be formed under this act  
 9 for any lawful business purpose, except to engage in a business  
 10 for which a corporation may be formed under any other statute of  
 11 this state unless that statute permits formation under this act.

12       (2) In time of war or other national emergency, a corpora-  
 13 tion may ~~do~~ TAKE any lawful ~~business in aid thereof~~ ACTION TO  
 14 PROVIDE AID, notwithstanding the purposes set forth in its arti-  
 15 cles of incorporation, at the request or direction of a competent  
 16 governmental authority.

17       Sec. 261. A DOMESTIC OR FOREIGN corporation, subject to any  
 18 limitation provided in this act, in any other statute of this  
 19 state, or in its articles of incorporation, shall have power in  
 20 furtherance of its corporate purposes to DO ALL OF THE FOLLOWING:

21       (a) Have perpetual duration.

22       (b) Sue and be sued in all courts and participate in actions  
 23 and proceedings, judicial, administrative, arbitratve, or other-  
 24 wise, in ~~like cases~~ THE SAME MANNER as natural persons.

25       (c) Have a corporate seal, and alter the seal, and use it by  
 26 causing it or a facsimile to be affixed, impressed, or reproduced  
 27 in any other manner.

1 (d) Adopt, amend, or repeal bylaws, including emergency  
2 bylaws, relating to the business of the corporation, the conduct  
3 of its affairs, its rights and powers and the rights and powers  
4 of its shareholders, directors, or officers.

5 (e) Elect or appoint officers, employees, and other agents  
6 of the corporation, prescribe their duties, fix their compensa-  
7 tion and the compensation of directors, and indemnify corporate  
8 directors, officers, employees, and agents.

9 (f) Purchase, receive, take by grant, gift, devise, bequest  
10 or otherwise, lease, or otherwise acquire, own, hold, improve,  
11 employ, use and otherwise deal in and with, real or personal  
12 property, or an interest ~~therein~~ IN REAL OR PERSONAL PROPERTY,  
13 wherever situated.

14 (g) Sell, convey, lease, exchange, transfer, or otherwise  
15 dispose of, or mortgage or pledge, or create a security interest  
16 in ~~any~~ any of its property ~~or~~ or an interest ~~therein~~ IN ITS  
17 PROPERTY, wherever situated.

18 (h) Purchase, take, receive, subscribe for, or otherwise  
19 acquire, own, hold, vote, employ, sell, lend, lease, exchange,  
20 transfer or otherwise dispose of, mortgage, pledge, use and oth-  
21 erwise deal in and with, bonds and other obligations, shares or  
22 other securities or interests issued by others, whether engaged  
23 in similar or different business, governmental, or other activi-  
24 ties, including banking corporations or trust companies. A cor-  
25 poration organized or transacting business in this state under  
26 this act ~~may~~ SHALL not guarantee or become surety upon a bond

1 or other undertaking securing the deposit of public ~~moneys~~  
2 MONEY.

3 (i) Make contracts, give guarantees and incur liabilities,  
4 borrow money at ~~such~~ rates of interest as the corporation may  
5 determine, issue its notes, bonds, and other obligations, and  
6 secure any of its obligations by mortgage or pledge of any of its  
7 property or an interest ~~therein~~ IN ITS PROPERTY, wherever  
8 situated. THIS POWER SHALL INCLUDE THE POWER TO GIVE GUARANTEES  
9 WHICH ARE NECESSARY OR CONVENIENT TO THE CONDUCT, PROMOTION, OR  
10 ATTAINMENT OF THE BUSINESS OF ANY OF THE FOLLOWING CORPORATIONS,  
11 WHETHER OR NOT SUBJECT TO THIS ACT, WHICH GUARANTEES SHALL BE  
12 CONSIDERED TO BE IN FURTHERANCE OF THE CORPORATE PURPOSES OF THE  
13 CONTRACTING CORPORATION:

14 (i) ALL OF THE OUTSTANDING STOCK OF WHICH IS OWNED, DIRECTLY  
15 OR INDIRECTLY, BY THE CONTRACTING CORPORATION.

16 (ii) A CORPORATION WHICH OWNS, DIRECTLY OR INDIRECTLY, ALL  
17 OF THE OUTSTANDING STOCK OF THE CONTRACTING CORPORATION.

18 (iii) ALL OF THE OUTSTANDING STOCK OF WHICH IS OWNED,  
19 DIRECTLY OR INDIRECTLY, BY A CORPORATION, WHETHER OR NOT SUBJECT  
20 TO THIS ACT, WHICH OWNS, DIRECTLY OR INDIRECTLY, ALL OF THE OUT-  
21 STANDING STOCK OF THE CONTRACTING CORPORATION.

22 (J) MAKE CONTRACTS OF GUARANTY AND SURETYSHIP, WHICH SHALL  
23 BE CONSIDERED TO BE IN FURTHERANCE OF ITS CORPORATE PURPOSES,  
24 SECURING OBLIGATIONS OF ANY OF THE FOLLOWING:

25 (i) A CORPORATION IN WHICH ALL OF THE OUTSTANDING STOCK IS  
26 OWNED, DIRECTLY OR INDIRECTLY, BY THE CONTRACTING CORPORATION.



1       (ii) A CORPORATION WHICH OWNS, DIRECTLY OR INDIRECTLY, ALL  
2 OF THE OUTSTANDING STOCK OF THE CONTRACTING CORPORATION.

3       (iii) A CORPORATION IN WHICH ALL OF THE OUTSTANDING STOCK IS  
4 OWNED, DIRECTLY OR INDIRECTLY, BY A CORPORATION, WHICH ALSO OWNS,  
5 DIRECTLY OR INDIRECTLY, ALL OF THE OUTSTANDING STOCK OF THE CON-  
6 TRACTING CORPORATION.

7       (K) ~~(j)~~ Lend money, invest and reinvest its funds, and  
8 take and hold real and personal property as security for the pay-  
9 ment of funds so loaned or invested.

10      (L) ~~(k)~~ Make donations for ANY OF THE FOLLOWING: THE  
11 public welfare; ~~or for~~ community fund ~~—~~ OR hospital; ~~—~~ OR A  
12 charitable, educational, scientific, civic, or similar ~~purposes,~~  
13 ~~and~~ PURPOSE. A CORPORATION ALSO HAS THE POWER TO PROVIDE AID in  
14 time of war or other national emergency. ~~in aid thereof.~~

15      (M) ~~(l)~~ Pay pensions, establish and carry out pension,  
16 profit sharing, share bonus, share purchase, share option, sav-  
17 ings, thrift and other retirement, incentive and benefit plans,  
18 trusts, and provisions for any of its directors, officers, and  
19 employees.

20      (N) ~~(m)~~ Purchase, receive, take, otherwise acquire, own,  
21 hold, sell, lend, exchange, transfer, otherwise dispose of,  
22 pledge, use and otherwise deal in and with its own shares, bonds,  
23 and other securities.

24      (O) ~~(n)~~ Participate with others in any corporation, part-  
25 nership, limited partnership, joint venture, or other association  
26 of any kind, or in any transaction, undertaking, or agreement  
27 which the participating corporation would have power to conduct

1 by itself, whether or not the participation involves sharing or  
2 delegation of control with or to others.

3 (P) ~~(o)~~ Cease its corporate activities and dissolve.

4 (Q) ~~(p)~~ Transact business, carry on its operations, and  
5 have offices and exercise the powers granted by this act in any  
6 jurisdiction ~~within or without~~ IN OR OUTSIDE the United  
7 States.

8 (R) ~~(q)~~ Have and exercise all powers necessary or conven-  
9 ient to effect any purpose for which the corporation is formed.

10 (S) ~~(r)~~ Participate as a member of any mutual insurance  
11 company for purposes of insuring property or activities relative  
12 to nuclear facilities owned, operated, constructed, or being con-  
13 structed by the corporation.

14 Sec. 275. A domestic or foreign corporation, whether or not  
15 formed at the request of a lender OR IN FURTHERANCE OF A BUSINESS  
16 ENTERPRISE, may by agreement in writing, and not otherwise, agree  
17 to pay a rate of interest in excess of the legal rate and ~~in~~  
18 ~~such case~~ the defense of usury ~~is~~ SHALL BE prohibited.

19 Sec. 301. (1) A corporation may issue the number of shares  
20 authorized in its articles of incorporation. The shares may be  
21 all of 1 class or may be divided into 2 or more classes. Each  
22 class shall consist of shares ~~with par value or shares without~~  
23 ~~par value,~~ having ~~such~~ THE designations and ~~such~~ relative  
24 voting, DISTRIBUTION, dividend, liquidation and other rights,  
25 preferences, and limitations, consistent with this act, as stated  
26 in the articles. ~~of incorporation.~~ The articles may deny,  
27 limit or otherwise prescribe the voting rights and may limit or

1 otherwise prescribe the DISTRIBUTION, dividend, or liquidation  
2 rights of shares of any class.

3 (2) If the shares are divided into 2 or more classes, the  
4 shares of each class shall be designated to distinguish them from  
5 the shares of the other classes.

6 (3) Subject to the designations, relative rights, prefer-  
7 ences and limitations applicable to separate series, each share  
8 shall be equal to every other share of the same class.

9 SEC. 301A. THE BOARD BY RESOLUTION MAY ADOPT AND FILE AN  
10 AMENDMENT OF THE ARTICLES OF INCORPORATION DELETING ANY REFERENCE  
11 TO PAR VALUE.

12 Sec. 302. (1) If PROVIDED FOR IN the articles of incorpora-  
13 tion, ~~so provide, the shares of~~ a class of ~~stock~~ SHARES may  
14 be divided into and issued in series. ~~If the shares of such a~~  
15 ~~class are to be issued in series,~~ THE SHARES OF each series  
16 shall be ~~so~~ designated ~~as~~ to distinguish ~~the shares thereof~~  
17 THEM from the shares of the other series and classes.

18 (2) Any series of any ~~such~~ class and the variations in the  
19 relative rights and preferences as among different series may be  
20 prescribed by the articles. ~~of incorporation.~~

21 (3) If the articles ~~of incorporation~~ authorize the board,  
22 to the extent that the articles have not established series and  
23 prescribed variations in the relative rights and preferences as  
24 among series, the board may divide any class into series, and,  
25 within the limitations set forth in the articles, prescribe the  
26 relative rights and preferences of the shares of any ~~such~~  
27 series.

1 (4) A certificate containing the resolution of the board  
 2 establishing and designating the series and prescribing the rela-  
 3 tive rights and preferences ~~thereof~~ shall be filed, and when  
 4 filed shall constitute an amendment to the articles. ~~of~~  
 5 ~~incorporation.~~

6 Sec. 303. (1) When ~~so provided in~~ the articles of incor-  
 7 poration ~~—, and~~ PROVIDE, subject to restrictions in section 304,  
 8 a corporation may issue shares convertible ~~—~~ at the option of  
 9 the holder or the corporation or upon the happening of a speci-  
 10 fied event, into shares of any class or into shares of any series  
 11 of any class OR INTO BONDS. SHARES MAY BE CONVERTED INTO BONDS  
 12 ONLY IF THE CORPORATION COULD AT THE TIME OF CONVERSION HAVE PUR-  
 13 CHASED, REDEEMED, OR OTHERWISE ACQUIRED THE SHARES BY ISSUING THE  
 14 BONDS UNDER THE RESTRICTIONS OF SECTION 345. Authorized shares,  
 15 issued or unissued, may be made ~~so~~ convertible AS PROVIDED  
 16 ABOVE within ~~such~~ THE period and upon ~~such~~ terms and condi-  
 17 tions as authorized in the articles.

18 (2) Unless otherwise provided in the articles, ~~of~~  
 19 ~~incorporation,~~ and subject to the restrictions of section 304, a  
 20 corporation may issue its bonds convertible at the option of the  
 21 holder into other bonds or into shares of the corporation within  
 22 ~~such~~ THE period and upon ~~such~~ terms and conditions as are  
 23 fixed by the board.

24 (3) If there is shareholder approval for the issue of bonds  
 25 or shares convertible into shares of the corporation, the  
 26 approval may provide that the board is authorized by amendment of  
 27 the articles to increase the authorized shares of any class or

1 series to ~~such~~ THE number as will be sufficient, when added to  
 2 the previously authorized but unissued shares of ~~such~~ THE class  
 3 or series, to satisfy the conversion privileges of any ~~such~~  
 4 bonds or shares convertible into shares of ~~such~~ THE class or  
 5 series.

6       Sec. 304. (1) Bonds or shares convertible into shares of a  
 7 corporation shall not be issued unless ~~either~~ 1 of the follow-  
 8 ing conditions is satisfied:

9       (a) A sufficient number of authorized but unissued shares of  
 10 the appropriate class or series are reserved by the board to be  
 11 issued only in satisfaction of the conversion privileges of  
 12 ~~such~~ THE convertible bonds or shares when issued.

13       (b) The aggregate conversion privileges of ~~such~~ THE con-  
 14 vertible bonds or shares when issued do not exceed the aggregate  
 15 of any shares reserved under subdivision (a) and any additional  
 16 shares which may be authorized by the board under subsection (3)  
 17 of section 303.

18       ~~(2) The consideration for shares issued upon the exercise~~  
 19 ~~of a conversion privilege shall be that provided in section 313.~~

20       (2) ~~(3)~~ Bonds which have been converted shall be  
 21 canceled. Shares which have been converted shall be restored to  
 22 the status of authorized but unissued shares, unless otherwise  
 23 provided in the articles of incorporation.

24       SEC. 304A. THE ARTICLES OF INCORPORATION MAY PROVIDE FOR 1  
 25 OR MORE CLASSES OR SERIES OF SHARES WHICH ARE REDEEMABLE, IN  
 26 WHOLE OR IN PART, AT THE OPTION OF THE SHAREHOLDER, THE  
 27 CORPORATION, OR UPON THE HAPPENING OF A SPECIFIED EVENT. SUBJECT

1 TO RESTRICTIONS IMPOSED BY SECTION 345, THE SHARES MAY BE  
2 REDEEMABLE IN CASH, BONDS, SECURITIES, OR OTHER PROPERTY AT  
3 PRICES, WITHIN THE PERIODS, AND UNDER CONDITIONS AS ARE STATED IN  
4 THE ARTICLES.

5       Sec. 305. (1) A subscription for shares made before or  
6 after organization of a corporation is not enforceable unless in  
7 writing and signed by the subscriber.

8       (2) A subscription for shares of a corporation to be orga-  
9 nized is irrevocable and may be accepted by the corporation for a  
10 period of 6 months, unless otherwise provided by the subscription  
11 agreement or unless all the subscribers consent to its  
12 revocation.

13       (3) A contract with a corporation to purchase its shares to  
14 be issued ~~or its treasury shares~~ is a subscription agreement  
15 and not an executory contract to purchase shares, unless other-  
16 wise provided in the contract.

17       Sec. 306. (1) Unless otherwise provided in the subscription  
18 agreement:

19       (a) A subscription for shares made before or after organi-  
20 zation of a corporation ~~—~~ shall be paid in full at ~~such~~ THE  
21 time, or in ~~such~~ installments and at ~~such~~ THE times, as shall  
22 be determined by the board.

23       (b) A call made by the board for payment on subscriptions  
24 shall be ratable as to all shares of the same class or as to all  
25 shares of the same series.

26       (c) A corporation may retain A SECURITY INTEREST IN any  
27 shares as security for performance by the subscriber of his OR

1 HER obligations under a subscription agreement and subject to the  
2 power of sale or rescission upon default provided in section  
3 307.

4 Sec. 307. (1) In case of default in payment of an install-  
5 ment or call or other amount due under a subscription agreement,  
6 including an amount which may become due as a result of a default  
7 in performance of any provision ~~thereof~~ OF A SUBSCRIPTION  
8 AGREEMENT, the corporation has the following rights and duties:

9 (a) It may collect the amount due in the same manner as any  
10 other debt owing to it. At any time before full satisfaction of  
11 the claim or a judgment, ~~therefor~~, it may proceed as provided  
12 in subdivision (b).

13 (b) It may sell the shares in any reasonable manner. Notice  
14 of the time and place of a public sale or of the time after which  
15 a private sale may be had, together with a statement of the  
16 amount due upon each share, shall be given in writing to the sub-  
17 scriber personally or by registered or certified mail at least 20  
18 days before any ~~such~~ time stated in the notice. Any excess of  
19 net proceeds realized over the amount due plus interest shall be  
20 paid to the subscriber. If the sale is made in good faith, in a  
21 reasonable manner and upon ~~such~~ notice, the corporation may  
22 recover the difference between the amount due plus interest and  
23 the net proceeds of the sale. A good faith purchaser for value  
24 acquires title to the sold shares free of any right of the sub-  
25 scriber even though the corporation fails to comply with 1 or  
26 more of the requirements of this subdivision.

1 (c) It may rescind the subscription, with the effect  
2 provided in section 308, and may recover damages for breach of  
3 contract. Unless special circumstances show proximate damages of  
4 a different amount, the measure of damages shall be the differ-  
5 ence between the market price at the time and place of tender of  
6 the shares and the unpaid contract price. Liquidated damages may  
7 be provided for in the subscription agreement. ~~in any amount~~  
8 ~~which is reasonable, including the difficulties of proof of~~  
9 ~~loss.~~ The subscriber may have restitution of the amount by which  
10 the sum of his OR HER payments exceeds the corporation's damages  
11 for breach of contract, whether fixed by agreement or judgment.

12 (2) The rights and duties set forth in this section shall be  
13 interpreted as cumulative so far as is consistent with entitling  
14 the corporation to a full and single recovery of the amount due  
15 or its damages. The subscription agreement may limit the rights  
16 and remedies of the corporation set forth in this section, and  
17 may add to them so far as is consistent with this subsection.

18 SEC. 314. (1) THE POWERS GRANTED IN THIS SECTION TO THE  
19 BOARD MAY BE RESERVED TO THE SHAREHOLDERS BY THE ARTICLES OF  
20 INCORPORATION.

21 (2) THE BOARD MAY AUTHORIZE SHARES TO BE ISSUED FOR CONSID-  
22 ERATION CONSISTING OF ANY TANGIBLE OR INTANGIBLE PROPERTY OR BEN-  
23 EFIT TO THE CORPORATION, INCLUDING BUT NOT LIMITED TO CASH, PROM-  
24 ISSORY NOTES, SERVICES PERFORMED, CONTRACTS FOR SERVICES TO BE  
25 PERFORMED, OR OTHER SECURITIES OF THE CORPORATION.

26 (3) A DETERMINATION BY THE BOARD THAT THE CONSIDERATION  
27 RECEIVED OR TO BE RECEIVED FOR SHARES TO BE ISSUED IS ADEQUATE IS



1 CONCLUSIVE INSOFAR AS THE NATURE AND AMOUNT OF CONSIDERATION FOR  
2 THE ISSUANCE OF SHARES RELATES TO WHETHER THE SHARES ARE VALIDLY  
3 ISSUED, FULLY PAID, AND NONASSESSABLE.

4 (4) WHEN THE CORPORATION RECEIVES THE CONSIDERATION FOR  
5 WHICH THE BOARD AUTHORIZED THE ISSUANCE OF SHARES, THE SHARES  
6 ISSUED ARE FULLY PAID AND NONASSESSABLE AND THE SUBSCRIBER HAS  
7 ALL THE RIGHTS AND PRIVILEGES OF A HOLDER OF THE SHARES.

8 Sec. 317. (1) ~~A holder of or subscriber for shares of a~~  
9 ~~corporation is under no obligation to the corporation or its~~  
10 ~~creditors to pay for the shares other than the obligation to pay~~  
11 ~~to the corporation the unpaid portion of the consideration for~~  
12 ~~which the shares were issued or to be issued, which shall not be~~  
13 ~~less than the amount of the consideration for which the shares~~  
14 ~~could be lawfully issued.~~ A PURCHASER FROM A CORPORATION OF ITS  
15 OWN SHARES IS NOT LIABLE TO THE CORPORATION OR ITS CREDITORS WITH  
16 RESPECT TO THE SHARES EXCEPT TO PAY THE CONSIDERATION FOR WHICH  
17 THE SHARES WERE TO BE ISSUED.

18 (2) A person holding stock in a fiduciary or representative  
19 capacity is not personally liable to the corporation as the  
20 holder of or subscriber for shares of a corporation but the  
21 estate and funds in his OR HER hands are ~~so~~ liable TO THE  
22 CORPORATION.

23 (3) A person becoming an assignee, transferee, or pledgee of  
24 shares or of a subscription for shares in good faith and without  
25 knowledge or notice that the full consideration ~~therefor~~ has  
26 not been paid is not liable to the corporation or its creditors  
27 for any unpaid portion of the consideration, but the original

1 holder or subscriber and any assignee or transferee before an  
 2 assignment or transfer to a person taking in good faith and with-  
 3 out ~~such~~ knowledge or notice remains liable. ~~therefor.~~

4 (4) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF INCORPORA-  
 5 TION, A SHAREHOLDER OF A CORPORATION IS NOT PERSONALLY LIABLE FOR  
 6 THE ACTS OR DEBTS OF THE CORPORATION EXCEPT THAT HE OR SHE MAY  
 7 BECOME PERSONALLY LIABLE BY REASON OF HIS OR HER OWN ACTS OR  
 8 CONDUCT.

9 Sec. 331. ~~The~~ EXCEPT AS PROVIDED IN SECTION 336, THE  
 10 shares of a corporation shall be represented by certificates  
 11 WHICH SHALL BE signed by the ~~chairman~~ CHAIRPERSON of the board,  
 12 ~~vice chairman~~ VICE-CHAIRPERSON of the board, president or a  
 13 vice-president and ~~by the treasurer, assistant treasurer, secre-~~  
 14 ~~tary, or assistant secretary~~ WHICH ALSO MAY BE SIGNED BY ANOTHER  
 15 OFFICER of the corporation. ~~and~~ THE CERTIFICATE may be  
 16 sealed with the seal of the corporation or a facsimile ~~thereof~~  
 17 OF THE SEAL. The signatures of the officers may be facsimiles if  
 18 the certificate is countersigned by a transfer agent or regis-  
 19 tered by a registrar other than the corporation itself or its  
 20 employee. ~~In case~~ IF an officer who has signed or whose fac-  
 21 simile signature has been placed upon a certificate ceases to be  
 22 ~~such~~ AN officer before the certificate is issued, it may be  
 23 issued by the corporation with the same effect as if he OR SHE  
 24 were ~~such~~ THE officer at the date of issue.

25 Sec. 332. (1) A certificate representing shares shall state  
 26 upon its face ALL OF THE FOLLOWING:

1 (a) That the corporation is formed under the laws of this  
2 state.

3 (b) The name of the person to whom issued.

4 (c) The number and class of shares, and the designation of  
5 the series, if any, which the certificate represents.

6 ~~(d) The par value of each share represented by the certifi-~~  
7 ~~cate, or a statement that the shares are without par value.~~

8 (2) A certificate representing shares issued by a corpora-  
9 tion which is authorized to issue shares of more than 1 class  
10 shall set forth on its face or back or state ON ITS FACE OR BACK  
11 that the corporation will furnish to a shareholder upon request  
12 and without charge a full statement of the designation, relative  
13 rights, preferences, and limitations of the shares of each class  
14 authorized to be issued, and if the corporation is authorized to  
15 issue any class of shares in series, the designation, relative  
16 rights, preferences, and limitations of each series so far as the  
17 same have been prescribed and the authority of the board to des-  
18 ignate and prescribe the relative rights, preferences, and limi-  
19 tations of other series.

20 SEC. 336. (1) UNLESS THE ARTICLES OF INCORPORATION OR  
21 BYLAWS PROVIDE OTHERWISE, THE BOARD MAY AUTHORIZE THE ISSUANCE OF  
22 SOME OR ALL OF THE SHARES OF ANY OR ALL OF ITS CLASSES OR SERIES  
23 WITHOUT CERTIFICATES. THE AUTHORIZATION DOES NOT AFFECT SHARES  
24 ALREADY REPRESENTED BY CERTIFICATES UNTIL THEY ARE SURRENDERED TO  
25 A CORPORATION.

26 (2) WITHIN A REASONABLE TIME AFTER THE ISSUANCE OR TRANSFER  
27 OF SHARES WITHOUT CERTIFICATES, THE CORPORATION SHALL SEND THE

1 SHAREHOLDER A WRITTEN STATEMENT OF THE INFORMATION REQUIRED ON  
2 CERTIFICATES BY SECTION 332.

3 SEC. 341A. (1) UNLESS THE ARTICLES OF INCORPORATION PROVIDE  
4 OTHERWISE, SHARES MAY BE ISSUED PRO RATA AND WITHOUT CONSIDERA-  
5 TION TO THE CORPORATION'S SHAREHOLDERS OR TO THE SHAREHOLDERS OF  
6 1 OR MORE CLASSES OR SERIES. AN ISSUANCE OF SHARES UNDER THIS  
7 SUBSECTION IS A SHARE DIVIDEND.

8 (2) SHARES OF 1 CLASS OR SERIES MAY NOT BE ISSUED AS A SHARE  
9 DIVIDEND IN RESPECT OF SHARES OF ANOTHER CLASS OR SERIES UNLESS  
10 THE ARTICLES SO AUTHORIZE, A MAJORITY OF THE VOTES ENTITLED TO BE  
11 CAST BY THE CLASS OR SERIES TO BE ISSUED APPROVE THE ISSUE, OR  
12 THERE ARE NO OUTSTANDING SHARES OF THE CLASS OR SERIES TO BE  
13 ISSUED.

14 SEC. 342A. A CORPORATION MAY ISSUE RIGHTS, OPTIONS, OR WAR-  
15 RANTS FOR THE PURCHASE OF SHARES OF THE CORPORATION. THE BOARD  
16 SHALL DETERMINE THE TERMS UPON WHICH THE RIGHTS, OPTIONS, OR WAR-  
17 RANTS ARE ISSUED, THEIR FORM AND CONTENT, AND THE CONSIDERATION  
18 FOR WHICH THE SHARES ARE TO BE ISSUED.

19 SEC. 343. (1) THE SHAREHOLDERS OF A CORPORATION DO NOT HAVE  
20 A PREEMPTIVE RIGHT TO ACQUIRE THE CORPORATION'S UNISSUED SHARES  
21 EXCEPT TO THE EXTENT PROVIDED IN THE ARTICLES OF INCORPORATION OR  
22 BY AGREEMENT BETWEEN THE CORPORATION AND 1 OR MORE SHAREHOLDERS.

23 (2) A STATEMENT INCLUDED IN THE ARTICLES OR AN AGREEMENT  
24 THAT THE CORPORATION ELECTS TO HAVE PREEMPTIVE RIGHTS, OR WORDS  
25 OF SIMILAR IMPORT, MEANS THAT THE FOLLOWING PRINCIPLES APPLY  
26 EXCEPT TO THE EXTENT THE ARTICLES OR AGREEMENT EXPRESSLY PROVIDE  
27 OTHERWISE:

1 (A) THE SHAREHOLDERS OF THE CORPORATION HAVE A PREEMPTIVE  
2 RIGHT, GRANTED ON UNIFORM TERMS AND CONDITIONS PRESCRIBED BY THE  
3 BOARD TO PROVIDE A FAIR AND REASONABLE OPPORTUNITY TO EXERCISE  
4 THE RIGHT TO ACQUIRE PROPORTIONAL AMOUNTS OF THE CORPORATION'S  
5 UNISSUED SHARES UPON THE DECISION OF THE BOARD TO ISSUE THEM.

6 (B) A SHAREHOLDER MAY WAIVE HIS OR HER PREEMPTIVE RIGHT. A  
7 WAIVER EVIDENCED BY A WRITING IS IRREVOCABLE EVEN THOUGH IT IS  
8 NOT SUPPORTED BY CONSIDERATION.

9 (C) THERE IS NO PREEMPTIVE RIGHT WITH RESPECT TO ANY OF THE  
10 FOLLOWING:

11 (i) SHARES ISSUED AS COMPENSATION TO DIRECTORS, OFFICERS,  
12 AGENTS, OR EMPLOYEES OF THE CORPORATION, ITS SUBSIDIARIES OR  
13 AFFILIATES.

14 (ii) SHARES ISSUED TO SATISFY CONVERSION OR OPTION RIGHTS  
15 CREATED TO PROVIDE COMPENSATION TO DIRECTORS, OFFICERS, AGENTS,  
16 OR EMPLOYEES OF THE CORPORATION, ITS SUBSIDIARIES, OR  
17 AFFILIATES.

18 (iii) SHARES AUTHORIZED IN THE ARTICLES THAT ARE ISSUED  
19 WITHIN 6 MONTHS FROM THE EFFECTIVE DATE OF INCORPORATION.

20 (iv) SHARES ISSUED OTHERWISE THAN FOR MONEY.

21 (D) HOLDERS OF SHARES OF ANY CLASS WITHOUT GENERAL VOTING  
22 RIGHTS BUT WITH PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS  
23 HAVE NO PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY CLASS.

24 (E) HOLDERS OF SHARES OF ANY CLASS WITH GENERAL VOTING  
25 RIGHTS BUT WITHOUT PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS  
26 HAVE NO PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY CLASS  
27 WITH PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS UNLESS THE

1 SHARES WITH PREFERENTIAL RIGHTS ARE CONVERTIBLE INTO OR CARRY A  
2 RIGHT TO SUBSCRIBE FOR OR ACQUIRE SHARES WITHOUT PREFERENTIAL  
3 RIGHTS.

4 (F) SHARES SUBJECT TO PREEMPTIVE RIGHTS THAT ARE NOT  
5 ACQUIRED BY SHAREHOLDERS MAY BE ISSUED TO ANY PERSON FOR A PERIOD  
6 OF 1 YEAR AFTER BEING OFFERED TO SHAREHOLDERS AT A CONSIDERATION  
7 SET BY THE BOARD THAT IS NOT LOWER THAN THE CONSIDERATION SET FOR  
8 THE EXERCISE OF PREEMPTIVE RIGHTS. AN OFFER AT A LOWER CONSIDER-  
9 ATION OR AFTER THE EXPIRATION OF 1 YEAR IS SUBJECT TO THE  
10 SHAREHOLDERS' PREEMPTIVE RIGHTS.

11 (3) FOR PURPOSES OF THIS SECTION, "SHARES" INCLUDES A SECUR-  
12 ITY CONVERTIBLE INTO OR CARRYING A RIGHT TO SUBSCRIBE FOR OR  
13 ACQUIRE SHARES.

14 (4) THE PREEMPTIVE RIGHTS, WHETHER CREATED BY STATUTE OR  
15 COMMON LAW, OF SHAREHOLDERS OF A CORPORATION FORMED BEFORE  
16 JANUARY 1, 1973, ARE NOT AFFECTED BY SUBSECTIONS (1) AND (2). A  
17 CORPORATION MAY ALTER OR ABOLISH ITS SHAREHOLDERS' PREEMPTIVE  
18 RIGHTS BY AN AMENDMENT OF ITS ARTICLES.

19 SEC. 344. (1) SUBJECT TO RESTRICTIONS IMPOSED BY THIS ACT  
20 OR THE ARTICLES OF INCORPORATION, A CORPORATION MAY ACQUIRE ITS  
21 OWN SHARES AND SHARES SO ACQUIRED CONSTITUTE AUTHORIZED BUT UNIS-  
22 SUED SHARES.

23 (2) IF THE ARTICLES PROHIBIT REISSUE OF ANY SHARES SO  
24 ACQUIRED, THE BOARD BY RESOLUTION SHALL ADOPT AND FILE AN AMEND-  
25 MENT OF THE ARTICLES REDUCING THE NUMBER OF AUTHORIZED SHARES  
26 ACCORDINGLY.

1 (3) A CORPORATION SHALL NOT ACQUIRE ITS OWN SHARES BY  
2 PURCHASE, REDEMPTION, OR OTHERWISE UNLESS AFTER THE ACQUISITION  
3 THERE REMAIN OUTSTANDING 1 OR MORE CLASSES OR SERIES OF SHARES  
4 POSSESSING COLLECTIVELY VOTING RIGHTS AND UNLIMITED RIGHTS TO  
5 RECEIVE ASSETS IN DISSOLUTION.

6 SEC. 345. (1) A BOARD MAY AUTHORIZE AND THE CORPORATION MAY  
7 MAKE DISTRIBUTIONS TO ITS SHAREHOLDERS SUBJECT TO RESTRICTION BY  
8 THE ARTICLES OF INCORPORATION AND THE LIMITATION IN  
9 SUBSECTION (3).

10 (2) IF THE BOARD DOES NOT FIX THE RECORD DATE FOR DETERMIN-  
11 ING SHAREHOLDERS ENTITLED TO A DISTRIBUTION, OTHER THAN ONE  
12 INVOLVING A PURCHASE, REDEMPTION, OR ACQUISITION OF THE  
13 CORPORATION'S SHARES, IT IS THE DATE THE BOARD AUTHORIZES THE  
14 DISTRIBUTION.

15 (3) NO DISTRIBUTION MAY BE MADE IF, AFTER GIVING IT EFFECT,  
16 THE CORPORATION WOULD NOT BE ABLE TO PAY ITS DEBTS AS THEY BECOME  
17 DUE IN THE USUAL COURSE OF BUSINESS, OR THE CORPORATION'S TOTAL  
18 ASSETS WOULD BE LESS THAN THE SUM OF ITS TOTAL LIABILITIES PLUS,  
19 UNLESS THE ARTICLES PERMIT OTHERWISE, THE AMOUNT THAT WOULD BE  
20 NEEDED, IF THE CORPORATION WERE TO BE DISSOLVED AT THE TIME OF  
21 THE DISTRIBUTION, TO SATISFY THE PREFERENTIAL RIGHTS UPON DISSO-  
22 LUTION OF SHAREHOLDERS WHOSE PREFERENTIAL RIGHTS ARE SUPERIOR TO  
23 THOSE RECEIVING THE DISTRIBUTION.

24 (4) THE BOARD MAY BASE A DETERMINATION THAT A DISTRIBUTION  
25 IS NOT PROHIBITED UNDER SUBSECTION (3) EITHER ON FINANCIAL STATE-  
26 MENTS PREPARED ON THE BASIS OF ACCOUNTING PRACTICES AND

1 PRINCIPLES THAT ARE REASONABLE IN THE CIRCUMSTANCES OR ON A FAIR  
2 VALUATION OR OTHER METHOD THAT IS REASONABLE.

3 (5) THE EFFECT OF A DISTRIBUTION UNDER SUBSECTION (3) IS  
4 MEASURED AT THE FOLLOWING TIMES:

5 (A) EXCEPT AS PROVIDED IN SUBSECTION (7), IN THE CASE OF  
6 DISTRIBUTION BY PURCHASE, REDEMPTION, OR OTHER ACQUISITION OF THE  
7 CORPORATION'S SHARES, AS OF THE EARLIER OF THE DATE MONEY OR  
8 OTHER PROPERTY IS TRANSFERRED OR DEBT INCURRED BY THE CORPORA-  
9 TION, OR THE DATE THE SHAREHOLDER CEASES TO BE A SHAREHOLDER WITH  
10 RESPECT TO THE ACQUIRED SHARES.

11 (B) IN THE CASE OF ANY OTHER DISTRIBUTION OF INDEBTEDNESS,  
12 AS OF THE DATE THE INDEBTEDNESS IS AUTHORIZED IF DISTRIBUTION  
13 OCCURS WITHIN 120 DAYS AFTER THE DATE OF AUTHORIZATION OR THE  
14 DATE THE INDEBTEDNESS IS DISTRIBUTED IF IT OCCURS MORE THAN 120  
15 DAYS AFTER THE DATE OF AUTHORIZATION.

16 (C) IN ALL OTHER CASES, AS OF THE DATE THE DISTRIBUTION IS  
17 AUTHORIZED IF THE PAYMENT OCCURS WITHIN 120 DAYS AFTER THE DATE  
18 OF AUTHORIZATION OR THE DATE THE PAYMENT IS MADE IF IT OCCURS  
19 MORE THAN 120 DAYS AFTER THE DATE OF AUTHORIZATION.

20 (6) A CORPORATION'S INDEBTEDNESS TO A SHAREHOLDER INCURRED  
21 BY REASON OF A DISTRIBUTION MADE IN ACCORDANCE WITH THIS SECTION  
22 IS AT PARITY WITH THE CORPORATION'S INDEBTEDNESS TO ITS GENERAL,  
23 UNSECURED CREDITORS EXCEPT TO THE EXTENT SUBORDINATED BY  
24 AGREEMENT.

25 (7) IF THE CORPORATION ACQUIRES ITS SHARES IN EXCHANGE FOR  
26 AN OBLIGATION TO MAKE FUTURE PAYMENTS AND DISTRIBUTION OF AN  
27 OBLIGATION WHICH WOULD OTHERWISE BE PROHIBITED UNDER



1 SUBSECTION (3) AT THE TIME IT IS MADE, THE CORPORATION MAY ISSUE  
2 THE OBLIGATION AND THE FOLLOWING SHALL APPLY:

3 (A) AT THE TIME PRIOR TO THE DUE DATE OF THE OBLIGATION,  
4 PAYMENTS OF PRINCIPAL AND INTEREST MAY BE MADE AS A DISTRIBUTION  
5 TO THE EXTENT THAT A DISTRIBUTION MAY THEN BE MADE UNDER THIS  
6 SECTION.

7 (B) AT ANY TIME ON OR AFTER THE DUE DATE, THE OBLIGATION TO  
8 PAY PRINCIPAL AND INTEREST IS DEEMED DISTRIBUTED AND TREATED AS  
9 INDEBTEDNESS DESCRIBED IN SUBSECTION (6) TO THE EXTENT THAT A  
10 DISTRIBUTION MAY THEN BE MADE UNDER THIS SECTION.

11 (C) THE OBLIGATION SHALL NOT BE CONSIDERED A LIABILITY OR  
12 DEBT FOR PURPOSES OF DETERMINATIONS UNDER SUBSECTION (3) EXCEPT  
13 TO THE EXTENT THAT IT IS CONSIDERED DISTRIBUTED AND TREATED AS  
14 INDEBTEDNESS UNDER THIS SUBSECTION.

15 (8) A GUARANTY OR OTHER UNDERTAKING BY A THIRD PARTY RELAT-  
16 ING TO A DISTRIBUTION SHALL NOT BE UNENFORCEABLE BECAUSE THE DIS-  
17 TRIBUTION IS PROHIBITED BY SUBSECTION (3).

18 (9) IF ANY CLAIM IS MADE TO RECOVER A DISTRIBUTION MADE CON-  
19 TRARY TO SUBSECTION (3) OR IF A VIOLATION OF SUBSECTION (3) IS  
20 RAISED AS A DEFENSE TO A CLAIM BASED UPON A DISTRIBUTION, NOTHING  
21 IN THIS SECTION SHALL PREVENT THE PERSON RECEIVING THE DISTRIBU-  
22 TION FROM ASSERTING A RIGHT OF RESCISSION OR OTHER LEGAL OR EQUI-  
23 TABLE RIGHTS.

24 SEC. 392. THIS CHAPTER SHALL NOT APPLY TO DISTRIBUTIONS IN  
25 DISSOLUTION UNDER CHAPTER 8.

26 Sec. 404. (1) Except as otherwise provided in this act,  
27 written notice of the time, place, and purposes of a meeting of

1 shareholders shall be given not less than 10 nor more than 60  
2 days before the date of the meeting, either personally or by  
3 mail, to each shareholder of record entitled to vote at the  
4 meeting.

5 (2) ~~When~~ IF a meeting is adjourned to another time or  
6 place, it is not necessary, unless the bylaws otherwise provide,  
7 to give notice of the adjourned meeting if the time and place to  
8 which the meeting is adjourned are announced at the meeting at  
9 which the adjournment is taken and at the adjourned meeting only  
10 ~~such~~ business is transacted as might have been transacted at  
11 the original meeting. ~~However, if~~ IF after the adjournment the  
12 board fixes a new record date for the adjourned meeting, a notice  
13 of the adjourned meeting shall be given to each shareholder of  
14 record on the new record date entitled to notice under subsection  
15 (1).

16 (3) ~~Attendance of a person at a meeting of shareholders, in~~  
17 ~~person or by proxy, constitutes a waiver of notice of the meet-~~  
18 ~~ing, except when the shareholder attends a meeting for the~~  
19 ~~express purpose of objecting, at the beginning of the meeting, to~~  
20 ~~the transaction of any business because the meeting is not law-~~  
21 ~~fully called or convened.~~ A SHAREHOLDER'S ATTENDANCE AT A MEET-  
22 ING WILL RESULT IN BOTH OF THE FOLLOWING:

23 (A) WAIVER OF OBJECTION TO LACK OF NOTICE OR DEFECTIVE  
24 NOTICE OF THE MEETING, UNLESS THE SHAREHOLDER AT THE BEGINNING OF  
25 THE MEETING OBJECTS TO HOLDING THE MEETING OR TRANSACTING BUSI-  
26 NESS AT THE MEETING.

1 (B) WAIVER OF OBJECTION TO CONSIDERATION OF A PARTICULAR  
2 MATTER AT THE MEETING THAT IS NOT WITHIN THE PURPOSE OR PURPOSES  
3 DESCRIBED IN THE MEETING NOTICE, UNLESS THE SHAREHOLDER OBJECTS  
4 TO CONSIDERING THE MATTER WHEN IT IS PRESENTED.

5 Sec. 405. (1) ~~A corporation may provide in its articles of~~  
6 ~~incorporation or in its bylaws for a shareholder's participation~~  
7 UNLESS OTHERWISE RESTRICTED BY THE ARTICLES OF INCORPORATION OR  
8 BYLAWS, A SHAREHOLDER MAY PARTICIPATE in a meeting of sharehold-  
9 ers by a conference telephone or BY OTHER similar communications  
10 equipment ~~by~~ THROUGH which all persons participating in the  
11 meeting may ~~hear each other if all~~ COMMUNICATE WITH THE OTHER  
12 PARTICIPANTS. ALL participants ~~are~~ SHALL BE advised of the  
13 communications equipment and the names of the participants in the  
14 conference ~~are~~ SHALL BE divulged to all participants.

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

17 Sec. 407. (1) The articles of incorporation may provide  
18 that any action required or permitted by this act to be taken at  
19 an annual or special meeting of shareholders may be taken without  
20 a meeting, without prior notice, and without a vote, if ~~a~~  
21 ~~consent~~ CONSENTS in writing, setting forth the action so taken,  
22 ~~is~~ ARE signed by the holders of outstanding ~~stock~~ SHARES  
23 having not less than the minimum number of votes that would be  
24 necessary to authorize or take the action at a meeting at which  
25 all shares entitled to vote ~~thereon~~ ON THE ACTION were present  
26 and voted. THE WRITTEN CONSENTS SHALL BEAR THE DATE OF SIGNATURE  
27 OF EACH SHAREHOLDER WHO SIGNS THE CONSENT. NO WRITTEN CONSENTS

1 SHALL BE EFFECTIVE TO TAKE THE CORPORATE ACTION REFERRED TO  
2 UNLESS, WITHIN 60 DAYS AFTER THE RECORD DATE FOR DETERMINING  
3 SHAREHOLDERS ENTITLED TO EXPRESS CONSENT TO OR TO DISSENT FROM A  
4 PROPOSAL WITHOUT A MEETING, WRITTEN CONSENTS SIGNED BY A SUFFI-  
5 CIENT NUMBER OF SHAREHOLDERS TO TAKE THE ACTION ARE DELIVERED TO  
6 THE CORPORATION. DELIVERY SHALL BE TO THE CORPORATION'S REGIS-  
7 TERED OFFICE, ITS PRINCIPAL PLACE OF BUSINESS, OR AN OFFICER OR  
8 AGENT OF THE CORPORATION HAVING CUSTODY OF THE MINUTES OF THE  
9 PROCEEDINGS OF ITS SHAREHOLDERS. DELIVERY MADE TO A  
10 CORPORATION'S REGISTERED OFFICE SHALL BE BY HAND OR BY CERTIFIED  
11 OR REGISTERED MAIL, RETURN RECEIPT REQUESTED. Prompt notice of  
12 the taking of the corporate action without a meeting by less than  
13 unanimous written consent shall be given to shareholders who have  
14 not consented in writing. ~~-(2)-~~ If the action consented to would  
15 have required filing of a certificate under any other section of  
16 this act, if ~~such~~ THE action had been voted upon by sharehold-  
17 ers at a meeting ~~thereof~~ OF THE SHAREHOLDERS, the certificate  
18 filed under such other section shall state, in lieu of any state-  
19 ment required by ~~such~~ THE section concerning a vote of share-  
20 holders, that both written consent and written notice have been  
21 given as provided in this section.

22 (2) ~~-(3)-~~ Any action required or permitted by this act to be  
23 taken at an annual or special meeting of shareholders may be  
24 taken without a meeting, without prior notice, and without a  
25 vote, if BEFORE OR AFTER THE ACTION all the shareholders entitled  
26 to vote ~~thereon~~ consent ~~thereto~~ in writing. IF THE ACTION  
27 CONSENTED TO WOULD HAVE REQUIRED FILING OF A CERTIFICATE UNDER

1 ANY OTHER SECTION OF THIS ACT IF THE ACTION HAD BEEN VOTED UPON  
2 BY SHAREHOLDERS AT THE MEETING, THE CERTIFICATE FILED UNDER A  
3 DIFFERENT SECTION SHALL STATE, IN LIEU OF ANY STATEMENT REQUIRED  
4 BY THE SECTION CONCERNING A VOTE OF SHAREHOLDERS, THAT WRITTEN  
5 CONSENT HAS BEEN GIVEN AS PROVIDED BY THIS SECTION.

6 SEC. 412. (1) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS  
7 ENTITLED TO NOTICE OF AND TO VOTE AT A MEETING OF SHAREHOLDERS OR  
8 AN ADJOURNMENT OF A MEETING, THE BYLAWS MAY PROVIDE FOR FIXING,  
9 OR IN THE ABSENCE OF A PROVISION THE BOARD MAY FIX A RECORD DATE,  
10 WHICH SHALL NOT PRECEDE THE DATE ON WHICH THE RESOLUTION FIXING  
11 THE RECORD DATE IS ADOPTED BY THE BOARD. THE DATE SHALL NOT BE  
12 MORE THAN 60 NOR LESS THAN 10 DAYS BEFORE THE DATE OF THE  
13 MEETING. IF A RECORD DATE IS NOT FIXED, THE RECORD DATE FOR  
14 DETERMINATION OF SHAREHOLDERS ENTITLED TO NOTICE OF OR TO VOTE AT  
15 A MEETING OF SHAREHOLDERS SHALL BE THE CLOSE OF BUSINESS ON THE  
16 DAY NEXT PRECEDING THE DAY ON WHICH NOTICE IS GIVEN, OR IF NO  
17 NOTICE IS GIVEN, THE DAY NEXT PRECEDING THE DAY ON WHICH THE  
18 MEETING IS HELD. WHEN A DETERMINATION OF SHAREHOLDERS OF RECORD  
19 ENTITLED TO NOTICE OF OR TO VOTE AT A MEETING OF SHAREHOLDERS HAS  
20 BEEN MADE AS PROVIDED IN THIS SECTION, THE DETERMINATION APPLIES  
21 TO ANY ADJOURNMENT OF THE MEETING, UNLESS THE BOARD FIXES A NEW  
22 RECORD DATE UNDER THIS SECTION FOR THE ADJOURNED MEETING.

23 (2) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS ENTITLED TO  
24 EXPRESS CONSENT TO OR TO DISSENT FROM A PROPOSAL WITHOUT A MEET-  
25 ING, THE BYLAWS MAY PROVIDE FOR FIXING A RECORD DATE, WHICH SHALL  
26 NOT BE MORE THAN 60 DAYS BEFORE EFFECTUATION OF THE ACTION  
27 PROPOSED TO BE TAKEN. IN THE ABSENCE OF A PROVISION, THE BOARD

1 MAY FIX A RECORD DATE, WHICH SHALL NOT PRECEDE THE DATE ON WHICH  
2 THE RESOLUTION FIXING THE RECORD DATE IS ADOPTED BY THE BOARD AND  
3 SHALL NOT BE MORE THAN 10 DAYS AFTER THE BOARD RESOLUTION. IF A  
4 RECORD DATE IS NOT FIXED AND PRIOR ACTION BY THE BOARD IS  
5 REQUIRED WITH RESPECT TO THE CORPORATE ACTION TO BE TAKEN WITHOUT  
6 A MEETING, THE RECORD DATE SHALL BE THE CLOSE OF BUSINESS ON THE  
7 DAY ON WHICH THE RESOLUTION OF THE BOARD IS ADOPTED. IF A RECORD  
8 DATE IS NOT FIXED AND PRIOR ACTION BY THE BOARD IS NOT REQUIRED,  
9 THE RECORD DATE SHALL BE THE FIRST DATE ON WHICH A SIGNED WRITTEN  
10 CONSENT IS DELIVERED TO THE CORPORATION AS PROVIDED IN  
11 SECTION 407.

12 (3) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS ENTITLED TO  
13 RECEIVE PAYMENT OF A SHARE DIVIDEND OR DISTRIBUTION, OR ALLOTMENT  
14 OF A RIGHT, OR FOR THE PURPOSE OF ANY OTHER ACTION, THE BYLAWS  
15 MAY PROVIDE FOR FIXING, OR IN THE ABSENCE OF A PROVISION THE  
16 BOARD MAY FIX A RECORD DATE, WHICH SHALL NOT PRECEDE THE DATE ON  
17 WHICH THE RESOLUTION FIXING THE RECORD DATE IS ADOPTED BY THE  
18 BOARD. THE DATE SHALL NOT BE MORE THAN 60 DAYS BEFORE THE PAY-  
19 MENT OF THE SHARE DIVIDEND OR DISTRIBUTION OR ALLOTMENT OF A  
20 RIGHT OR OTHER ACTION. IF A RECORD DATE IS NOT FIXED, THE RECORD  
21 DATE SHALL BE THE CLOSE OF BUSINESS ON THE DAY ON WHICH THE RESO-  
22 LUTION OF THE BOARD RELATING TO THE CORPORATE ACTION IS ADOPTED.

23 Sec. 415. (1) Unless a greater or lesser quorum is pro-  
24 vided in the articles of incorporation, in a bylaw adopted by the  
25 shareholders OR INCORPORATORS, or in this act, shares entitled to  
26 cast a majority of the votes at a meeting constitute a quorum at  
27 the meeting. The shareholders present in person or by proxy at

1 ~~such~~ THE meeting may continue to do business until adjournment,  
2 notwithstanding the withdrawal of enough shareholders to leave  
3 less than a quorum. Whether or not a quorum is present, the  
4 meeting may be adjourned by a vote of the shares present.

5 (2) When the holders of a class or series of shares, are  
6 entitled to vote separately on an item of business, this section  
7 applies in determining the presence of a quorum of ~~such~~ THE  
8 class or series for transaction of the item of business.

9 Sec. 422. A proxy which is entitled "irrevocable proxy",  
10 and which states that it is irrevocable, is irrevocable when it  
11 is held by any of the following or a nominee of any of the  
12 following:

13 (a) A pledgee OF OR OTHER HOLDER OF A SECURITY INTEREST IN  
14 THE SHARES.

15 (b) A person who has purchased or agreed to purchase the  
16 shares.

17 (c) A creditor of the corporation who extends or continues  
18 credit to the corporation in consideration of the proxy.

19 (d) A person who has contracted to perform services as a  
20 director, officer, or employee of the corporation, if a proxy is  
21 required by the contract of employment.

22 (E) A PERSON DESIGNATED BY OR UNDER AN AGREEMENT UNDER  
23 SECTION 461.

24 (F) ~~(e)~~ A holder of any other proxy coupled with an  
25 interest.

26 ~~(f) A person designated by or under an agreement under~~  
27 ~~section 461.~~

1       Sec. 423. (1) A proxy becomes revocable, notwithstanding a  
2 provision making it irrevocable, after the pledge is redeemed, or  
3 the debt of the corporation is paid, or the period of employment  
4 provided for in the contract of employment has terminated, or the  
5 agreement under section 461 has terminated. In a case provided  
6 for in subdivisions (c) and (d) of section 422 the proxy is revo-  
7 cable 3 years after the date of the proxy or at the end of the  
8 period, if ~~any,~~ specified, ~~therein,~~ whichever period is less,  
9 unless the period of irrevocability is renewed by execution of a  
10 new irrevocable proxy. This subsection does not affect the dura-  
11 tion of a proxy under subsection (2) of section 421.

12       (2) A proxy is revocable, notwithstanding a provision making  
13 it irrevocable, by a purchaser of shares ~~without knowledge~~ WHO  
14 DID NOT KNOW of THE existence of the provision unless the exis-  
15 tence of the proxy and its irrevocability are noted conspicuously  
16 on the face or back of the certificate representing the shares.

17       SEC. 432. (1) A CORPORATION MAY ESTABLISH A PROCEDURE BY  
18 WHICH THE BENEFICIAL OWNER OF SHARES THAT ARE REGISTERED IN THE  
19 NAME OF A NOMINEE IS RECOGNIZED BY THE CORPORATION AS THE  
20 SHAREHOLDER. THE EXTENT OF THIS RECOGNITION MAY BE DETERMINED IN  
21 THE PROCEDURE.

22       (2) THE PROCEDURE MAY SET FORTH ANY OF THE FOLLOWING:

23       (A) THE TYPES OF NOMINEES TO WHICH IT APPLIES.

24       (B) THE RIGHTS OR PRIVILEGES THAT THE CORPORATION RECOGNIZES  
25 IN A BENEFICIAL OWNER.

26       (C) THE MANNER IN WHICH THE PROCEDURE IS SELECTED BY THE  
27 NOMINEE.



1 (D) THE INFORMATION THAT MUST BE PROVIDED WHEN THE PROCEDURE  
2 IS SELECTED.

3 (E) THE PERIOD FOR WHICH SELECTION OF THE PROCEDURE IS  
4 EFFECTIVE.

5 (F) OTHER ASPECTS OF THE RIGHTS AND DUTIES CREATED.

6 Sec. 441. (1) Except as provided in sections 794 and 798,  
7 each outstanding share is entitled to 1 vote on each matter sub-  
8 mitted to a vote, unless otherwise provided in the articles of  
9 incorporation. A vote may be cast either orally or in writing,  
10 unless otherwise provided in the bylaws.

11 (2) ~~When~~ IF an action, other than the election of direc-  
12 tors, is to be taken by vote of the shareholders, it shall be  
13 authorized by a majority of the votes cast by the holders of  
14 shares entitled to vote ~~thereon~~ ON THE ACTION, unless a  
15 greater ~~plurality~~ VOTE is required by the articles ~~of~~  
16 ~~incorporation~~ or another section of this act. Except as other-  
17 wise provided by the articles, directors shall be elected by a  
18 plurality of the votes cast at an election.

19 Sec. 444. (1) Shares standing in the name of another  
20 ~~domestic or foreign~~ corporation, whether or not the corporation  
21 is subject to this act, may be voted by an officer or agent, or  
22 by proxy appointed by an officer or agent or by some other  
23 person, who by action of its board or pursuant to its bylaws,  
24 shall be appointed to vote ~~such~~ THE shares.

25 (2) A shareholder whose shares are pledged is entitled to  
26 vote the shares until they have been transferred into the name of  
27 the pledgee, or a nominee of the pledgee.

1 SEC. 447A. ABSENT AN ORDER OF A COURT OF COMPETENT  
2 JURISDICTION BASED UPON A DETERMINATION THAT SPECIAL CIRCUM-  
3 STANCES EXIST AND THE BEST INTERESTS OF THE CORPORATION WOULD BE  
4 SERVED, THE SHARES OF A CORPORATION SHALL NOT BE VOTED ON ANY  
5 MATTER OR CONSIDERED TO BE OUTSTANDING SHARES IF THEY ARE OWNED,  
6 DIRECTLY OR INDIRECTLY, BY A SECOND CORPORATION, WHETHER OR NOT  
7 SUBJECT TO THIS ACT, AND THE FIRST CORPORATION OWNS, DIRECTLY OR  
8 INDIRECTLY, A MAJORITY OF THE SHARES ENTITLED TO VOTE FOR DIREC-  
9 TORS OF THE SECOND CORPORATION.

10 Sec. 455. ~~When, with~~ WITH respect to an action to be  
11 taken by the shareholders, IF the articles of incorporation  
12 require the vote or concurrence of the holders of a greater pro-  
13 portion of the shares, or of a class or series thereof, than  
14 required by this act with respect to the action, the articles  
15 shall control. An amendment of the articles which ~~adds,~~  
16 changes or deletes such a provision shall be authorized by the  
17 vote required to amend the articles pursuant to section 611, or  
18 by the same vote as would be required to take action under ~~such~~  
19 THE provision, whichever is greater. THE FAILURE TO INCLUDE A  
20 PROVISION OF THE KIND DESCRIBED IN THIS SECTION IN THE ARTICLES  
21 SHALL NOT INVALIDATE ANY BYLAW OR AGREEMENT WHICH WOULD OTHERWISE  
22 BE CONSIDERED VALID.

23 Sec. 461. An agreement between 2 or more shareholders, if  
24 in writing and signed by the parties, ~~thereto,~~ may provide that  
25 in exercising voting rights, the shares held by them shall be  
26 voted as ~~therein~~ provided IN THE AGREEMENT, or as they may  
27 agree, or as determined in accordance with a procedure agreed

1 upon by them. A VOTING AGREEMENT EXECUTED PURSUANT TO THIS  
2 SECTION, WHETHER OR NOT PROXIES ARE EXECUTED PURSUANT TO THE  
3 AGREEMENT, IS NOT SUBJECT TO SECTIONS 466 THROUGH 468. A VOTING  
4 AGREEMENT UNDER THIS SECTION SHALL BE SPECIFICALLY ENFORCEABLE.

5       Sec. 463. (1) Notwithstanding other provisions of this act,  
6 ~~a provision in~~ the articles of incorporation may provide that  
7 there shall not be a board, ~~of directors,~~ or may restrict the  
8 board in its management of the business of the corporation, or  
9 may delegate to 1 or more shareholders or other persons, a part  
10 of the management otherwise within the authority of the board, if  
11 all the incorporators have authorized the provision in the arti-  
12 cles or the holders of record of all outstanding shares have  
13 authorized the provision in an amendment to the articles.

14       (2) A provision authorized by subsection (1) becomes invalid  
15 in either of the following cases:

16       (a) Subsequent to the adoption of the provision, shares are  
17 transferred or issued to a person who takes delivery of the share  
18 certificate without ACTUAL notice of the provision, unless that  
19 person consents in writing to the provision. IF THE EXISTENCE OF  
20 THE PROVISION IS NOTED CONSPICUOUSLY ON THE FACE OR BACK OF A  
21 CERTIFICATE REPRESENTING THE SHARES, A HOLDER OF THAT CERTIFICATE  
22 IS CONCLUSIVELY CONSIDERED TO HAVE TAKEN DELIVERY WITH ACTUAL  
23 NOTICE OF THE PROVISION.

24       (b) Shares of the corporation are listed on a national  
25 securities exchange or regularly quoted in an over-the-counter  
26 market by 1 or more members of a national or affiliated  
27 securities association.

1       (3) The effect of a provision authorized by subsection (1)  
2 is to relieve the directors and impose upon the shareholders the  
3 liability for managerial acts or omissions that is imposed on  
4 directors by law to the extent that, and as long as, the discre-  
5 tion or powers of the directors in their management of corporate  
6 affairs ~~is~~ ARE controlled by the provision.

7       (4) ~~If the articles contain a provision authorized by sub-~~  
8 ~~section (1), the existence of the provision shall be noted con-~~  
9 ~~spicuously on the face of every certificate for shares issued by~~  
10 ~~the corporation, and a holder of that certificate is conclusively~~  
11 ~~considered to have taken delivery with notice of the provision.~~

12 THE FAILURE TO INCLUDE A PROVISION OF THE KIND DESCRIBED IN  
13 SUBSECTION (1) IN THE ARTICLES SHALL NOT INVALIDATE ANY BYLAW OR  
14 AGREEMENT WHICH WOULD OTHERWISE BE CONSIDERED VALID.

15       Sec. 472. (1) A restriction on the transfer or registration  
16 of transfer of a bond or share of a corporation may be imposed  
17 either by the articles of incorporation or by the bylaws or by an  
18 agreement among any number of holders or among ~~such~~ THE holders  
19 and the corporation. A restriction so imposed is not binding  
20 with respect to bonds or shares issued before adoption of the  
21 restriction unless the holders are parties to an agreement or  
22 voted in favor of the restriction.

23       (2) A written restriction on the transfer or registration of  
24 transfer of a bond or share of a corporation, if permitted by  
25 this section or section 473 and noted conspicuously on THE FACE  
26 OR BACK OF the instrument, may be enforced against the holder of  
27 the restricted instrument or a successor or transferee of the

1 holder including an executor, administrator, trustee, guardian or  
2 other fiduciary entrusted with like responsibility for the person  
3 or estate of the holder. Unless noted conspicuously on THE FACE  
4 OR BACK OF the instrument, a restriction, even though permitted  
5 by this section or section 473, is ineffective except against a  
6 person with actual knowledge of the restriction.

7       Sec. 473. In particular and without limitation of the gen-  
8 erality of the power granted by subsection (1) of section 472 to  
9 impose restrictions, a restriction on the transfer or registra-  
10 tion of transfer of bonds or shares of a corporation is permitted  
11 if it does any of the following:

12       (a) Obligates the holders of the restricted instruments to  
13 offer to the corporation or to any other holders of bonds or  
14 shares of the corporation or to any other person or to any combi-  
15 nation thereof, a prior opportunity to acquire the restricted  
16 instruments.

17       (b) Obligates the corporation or a holder of bonds or shares  
18 of the corporation or any other person or any combination there-  
19 of, to purchase the instruments which are the subject of an  
20 agreement respecting the purchase and sale of the restricted  
21 instruments.

22       (c) Requires the corporation or the holders of a class of  
23 bonds or shares of the corporation to consent to a proposed  
24 transfer of the restricted instruments or to approve the proposed  
25 transferee of the restricted instruments.

1 (d) Prohibits the transfer of the restricted instruments to  
2 designated persons or classes of persons, and the designation is  
3 not contrary to public policy.

4 (e) Exists for the purpose of maintaining the status of the  
5 corporation as ~~an electing small business~~ A corporation under  
6 subchapter S of the United States internal revenue code.

7 Sec. 485. A corporation shall keep books and records of  
8 account and minutes of the proceedings of its shareholders,  
9 board, and executive committee, if any. Unless otherwise pro-  
10 vided in the bylaws, the books, records, and minutes may be kept  
11 outside this state. The corporation shall keep at its registered  
12 office, or at the office of its transfer agent ~~within or~~  
13 ~~without~~ IN OR OUTSIDE this state, records containing the names  
14 and addresses of all shareholders, the number, class and series  
15 of shares held by each, and the dates when they respectively  
16 became holders of record. ~~thereof.~~ Any of ~~such~~ THE books,  
17 records, or minutes may be in written form or in any other form  
18 capable of being converted into written form within a reasonable  
19 time. A corporation shall convert into written form without  
20 charge any ~~such~~ record not in ~~such~~ WRITTEN form, ~~upon writ-~~  
21 ~~ten request of~~ UNLESS OTHERWISE REQUESTED BY a person entitled  
22 to inspect ~~them~~ THE RECORD.

23 Sec. 487. (1) Upon written request of a shareholder, a cor-  
24 poration shall mail to the shareholder its balance sheet as at  
25 the end of the preceding fiscal year; its statement of income for  
26 ~~such~~ THE fiscal year; and, if prepared by the corporation, its

1 statement of source and application of funds for ~~such~~ THE  
2 fiscal year.

3       (2) ~~A person who is a shareholder of record of a corpora-~~  
4 ~~tion, upon at least 10 days' written demand may examine for any~~  
5 ~~proper purpose in person or by agent or attorney, during usual~~  
6 ~~business hours, its minutes of shareholders' meetings and record~~  
7 ~~of shareholders and make extracts therefrom, at the places where~~  
8 ~~they are kept pursuant to section 485.~~ ANY SHAREHOLDER OF  
9 RECORD, IN PERSON OR BY ATTORNEY OR OTHER AGENT, SHALL HAVE THE  
10 RIGHT DURING THE USUAL HOURS OF BUSINESS TO INSPECT FOR ANY  
11 PROPER PURPOSE THE CORPORATION'S STOCK LEDGER, A LIST OF ITS  
12 SHAREHOLDERS, AND ITS OTHER BOOKS AND RECORDS, IF THE SHAREHOLDER  
13 GIVES THE CORPORATION WRITTEN DEMAND DESCRIBING WITH REASONABLE  
14 PARTICULARITY HIS OR HER PURPOSE AND THE RECORDS HE OR SHE  
15 DESIRES TO INSPECT, AND THE RECORDS SOUGHT ARE DIRECTLY CONNECTED  
16 WITH THE PURPOSE. A PROPER PURPOSE SHALL MEAN A PURPOSE REASON-  
17 ABLY RELATED TO SUCH PERSON'S INTEREST AS A SHAREHOLDER. THE  
18 DEMAND SHALL BE DELIVERED TO THE CORPORATION AT ITS REGISTERED  
19 OFFICE IN THIS STATE OR AT ITS PRINCIPAL PLACE OF BUSINESS. IN  
20 EVERY INSTANCE WHERE AN ATTORNEY OR OTHER AGENT SHALL BE THE  
21 PERSON WHO SEEKS TO INSPECT, THE DEMAND SHALL BE ACCOMPANIED BY A  
22 POWER OF ATTORNEY OR OTHER WRITING WHICH AUTHORIZES THE ATTORNEY  
23 OR OTHER AGENT TO ACT ON BEHALF OF THE SHAREHOLDER.

24       (3) ~~Upon proof by a shareholder of a proper purpose, a cir-~~  
25 ~~cuit court may compel production for examination by the share-~~  
26 ~~holder of the books and records of account, minutes, and record~~  
27 ~~of shareholders of a corporation, and may allow the shareholder~~

1 ~~to make extracts therefrom.~~ IF THE CORPORATION DOES NOT PERMIT  
2 AN INSPECTION WITHIN 5 BUSINESS DAYS AFTER A DEMAND HAS BEEN  
3 RECEIVED IN COMPLIANCE WITH SUBSECTION (1), OR IMPOSES UNREASON-  
4 ABLE CONDITIONS UPON THE INSPECTION, THE SHAREHOLDER MAY APPLY TO  
5 THE CIRCUIT COURT OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF  
6 BUSINESS OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED FOR  
7 AN ORDER TO COMPEL THE INSPECTION. IF THE SHAREHOLDER SEEKS TO  
8 INSPECT THE CORPORATION'S BOOKS AND RECORDS OTHER THAN ITS STOCK  
9 LEDGER OR LIST OF SHAREHOLDERS, HE OR SHE SHALL FIRST ESTABLISH  
10 THAT HE OR SHE HAS COMPLIED WITH THIS SECTION RESPECTING THE FORM  
11 AND MANNER OF MAKING DEMAND FOR INSPECTION OF THE DOCUMENTS, THAT  
12 THE INSPECTION HE OR SHE SEEKS IS FOR A PROPER PURPOSE, AND THAT  
13 THE DOCUMENTS SOUGHT ARE DIRECTLY CONNECTED WITH THE PURPOSE. IF  
14 THE SHAREHOLDER SEEKS TO INSPECT THE CORPORATION'S STOCK LEDGER  
15 OR LIST OF SHAREHOLDERS AND HAS ESTABLISHED COMPLIANCE WITH THIS  
16 SECTION RESPECTING THE FORM AND MANNER OF MAKING DEMAND FOR THE  
17 INSPECTION OF THE DOCUMENTS, THE BURDEN OF PROOF SHALL BE UPON  
18 THE CORPORATION TO ESTABLISH THAT THE INSPECTION THAT IS SOUGHT  
19 IS FOR AN IMPROPER PURPOSE OR THAT THE RECORDS SOUGHT ARE NOT  
20 DIRECTLY CONNECTED WITH THE PERSON'S PURPOSE. THE COURT MAY, IN  
21 ITS DISCRETION, ORDER THE CORPORATION TO PERMIT THE SHAREHOLDER  
22 TO INSPECT THE CORPORATION'S STOCK LEDGER, A LIST OF SHAREHOLD-  
23 ERS, AND ITS OTHER BOOKS AND RECORDS ON CONDITIONS AND WITH LIMI-  
24 TATIONS AS THE COURT MAY PRESCRIBE AND MAY AWARD OTHER OR FURTHER  
25 RELIEF AS THE COURT MAY CONSIDER JUST AND PROPER. THE COURT MAY  
26 ORDER BOOKS, DOCUMENTS AND RECORDS, PERTINENT EXTRACTS, OR DULY



1 AUTHENTICATED COPIES, TO BE BROUGHT WITHIN THIS STATE AND KEPT IN  
2 THIS STATE UPON TERMS AND CONDITIONS AS THE COURT MAY PRESCRIBE.

3       (4) ~~A holder of a voting trust certificate representing~~  
4 ~~shares of the corporation is deemed a shareholder for the purpose~~  
5 ~~of this section and section 485.~~ A DIRECTOR SHALL HAVE THE RIGHT  
6 TO EXAMINE ANY OF THE CORPORATION'S BOOKS AND RECORDS FOR A PUR-  
7 POSE REASONABLY RELATED TO HIS OR HER POSITION AS A DIRECTOR.  
8 THE DIRECTOR MAY APPLY TO THE CIRCUIT COURT OF THE COUNTY IN  
9 WHICH THE PRINCIPAL PLACE OF BUSINESS OR REGISTERED OFFICE OF THE  
10 CORPORATION IS LOCATED FOR AN ORDER TO COMPEL THE INSPECTION.  
11 THE COURT MAY, IN ITS DISCRETION, ORDER THE CORPORATION TO PERMIT  
12 THE DIRECTOR TO INSPECT ANY AND ALL BOOKS AND RECORDS, ON CONDI-  
13 TIONS AND WITH LIMITATIONS AS THE COURT MAY PRESCRIBE AND MAY  
14 AWARD OTHER AND FURTHER RELIEF AS THE COURT MAY CONSIDER JUST AND  
15 PROPER.

16       (5) IF THE COURT ORDERS INSPECTION OF THE RECORDS DEMANDED  
17 UNDER SUBSECTION (3) OR (4), IT SHALL ALSO ORDER THE CORPORATION  
18 TO PAY THE SHAREHOLDER'S OR DIRECTOR'S COSTS, INCLUDING REASON-  
19 ABLE ATTORNEY FEES, INCURRED TO OBTAIN THE ORDER UNLESS THE COR-  
20 PORATION PROVES THAT IT FAILED TO PERMIT THE INSPECTION IN GOOD  
21 FAITH BECAUSE IT HAD A REASONABLE BASIS TO DOUBT THE RIGHT OF THE  
22 SHAREHOLDER OR DIRECTOR TO INSPECT THE RECORDS DEMANDED.

23       (6) AS USED IN THIS SECTION, "THE RIGHT TO INSPECT RECORDS"  
24 INCLUDES THE RIGHT TO COPY AND MAKE EXTRACTS FROM THE RECORDS  
25 AND, IF REASONABLE, THE RIGHT TO REQUIRE THE CORPORATION TO  
26 SUPPLY COPIES MADE BY PHOTOGRAPHIC, XEROGRAPHIC, OR OTHER MEANS.  
27 THE CORPORATION MAY REQUIRE THE SHAREHOLDER TO PAY A REASONABLE

1 CHARGE, COVERING THE COSTS OF LABOR AND MATERIAL, FOR COPIES OF  
2 THE DOCUMENTS PROVIDED TO THE SHAREHOLDER.

3 SEC. 489. (1) A SHAREHOLDER MAY BRING AN ACTION IN THE CIR-  
4 CUIT COURT OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS  
5 OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED, TO ESTABLISH  
6 THAT THE ACTS OF THE DIRECTORS OR THOSE IN CONTROL OF THE CORPO-  
7 RATION ARE ILLEGAL, FRAUDULENT, OR WILLFULLY UNFAIR AND OPPRES-  
8 SIVE TO THE CORPORATION, OR TO THE SHAREHOLDER. IF THE SHARE-  
9 HOLDER IS SUCCESSFUL IN HIS OR HER ACTION, THE CIRCUIT COURT MAY  
10 MAKE AN ORDER OR GRANT RELIEF AS IT CONSIDERS APPROPRIATE,  
11 INCLUDING, WITHOUT LIMITATION, AN ORDER PROVIDING FOR ANY OF THE  
12 FOLLOWING:

13 (A) THE DISSOLUTION AND LIQUIDATION OF THE ASSETS AND BUSI-  
14 NESS OF THE CORPORATION.

15 (B) THE CANCELLATION OR ALTERATION OF A PROVISION CONTAINED  
16 IN THE ARTICLES OF INCORPORATION, OR AN AMENDMENT OF THE ARTI-  
17 CLES, OR IN THE BYLAWS OF THE CORPORATION.

18 (C) THE CANCELLATION, ALTERATION, OR INJUNCTION AGAINST A  
19 RESOLUTION OR OTHER ACT OF THE CORPORATION.

20 (D) THE DIRECTION OR PROHIBITION OF AN ACT OF THE CORPORA-  
21 TION OR OF SHAREHOLDERS, DIRECTORS, OFFICERS, OR OTHER PERSONS  
22 PARTY TO THE ACTION.

23 (E) THE PURCHASE AT FAIR VALUE OF THE SHARES OF A SHAREHOLD-  
24 ER, EITHER BY THE CORPORATION OR BY THE OFFICERS, DIRECTORS, OR  
25 OTHER SHAREHOLDERS RESPONSIBLE FOR THE WRONGFUL ACTS.

26 (F) AWARD OF DAMAGES TO THE CORPORATION OR A SHAREHOLDER.

1 (2) NO ACTION UNDER THIS SECTION SHALL BE BROUGHT BY A  
2 SHAREHOLDER WHOSE SHARES ARE LISTED ON A NATIONAL SECURITIES  
3 EXCHANGE OR REGULARLY QUOTED IN AN OVER-THE-COUNTER MARKET BY 1  
4 OR MORE MEMBERS OF A NATIONAL OR AFFILIATED SECURITIES  
5 ASSOCIATION.

6 SEC. 491A. AS USED IN THIS SECTION AND SECTIONS 492A TO  
7 497:

8 (A) "DERIVATIVE PROCEEDING" MEANS A CIVIL SUIT IN THE RIGHT  
9 OF A DOMESTIC CORPORATION OR A FOREIGN CORPORATION WHICH IS  
10 AUTHORIZED TO OR DOES TRANSACT BUSINESS IN THIS STATE.

11 (B) "SHAREHOLDER" MEANS A RECORD OR BENEFICIAL OWNER OF  
12 SHARES AND INCLUDES A BENEFICIAL OWNER WHOSE SHARES ARE HELD IN A  
13 VOTING TRUST OR HELD BY A NOMINEE ON THE OWNER'S BEHALF.

14 (C) "DISINTERESTED PERSON" MEANS A PERSON WHO IS NOT A PARTY  
15 TO A DERIVATIVE PROCEEDING, OR A PERSON WHO IS A PARTY IF THE  
16 CORPORATION DEMONSTRATES THAT THE CLAIM ASSERTED AGAINST THE  
17 PERSON IS FRIVOLOUS OR INSUBSTANTIAL.

18 SEC. 492A. A PERSON MAY NOT COMMENCE OR MAINTAIN A DERIVA-  
19 TIVE PROCEEDING UNLESS THE PERSON MEETS ALL OF THE FOLLOWING  
20 CRITERIA:

21 (A) HE OR SHE WAS A SHAREHOLDER OF THE CORPORATION AT THE  
22 TIME OF THE ACT OR OMISSION COMPLAINED OF OR BECAME A SHAREHOLDER  
23 THROUGH TRANSFER BY OPERATION OF LAW FROM ONE WHO WAS A SHARE-  
24 HOLDER AT THAT TIME.

25 (B) HE OR SHE FAIRLY AND ADEQUATELY REPRESENTS THE INTERESTS  
26 OF THE CORPORATION IN ENFORCING THE RIGHT OF THE CORPORATION.

1 SEC. 493A. A SHAREHOLDER MAY NOT COMMENCE A DERIVATIVE  
2 PROCEEDING UNTIL ALL OF THE FOLLOWING HAVE OCCURRED:

3 (A) A WRITTEN DEMAND HAS BEEN MADE UPON THE CORPORATION TO  
4 TAKE SUITABLE ACTION.

5 (B) NINETY DAYS HAVE EXPIRED FROM THE DATE THE DEMAND WAS  
6 MADE UNLESS THE SHAREHOLDER HAS EARLIER BEEN NOTIFIED THAT THE  
7 DEMAND HAS BEEN REJECTED BY THE CORPORATION OR UNLESS IRREPARABLE  
8 INJURY TO THE CORPORATION WOULD RESULT BY WAITING FOR THE EXPIRA-  
9 TION OF THE 90-DAY PERIOD.

10 SEC. 494. IF THE CORPORATION COMMENCES AN INVESTIGATION OF  
11 THE ALLEGATIONS MADE IN THE DEMAND OR COMPLAINT, THE COURT MAY  
12 STAY ANY DERIVATIVE PROCEEDING FOR A PERIOD AS THE COURT CONSID-  
13 ERS APPROPRIATE.

14 SEC. 495. (1) THE COURT SHALL DISMISS A DERIVATIVE PROCEED-  
15 ING IF, ON MOTION BY THE CORPORATION, THE COURT FINDS THAT 1 OF  
16 THE GROUPS SPECIFIED IN SUBSECTION (2) HAS MADE A DETERMINATION  
17 IN GOOD FAITH AFTER CONDUCTING A REASONABLE INVESTIGATION UPON  
18 WHICH ITS CONCLUSIONS ARE BASED THAT THE MAINTENANCE OF THE  
19 DERIVATIVE PROCEEDING IS NOT IN THE BEST INTERESTS OF THE  
20 CORPORATION. IF THE DETERMINATION IS MADE PURSUANT TO  
21 SUBSECTION (2)(A) OR (B), THE CORPORATION SHALL HAVE THE BURDEN  
22 OF PROVING THE GOOD FAITH OF THE GROUP MAKING THE DETERMINATION  
23 AND THE REASONABLENESS OF THE INVESTIGATION. IF THE DETERMINA-  
24 TION IS MADE PURSUANT TO SUBSECTION (2)(C) OR (D), THE PLAINTIFF  
25 SHALL HAVE THE BURDEN OF PROVING THAT THE DETERMINATION WAS NOT  
26 MADE IN GOOD FAITH OR THAT THE INVESTIGATION WAS NOT REASONABLE.

1 (2) A DETERMINATION UNDER SUBSECTION (1) MAY BE MADE BY ANY  
2 1 OF THE FOLLOWING:

3 (A) BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS, IF  
4 THE DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT A MEETING OF  
5 THE BOARD.

6 (B) BY A MAJORITY VOTE OF A COMMITTEE CONSISTING OF 2 OR  
7 MORE DISINTERESTED DIRECTORS APPOINTED BY A MAJORITY VOTE OF DIS-  
8 INTERESTED DIRECTORS PRESENT AT A MEETING OF THE BOARD, WHETHER  
9 OR NOT THE DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT THE  
10 MEETING.

11 (C) BY A PANEL OF 1 OR MORE DISINTERESTED PERSONS APPOINTED  
12 BY THE COURT UPON MOTION BY THE CORPORATION.

13 (D) BY ALL DISINTERESTED INDEPENDENT DIRECTORS.

14 SEC. 496. A DERIVATIVE PROCEEDING MAY NOT BE DISCONTINUED  
15 OR SETTLED WITHOUT THE COURT'S APPROVAL. IF THE COURT DETERMINES  
16 THAT A PROPOSED DISCONTINUANCE OR SETTLEMENT WILL SUBSTANTIALLY  
17 AFFECT THE INTERESTS OF THE CORPORATION'S SHAREHOLDERS OR A CLASS  
18 OF SHAREHOLDERS, THE COURT SHALL DIRECT THAT NOTICE BE GIVEN TO  
19 THE SHAREHOLDERS AFFECTED. IF NOTICE IS DIRECTED TO BE GIVEN TO  
20 THE AFFECTED SHAREHOLDER, THE COURT MAY DETERMINE WHETHER 1 OR  
21 MORE OF THE PARTIES TO THE ACTION SHALL BEAR THE EXPENSE OF  
22 GIVING THE NOTICE, IN THE AMOUNT AS THE COURT DETERMINES AND  
23 FINDS TO BE REASONABLE UNDER THE CIRCUMSTANCES. THE AMOUNT OF  
24 EXPENSE SHALL BE AWARDED AS SPECIAL COSTS OF THE ACTION AND  
25 RECOVERABLE IN THE SAME MANNER AS STATUTORY TAXABLE COSTS.

26 SEC. 497. ON TERMINATION OF THE DERIVATIVE PROCEEDING, THE  
27 COURT MAY ORDER 1 OF THE FOLLOWING:

1 (A) THE PLAINTIFF TO PAY ANY OF THE DEFENDANT'S REASONABLE  
2 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN DEFEND-  
3 ING THE PROCEEDING IF IT FINDS THAT THE PROCEEDING WAS COMMENCED  
4 OR MAINTAINED IN BAD FAITH OR WITHOUT REASONABLE CAUSE.

5 (B) THE CORPORATION TO PAY THE PLAINTIFF'S REASONABLE  
6 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN THE  
7 PROCEEDING IF IT FINDS THAT THE PROCEEDING HAS RESULTED IN A SUB-  
8 STANTIAL BENEFIT TO THE CORPORATION. THE COURT SHALL DIRECT THE  
9 PLAINTIFF TO ACCOUNT TO THE CORPORATION FOR ANY PROCEEDS RECEIVED  
10 BY THE PLAINTIFF IN EXCESS OF EXPENSES AWARDED BY THE COURT,  
11 EXCEPT THAT THIS SHALL NOT APPLY TO A JUDGMENT RENDERED FOR THE  
12 BENEFIT OF AN INJURED SHAREHOLDER ONLY AND LIMITED TO A RECOVERY  
13 OF THE LOSS OR DAMAGE SUSTAINED BY HIM OR HER.

14 Sec. 505. (1) The board shall consist of 1 or more  
15 members. The number of directors shall be fixed by, or in the  
16 manner provided in, the bylaws, unless the articles of incorpora-  
17 tion fix the number.

18 (2) The first board of directors shall hold office until the  
19 first annual meeting of shareholders. At the first annual meet-  
20 ing of shareholders and at each annual meeting thereafter, the  
21 shareholders shall elect directors to hold office until the suc-  
22 ceeding annual meeting, except in case of the classification of  
23 directors as permitted by this act. A director shall hold office  
24 for the term for which he OR SHE is elected and until his OR HER  
25 successor is elected and qualified, or until his OR HER resigna-  
26 tion or removal. A director may resign by written notice to the  
27 corporation. The resignation is effective upon its receipt by

1 the corporation or a ~~subsequent~~ LATER time as set forth in the  
2 notice of resignation.

3 (3) THE SHAREHOLDERS OR BOARD MAY DESIGNATE 1 OR MORE DIREC-  
4 TORS AS AN INDEPENDENT DIRECTOR. ANY DIRECTOR SO DESIGNATED  
5 SHALL BE ENTITLED TO REASONABLE COMPENSATION IN ADDITION TO COM-  
6 PENSATION PAID TO DIRECTORS GENERALLY, AS DETERMINED BY THE BOARD  
7 OR SHAREHOLDERS, AND REIMBURSEMENT FOR EXPENSES REASONABLY  
8 RELATED TO PERFORMANCE OF DUTIES AS AN INDEPENDENT DIRECTOR. AN  
9 INDEPENDENT DIRECTOR MAY COMMUNICATE WITH SHAREHOLDERS AT THE  
10 CORPORATION'S EXPENSE, AS PART OF A COMMUNICATION OR REPORT SENT  
11 BY THE CORPORATION TO SHAREHOLDERS.

12 Sec. 506. (1) The articles of incorporation or a bylaw  
13 adopted by the shareholders OR INCORPORATORS may provide that in  
14 lieu of annual election of all directors the directors be divided  
15 into 2 or 3 classes, each to be as nearly equal in number as  
16 possible. The term of office of directors in the first class  
17 shall expire at the first annual meeting of shareholders after  
18 their election, that of the second class shall expire at the  
19 second annual meeting after their election, and that of the third  
20 class, if any, shall expire at the third annual meeting after  
21 their election. At each annual meeting after such classifica-  
22 tion, a number of directors equal to the number of the class  
23 whose term expires at the time of the meeting shall be elected to  
24 hold office until the second succeeding annual meeting if there  
25 are 2 classes, or until the third succeeding annual meeting if  
26 there are 3 classes.

1 (2) A corporation having more than 1 class OR SERIES of  
2 shares may provide in its articles ~~of incorporation~~ for  
3 election of 1 or more directors by shareholders of a class or  
4 series, to the exclusion of other shareholders.

5 Sec. 511. (1) ~~Unless otherwise provided in the articles of~~  
6 ~~incorporation or bylaws a director or the entire board may be~~  
7 ~~removed, with or without cause, by vote of the holders of a~~  
8 ~~majority of the shares entitled to vote at an election of~~  
9 ~~directors.~~ THE SHAREHOLDERS MAY REMOVE 1 OR MORE DIRECTORS WITH  
10 OR WITHOUT CAUSE UNLESS THE ARTICLES OF INCORPORATION PROVIDE  
11 THAT DIRECTORS MAY BE REMOVED ONLY FOR CAUSE. THE VOTE FOR  
12 REMOVAL SHALL BE BY A MAJORITY OF SHARES ENTITLED TO VOTE AT AN  
13 ELECTION OF DIRECTORS EXCEPT THAT THE ARTICLES MAY REQUIRE A  
14 HIGHER VOTE FOR REMOVAL WITHOUT CAUSE. THIS SECTION SHALL NOT  
15 INVALIDATE ANY BYLAW ADOPTED BEFORE THE EFFECTIVE DATE OF THE ACT  
16 WHICH ADDED THIS SENTENCE INSOFAR AS THE BYLAW APPLIES TO REMOVAL  
17 WITHOUT CAUSE.

18 (2) In the case of a corporation having cumulative voting,  
19 if less than the entire board is to be removed, no 1 of the  
20 directors may be removed if the votes cast against his OR HER  
21 removal would be sufficient to elect him OR HER if then cumula-  
22 tively voted at an election of the entire board of directors, or,  
23 if there are classes of directors, at an election of the class of  
24 directors of which he OR SHE is a part.

25 (3) ~~When~~ IF holders of a class or series of stock or of  
26 bonds are entitled by the articles to elect 1 or more directors,  
27 this section applies, with respect to removal of a director so



1 elected, to the vote of the holders of the outstanding shares of  
2 that class or series of stock or the holders of those bonds.  
3 ~~and not to the vote of the outstanding shares as a whole.~~

4 SEC. 514. (1) THE CIRCUIT COURT OF THE COUNTY IN WHICH THE  
5 PRINCIPAL PLACE OF BUSINESS OR REGISTERED OFFICE OF THE CORPORA-  
6 TION IS LOCATED MAY REMOVE A DIRECTOR OF THE CORPORATION FROM  
7 OFFICE IN A PROCEEDING COMMENCED EITHER BY THE CORPORATION OR BY  
8 ITS SHAREHOLDERS HOLDING AT LEAST 10% OF THE OUTSTANDING SHARES  
9 OF ANY CLASS IF THE COURT FINDS THAT THE DIRECTOR ENGAGED IN  
10 FRAUDULENT, ILLEGAL, OR DISHONEST CONDUCT, OR GROSS ABUSE OF  
11 AUTHORITY OR DISCRETION, WITH RESPECT TO THE CORPORATION, AND  
12 REMOVAL IS IN THE BEST INTEREST OF THE CORPORATION.

13 (2) THE COURT THAT REMOVES A DIRECTOR MAY BAR HIM OR HER  
14 FROM SERVING AS A DIRECTOR FOR A PERIOD PRESCRIBED BY THE COURT.

15 (3) IF SHAREHOLDERS COMMENCE A PROCEEDING UNDER  
16 SUBSECTION (1), THEY SHALL MAKE THE CORPORATION A PARTY  
17 DEFENDANT.

18 SEC. 515A. (1) UNLESS OTHERWISE LIMITED BY THE ARTICLES OF  
19 INCORPORATION, IF A VACANCY, INCLUDING A VACANCY RESULTING FROM  
20 AN INCREASE IN THE NUMBER OF DIRECTORS, OCCURS IN A BOARD, THE  
21 VACANCY MAY BE FILLED AS FOLLOWS:

22 (A) THE SHAREHOLDERS MAY FILL THE VACANCY.

23 (B) THE BOARD MAY FILL THE VACANCY.

24 (C) IF THE DIRECTORS REMAINING IN OFFICE CONSTITUTE FEWER  
25 THAN A QUORUM OF THE BOARD, THEY MAY FILL THE VACANCY BY THE  
26 AFFIRMATIVE VOTE OF A MAJORITY OF ALL THE DIRECTORS REMAINING IN  
27 OFFICE.

1 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES, IF THE  
2 HOLDERS OF ANY CLASS OR CLASSES OF STOCK OR SERIES ARE ENTITLED  
3 TO ELECT 1 OR MORE DIRECTORS TO THE EXCLUSION OF OTHER SHAREHOLD-  
4 ERS, VACANCIES OF THAT CLASS OR CLASSES OR SERIES MAY BE FILLED  
5 ONLY BY 1 OF THE FOLLOWING:

6 (A) BY A MAJORITY OF THE DIRECTORS ELECTED BY THE HOLDERS OF  
7 THAT CLASS OR CLASSES, OR SERIES THEN IN OFFICE, WHETHER OR NOT  
8 THOSE DIRECTORS CONSTITUTE A QUORUM OF THE BOARD.

9 (B) BY THE HOLDERS OF SHARES OF THAT CLASS OR CLASSES OF  
10 SHARES, OR SERIES.

11 (3) IN THE CASE OF A CORPORATION THE DIRECTORS OF WHICH ARE  
12 DIVIDED INTO CLASSES, ANY DIRECTOR CHOSEN TO FILL A VACANCY SHALL  
13 HOLD OFFICE UNTIL THE NEXT ELECTION OF THE CLASS FOR WHICH THE  
14 DIRECTOR SHALL HAVE BEEN CHOSEN, AND UNTIL HIS OR HER SUCCESSOR  
15 IS ELECTED AND QUALIFIED.

16 (4) IF BECAUSE OF DEATH, RESIGNATION, OR OTHER CAUSE, A COR-  
17 PORATION HAS NO DIRECTORS IN OFFICE, AN OFFICER, A SHAREHOLDER, A  
18 PERSONAL REPRESENTATIVE, ADMINISTRATOR, TRUSTEE, OR GUARDIAN OF A  
19 SHAREHOLDER, OR OTHER FIDUCIARY ENTRUSTED WITH LIKE RESPONSIBIL-  
20 ITY FOR THE PERSON OR ESTATE OF A SHAREHOLDER, MAY CALL A SPECIAL  
21 MEETING OF SHAREHOLDERS IN ACCORDANCE WITH THE ARTICLES OR THE  
22 BYLAWS.

23 (5) A VACANCY THAT WILL OCCUR AT A SPECIFIC DATE, BY REASON  
24 OF A RESIGNATION EFFECTIVE AT A LATER DATE UNDER SECTION 505 OR  
25 OTHERWISE, MAY BE FILLED BEFORE THE VACANCY OCCURS BUT THE NEWLY  
26 ELECTED OR APPOINTED DIRECTOR MAY NOT TAKE OFFICE UNTIL THE  
27 VACANCY OCCURS.

1       Sec. 521. (1) Regular or special meetings of a board may be  
2 held either ~~within or without~~ IN OR OUTSIDE this state.

3       (2) A regular meeting may be held with or without notice as  
4 prescribed in the bylaws. A special meeting shall be held upon  
5 notice as prescribed in the bylaws. ~~Attendance of a director at~~  
6 ~~a meeting constitutes a waiver of notice of the meeting, except~~  
7 ~~where a director attends a meeting for the express purpose of~~  
8 ~~objecting to the transaction of any business because the meeting~~  
9 ~~is not lawfully called or convened. Neither~~ A DIRECTOR'S  
10 ATTENDANCE AT OR PARTICIPATION IN A MEETING WAIVES ANY REQUIRED  
11 NOTICE TO HIM OR HER OF THE MEETING UNLESS HE OR SHE AT THE  
12 BEGINNING OF THE MEETING, OR UPON HIS OR HER ARRIVAL, OBJECTS TO  
13 THE MEETING OR THE TRANSACTING OF BUSINESS AT THE MEETING AND  
14 DOES NOT THEREAFTER VOTE FOR OR ASSENT TO ANY ACTION TAKEN AT THE  
15 MEETING. UNLESS REQUIRED BY THE BYLAWS, NEITHER the business to  
16 be transacted at, nor the purpose of, a regular or special meet-  
17 ing need be specified in the notice or waiver of notice of the  
18 meeting. ~~unless required by the bylaws.~~

19       (3) Unless otherwise restricted by the articles of incorpo-  
20 ration or bylaws, a member of the board or of a committee desig-  
21 nated by the board may participate in a meeting by means of con-  
22 ference telephone or similar communications equipment ~~by means~~  
23 ~~of~~ THROUGH which all persons participating in the meeting can  
24 ~~hear each other~~ COMMUNICATE WITH THE OTHER PARTICIPANTS.  
25 Participation in a meeting pursuant to this subsection consti-  
26 tutes presence in person at the meeting.

1       Sec. 523. (1) A majority of the members of the board then  
2 in office, or of the members of a committee ~~thereof~~ OF THE  
3 BOARD, constitutes a quorum for transaction of business, unless  
4 the articles of incorporation or bylaws, OR IN THE CASE OF A COM-  
5 MITTEE, THE BOARD RESOLUTION ESTABLISHING THE COMMITTEE, provide  
6 for a larger or smaller number. The vote of the majority of mem-  
7 bers present at a meeting at which a quorum is present consti-  
8 tutes the action of the board or of the committee, unless the  
9 vote of a larger number is required by this act, the articles, or  
10 the bylaws, OR IN THE CASE OF A COMMITTEE, THE BOARD RESOLUTION  
11 ESTABLISHING THE COMMITTEE.

12       (2) Amendment of the bylaws by the board requires the vote  
13 of not less than a majority of the members of the board then in  
14 office.

15       Sec. 525. Unless ~~otherwise provided~~ PROHIBITED by the  
16 articles of incorporation or bylaws, action required or permitted  
17 to be taken ~~pursuant to~~ UNDER authorization voted at a meeting  
18 of the board or a committee ~~thereof~~ OF THE BOARD, may be taken  
19 without a meeting if, before or after the action, all members of  
20 the board THEN IN OFFICE or of the committee consent ~~thereto~~ TO  
21 THE ACTION in writing. The written consents shall be filed with  
22 the minutes of the proceedings of the board or committee. The  
23 consent has the same effect as a vote of the board or committee  
24 for all purposes.

25       Sec. 528. (1) A committee designated pursuant to section  
26 527, to the extent provided in the resolution of the board or in  
27 the bylaws, may exercise all powers and authority of the board in

1 management of the business and affairs of the corporation.

2 ~~However, such a~~ THE committee does not have power or authority  
3 to DO ANY OF THE FOLLOWING:

4 (a) Amend the articles of incorporation.

5 (b) Adopt an agreement of merger or consolidation.

6 (c) Recommend to shareholders the sale, lease, or exchange  
7 of all or substantially all of the corporation's property and  
8 assets.

9 (d) Recommend to shareholders a dissolution of the corpora-  
10 tion or a revocation of a dissolution.

11 (e) Amend the bylaws of the corporation.

12 (f) Fill vacancies in the board.

13 ~~(g) Fix compensation of the directors for serving on the~~  
14 ~~board or on a committee.~~

15 (2) Unless the resolution, articles, ~~of incorporation,~~ or  
16 bylaws expressly so provide, ~~such~~ a committee does not have  
17 power or authority to declare a DISTRIBUTION, dividend, or to  
18 authorize the issuance of stock.

19 SEC. 541A. (1) A DIRECTOR OR OFFICER SHALL DISCHARGE HIS OR  
20 HER DUTIES AS A DIRECTOR OR OFFICER INCLUDING HIS OR HER DUTIES  
21 AS A MEMBER OF A COMMITTEE IN THE FOLLOWING MANNER:

22 (A) IN GOOD FAITH.

23 (B) WITH THE CARE AN ORDINARILY PRUDENT PERSON IN A LIKE  
24 POSITION WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES.

25 (C) IN A MANNER HE OR SHE REASONABLY BELIEVES TO BE IN THE  
26 BEST INTERESTS OF THE CORPORATION.

1       (2) IN DISCHARGING HIS OR HER DUTIES, A DIRECTOR OR OFFICER  
2 IS ENTITLED TO RELY ON INFORMATION, OPINIONS, REPORTS, OR  
3 STATEMENTS, INCLUDING FINANCIAL STATEMENTS AND OTHER FINANCIAL  
4 DATA, IF PREPARED OR PRESENTED BY ANY OF THE FOLLOWING:

5       (A) ONE OR MORE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE  
6 CORPORATION, OR OF A BUSINESS ORGANIZATION UNDER JOINT CONTROL OR  
7 COMMON CONTROL, WHOM THE DIRECTOR OR OFFICER REASONABLY BELIEVES  
8 TO BE RELIABLE AND COMPETENT IN THE MATTERS PRESENTED.

9       (B) LEGAL COUNSEL, PUBLIC ACCOUNTANTS, ENGINEERS, OR OTHER  
10 PERSONS AS TO MATTERS THE DIRECTOR OR OFFICER REASONABLY BELIEVES  
11 ARE WITHIN THE PERSON'S PROFESSIONAL OR EXPERT COMPETENCE.

12       (C) A COMMITTEE OF THE BOARD OF WHICH HE OR SHE IS NOT A  
13 MEMBER IF THE DIRECTOR OR OFFICER REASONABLY BELIEVES THE COMMIT-  
14 TEE MERITS CONFIDENCE.

15       (3) A DIRECTOR OR OFFICER IS NOT ENTITLED TO RELY ON THE  
16 INFORMATION SET FORTH IN SUBSECTION (2) IF HE OR SHE HAS KNOWL-  
17 EDGE CONCERNING THE MATTER IN QUESTION THAT MAKES RELIANCE OTHER-  
18 WISE PERMITTED BY SUBSECTION (2) UNWARRANTED.

19       (4) AN ACTION AGAINST A DIRECTOR OR OFFICER FOR FAILURE TO  
20 PERFORM THE DUTIES IMPOSED BY THIS SECTION SHALL BE COMMENCED  
21 WITHIN 3 YEARS AFTER THE CAUSE OF ACTION HAS ACCRUED, OR WITHIN 2  
22 YEARS AFTER THE TIME WHEN THE CAUSE OF ACTION IS DISCOVERED OR  
23 SHOULD REASONABLY HAVE BEEN DISCOVERED, BY THE COMPLAINANT,  
24 WHICHEVER OCCURS FIRST.

25       SEC. 545A. (1) A TRANSACTION IN WHICH A DIRECTOR OR OFFICER  
26 IS DETERMINED TO HAVE AN INTEREST SHALL NOT, BECAUSE OF THE  
27 INTEREST, BE ENJOINED, SET ASIDE, OR GIVE RISE TO AN AWARD OF

1 DAMAGES OR OTHER SANCTIONS, IN A PROCEEDING BY A SHAREHOLDER OR  
2 BY OR IN THE RIGHT OF THE CORPORATION, IF THE PERSON INTERESTED  
3 IN THE TRANSACTION ESTABLISHES ANY OF THE FOLLOWING:

4 (A) THE TRANSACTION WAS FAIR TO THE CORPORATION AT THE TIME  
5 ENTERED INTO.

6 (B) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S  
7 OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE BOARD, A  
8 COMMITTEE OF THE BOARD, OR THE INDEPENDENT DIRECTOR OR DIRECTORS,  
9 AND THE BOARD, COMMITTEE, OR INDEPENDENT DIRECTOR OR DIRECTORS  
10 AUTHORIZED, APPROVED, OR RATIFIED THE TRANSACTION.

11 (C) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S  
12 OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE SHAREHOLDERS  
13 ENTITLED TO VOTE AND THEY AUTHORIZED, APPROVED, OR RATIFIED THE  
14 TRANSACTION.

15 (2) FOR PURPOSES OF SUBSECTION (1)(B), A TRANSACTION IS  
16 AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVED THE AFFIRMATIVE  
17 VOTE OF THE MAJORITY OF THE DIRECTORS ON THE BOARD OR THE COMMIT-  
18 TEE WHO HAD NO INTEREST IN THE TRANSACTION, THOUGH LESS THAN A  
19 QUORUM, OR ALL INDEPENDENT DIRECTORS WHO HAD NO INTEREST IN THE  
20 TRANSACTION. THE PRESENCE OF, OR A VOTE CAST BY, A DIRECTOR WITH  
21 AN INTEREST IN THE TRANSACTION DOES NOT AFFECT THE VALIDITY OF  
22 THE ACTION TAKEN UNDER SUBSECTION (1)(B).

23 (3) FOR PURPOSES OF SUBSECTION (1)(C), A TRANSACTION IS  
24 AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVED THE MAJORITY OF  
25 VOTES CAST BY THE HOLDERS OF SHARES WHO DID NOT HAVE AN INTEREST  
26 IN THE TRANSACTION. A MAJORITY OF THE SHARES HELD BY  
27 SHAREHOLDERS WHO DID NOT HAVE AN INTEREST IN THE TRANSACTION

1 CONSTITUTES A QUORUM FOR THE PURPOSE OF TAKING ACTION UNDER  
2 SUBSECTION (1)(C).

3 (4) THE BOARD, BY AFFIRMATIVE VOTE OF A MAJORITY OF DIREC-  
4 TORS IN OFFICE AND IRRESPECTIVE OF ANY PERSONAL INTEREST OF ANY  
5 OF THEM, MAY ESTABLISH REASONABLE COMPENSATION OF DIRECTORS FOR  
6 SERVICES TO THE CORPORATION AS DIRECTORS OR OFFICERS, BUT  
7 APPROVAL OF THE SHAREHOLDERS IS REQUIRED IF THE ARTICLES OF  
8 INCORPORATION, BYLAWS, OR OTHER PROVISIONS OF THIS ACT SO  
9 PROVIDE. TRANSACTIONS PERTAINING TO THE COMPENSATION OF DIREC-  
10 TORS FOR SERVICES TO THE CORPORATION AS DIRECTORS OR OFFICERS  
11 SHALL NOT BE ENJOINED, SET ASIDE, OR GIVE RISE TO AN AWARD OF  
12 DAMAGES OR OTHER SANCTIONS IN A PROCEEDING BY A SHAREHOLDER OR BY  
13 OR IN THE RIGHT OF THE CORPORATION UNLESS IT IS SHOWN THAT THE  
14 COMPENSATION WAS UNREASONABLE AT THE TIME ESTABLISHED.

15 Sec. 548. A corporation may lend money to, or guarantee an  
16 obligation of, or otherwise assist an officer or employee of the  
17 corporation or of its subsidiary, including an officer or  
18 employee who is a director of the corporation or its subsidiary,  
19 when, in the judgment of the board, the loan, guaranty, or  
20 assistance may reasonably be expected to benefit the corporation,  
21 OR IS PURSUANT TO A PLAN AUTHORIZING LOANS, GUARANTEES, OR  
22 ASSISTANCE, WHICH PLAN THE BOARD HAS REASONABLY DETERMINED WILL  
23 BENEFIT THE CORPORATION. The loan, guaranty, or assistance may  
24 be with or without interest, and may be unsecured, or secured in  
25 ~~such~~ A manner as the board approves, including without limita-  
26 tion, a pledge of shares of stock of the corporation. Nothing in  
27 this section shall ~~be deemed to~~ deny, limit, or restrict the



1 powers of guaranty or warranty of a corporation at common law or  
2 under any statute.

3       Sec. 551. (1) ~~In addition to any other liability imposed~~  
4 ~~by this act or other law upon directors of a corporation,~~  
5 ~~directors~~ DIRECTORS who vote for, or concur in, any of the fol-  
6 lowing corporate actions are jointly and severally liable to the  
7 corporation for the benefit of its creditors or shareholders, to  
8 the extent of any legally recoverable injury suffered by ~~such~~  
9 persons as a result of the action but not to exceed the amount  
10 unlawfully paid or distributed:

11       (a) Declaration of a SHARE dividend or ~~other~~ distribution  
12 ~~of assets~~ to shareholders contrary to this act or contrary to  
13 any restriction in the articles of incorporation or bylaws.

14       ~~(b) Purchase of shares of the corporation contrary to this~~  
15 ~~act or contrary to any restriction in the articles or bylaws.~~

16       (B) ~~(c)~~ Distribution ~~of assets~~ to shareholders during or  
17 after dissolution of the corporation without paying ~~—~~ or  
18 ~~adequately~~ providing for ~~—, all known~~ debts, obligations, and  
19 liabilities of the corporation AS REQUIRED BY SECTION 855A.

20       (C) ~~(d)~~ Making of a loan to ~~an~~ A DIRECTOR, officer,  
21 ~~director~~ or employee of the corporation or of a subsidiary  
22 ~~thereof~~ OF THE CORPORATION contrary to this act.

23       (2) A director is not liable under this section if he OR SHE  
24 has complied with section ~~54+~~ 541A.

25       (3) A shareholder who accepts or receives a SHARE dividend  
26 or distribution with knowledge of facts indicating it is ~~not~~  
27 ~~authorized by~~ CONTRARY TO this act, OR ANY RESTRICTION IN THE

1 ARTICLES OR BYLAWS, is liable to the corporation in the amount  
2 accepted or received by him OR HER.

3       Sec. 552. (1) A director against whom a claim is success-  
4 fully asserted under section 551 is entitled to contribution from  
5 the other directors who voted for, or concurred in, the action  
6 upon which the claim is asserted.

7       (2) A director against whom a claim is successfully asserted  
8 under section 551 is entitled, to the extent of the amounts paid  
9 by him OR HER to the corporation as a result of ~~such~~ THE  
10 claims, TO ALL OF THE FOLLOWING:

11       (a) Upon payment to the corporation of any amount of an  
12 improper SHARE dividend or distribution, to be subrogated to the  
13 rights of the corporation against shareholders who received the  
14 SHARE dividend or distribution in proportion to the amounts  
15 received by them respectively.

16       (b) Upon payment to the corporation of any amount of the  
17 purchase price of an improper purchase of shares ~~(i)~~ to have  
18 the corporation rescind the purchase and recover for his OR HER  
19 benefit, but at his OR HER expense, the amount of the purchase  
20 price from any seller who sold ~~such~~ THE shares with knowledge  
21 of facts indicating that ~~such~~ THE purchase of shares by the  
22 corporation was not authorized by this act, or ~~(i)~~ to have the  
23 corporation assign to ~~such~~ THE director ~~such~~ THE shares and  
24 any claim against the seller.

25       (c) Upon payment to the corporation of the claim of a credi-  
26 tor because of a violation of subdivision ~~(i)(c)~~ (1)(B) of  
27 section 551, to be subrogated to the rights of the corporation

1 against shareholders who received an improper distribution of  
2 assets.

3 (d) Upon payment to the corporation of the amount of a loan  
4 made improperly to ~~an~~ A DIRECTOR, officer, ~~director~~ or  
5 employee, to be subrogated to the rights of the corporation  
6 against ~~an~~ A DIRECTOR, officer, ~~director~~ or employee who  
7 received the improper loan.

8 Sec. 562. A corporation has the power to indemnify a person  
9 who was or is a party ~~to~~ or is threatened to be made a party to  
10 a threatened, pending, or completed action or suit by or in the  
11 right of the corporation to procure a judgment in its favor by  
12 reason of the fact that he or she is or was a director, officer,  
13 employee, or agent of the corporation, or is or was serving at  
14 the request of the corporation as a director, officer, partner,  
15 trustee, employee, or agent of another foreign or domestic corpo-  
16 ration, partnership, joint venture, trust, or other enterprise,  
17 whether for profit or not, against expenses, including ~~actual~~  
18 ~~and reasonable~~ attorneys' fees, and amounts paid in settlement  
19 ACTUALLY AND REASONABLY incurred by the person in connection with  
20 the action or suit, if the person acted in good faith and in a  
21 manner the person reasonably believed to be in or not opposed to  
22 the best interests of the corporation or its shareholders.  
23 ~~However, indemnification~~ INDEMNIFICATION shall not be made for  
24 a claim, issue, or matter in which the person has been found  
25 liable to the corporation EXCEPT TO THE EXTENT AUTHORIZED IN  
26 SECTION 564C. ~~unless and only to the extent that the court in~~  
27 ~~which the action or suit was brought has determined upon~~

~~1 application that, despite the adjudication of liability but in  
2 view of all circumstances of the case, the person is fairly and  
3 reasonably entitled to indemnification for the expenses which the  
4 court considers proper.~~

5       Sec. 563. ~~(1)~~ To the extent that a director, officer,  
6 employee, or agent of a corporation has been successful on the  
7 merits or otherwise in defense of an action, suit, or proceeding  
8 referred to in section 561 or 562, or in defense of a claim,  
9 issue, or matter in the action, suit, or proceeding, he or she  
10 shall be indemnified against expenses, including ~~actual and~~  
11 ~~reasonable~~ attorneys' fees, ACTUALLY AND REASONABLY incurred by  
12 him or her in connection with the action, suit, or proceeding and  
13 an action, suit, or proceeding brought to enforce the mandatory  
14 indemnification provided in this ~~subsection~~ SECTION.

15       ~~(2) An indemnification under section 561 or 562, unless~~  
16 ~~ordered by a court, shall be made by the corporation only as~~  
17 ~~authorized in the specific case upon a determination that indem-~~  
18 ~~nification of the director, officer, employee, or agent is proper~~  
19 ~~in the circumstances because he or she has met the applicable~~  
20 ~~standard of conduct set forth in sections 561 and 562. This~~  
21 ~~determination shall be made in any of the following ways:~~

22       ~~(a) By a majority vote of a quorum of the board consisting~~  
23 ~~of directors who were not parties to the action, suit, or~~  
24 ~~proceeding.~~

25       ~~(b) If the quorum described in subdivision (a) is not~~  
26 ~~obtainable, then by a majority vote of a committee of directors~~

1 ~~who are not parties to the action. The committee shall consist~~  
2 ~~of not less than 2 disinterested directors.~~

3 ~~(c) By independent legal counsel in a written opinion.~~

4 ~~(d) By the shareholders.~~

5 ~~(3) If a person is entitled to indemnification under section~~  
6 ~~561 or 562 for a portion of expenses including attorneys' fees,~~  
7 ~~judgments, penalties, fines, and amounts paid in settlement, but~~  
8 ~~not for the total amount thereof, the corporation may indemnify~~  
9 ~~the person for the portion of the expenses, judgments, penalties,~~  
10 ~~fines, or amounts paid in settlement for which the person is~~  
11 ~~entitled to be indemnified.~~

12 SEC. 564A. (1) AN INDEMNIFICATION UNDER SECTION 561 OR 562,  
13 UNLESS ORDERED BY THE COURT, SHALL BE MADE BY THE CORPORATION  
14 ONLY AS AUTHORIZED IN THE SPECIFIC CASE UPON A DETERMINATION THAT  
15 INDEMNIFICATION OF THE DIRECTOR, OFFICER, EMPLOYEE, OR AGENT IS  
16 PROPER IN THE CIRCUMSTANCES BECAUSE HE OR SHE HAS MET THE APPLI-  
17 CABLE STANDARD OF CONDUCT SET FORTH IN SECTIONS 561 AND 562 AND  
18 UPON AN EVALUATION OF THE REASONABLENESS OF EXPENSES AND AMOUNTS  
19 PAID IN SETTLEMENT. THIS DETERMINATION AND EVALUATION SHALL BE  
20 MADE IN ANY OF THE FOLLOWING WAYS:

21 (A) BY A MAJORITY VOTE OF A QUORUM OF THE BOARD CONSISTING  
22 OF DIRECTORS WHO ARE NOT PARTIES OR THREATENED TO BE MADE PARTIES  
23 TO THE ACTION, SUIT, OR PROCEEDING.

24 (B) IF A QUORUM CANNOT BE OBTAINED UNDER SUBDIVISION (A), BY  
25 MAJORITY VOTE OF A COMMITTEE DULY DESIGNATED BY THE BOARD AND  
26 CONSISTING SOLELY OF 2 OR MORE DIRECTORS NOT AT THE TIME PARTIES

1 OR THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR  
2 PROCEEDING.

3 (C) BY INDEPENDENT LEGAL COUNSEL IN A WRITTEN OPINION, WHICH  
4 COUNSEL SHALL BE SELECTED IN 1 OF THE FOLLOWING WAYS:

5 (i) BY THE BOARD OR ITS COMMITTEE IN THE MANNER PRESCRIBED  
6 IN SUBDIVISION (A) OR (B).

7 (ii) IF A QUORUM OF THE BOARD CANNOT BE OBTAINED UNDER SUB-  
8 DIVISION (A) AND A COMMITTEE CANNOT BE DESIGNATED UNDER SUBDIVI-  
9 SION (B), BY THE BOARD.

10 (D) BY ALL INDEPENDENT DIRECTORS WHO ARE NOT PARTIES OR  
11 THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR  
12 PROCEEDING.

13 (E) BY THE SHAREHOLDERS, BUT SHARES HELD BY DIRECTORS, OFFI-  
14 CERS, EMPLOYEES, OR AGENTS WHO ARE PARTIES OR THREATENED TO BE  
15 MADE PARTIES TO THE ACTION, SUIT, OR PROCEEDING MAY NOT BE  
16 VOTED.

17 (2) IN THE DESIGNATION OF A COMMITTEE UNDER SUBSECTION  
18 (1)(B) OR IN THE SELECTION OF INDEPENDENT LEGAL COUNSEL UNDER  
19 SUBSECTION (1)(C)(ii), ALL DIRECTORS MAY PARTICIPATE.

20 (3) IF A PERSON IS ENTITLED TO INDEMNIFICATION UNDER SECTION  
21 561 OR 562 FOR A PORTION OF EXPENSES, INCLUDING REASONABLE  
22 ATTORNEYS' FEES, JUDGMENTS, PENALTIES, FINES, AND AMOUNTS PAID IN  
23 SETTLEMENT, BUT NOT FOR THE TOTAL AMOUNT, THE CORPORATION MAY  
24 INDEMNIFY THE PERSON FOR THE PORTION OF THE EXPENSES, JUDGMENTS,  
25 PENALTIES, FINES, OR AMOUNTS PAID IN SETTLEMENT FOR WHICH THE  
26 PERSON IS ENTITLED TO BE INDEMNIFIED.

1        SEC. 564B. (1) A CORPORATION MAY PAY OR REIMBURSE THE  
2 REASONABLE EXPENSES INCURRED BY A DIRECTOR, OFFICER, EMPLOYEE, OR  
3 AGENT WHO IS A PARTY OR THREATENED TO BE MADE A PARTY TO AN  
4 ACTION, SUIT, OR PROCEEDING IN ADVANCE OF FINAL DISPOSITION OF  
5 THE PROCEEDING IF ALL OF THE FOLLOWING APPLY:

6        (A) THE PERSON FURNISHES THE CORPORATION A WRITTEN AFFIRMA-  
7 TION OF HIS OR HER GOOD FAITH BELIEF THAT HE OR SHE HAS MET THE  
8 APPLICABLE STANDARD OF CONDUCT SET FORTH IN SECTIONS 561 AND  
9 562.

10       (B) THE PERSON FURNISHES THE CORPORATION A WRITTEN UNDERTAK-  
11 ING, EXECUTED PERSONALLY OR ON HIS OR HER BEHALF, TO REPAY THE  
12 ADVANCE IF IT IS ULTIMATELY DETERMINED THAT HE OR SHE DID NOT  
13 MEET THE STANDARD OF CONDUCT.

14       (C) A DETERMINATION IS MADE THAT THE FACTS THEN KNOWN TO  
15 THOSE MAKING THE DETERMINATION WOULD NOT PRECLUDE INDEMNIFICATION  
16 UNDER THIS ACT.

17       (2) THE UNDERTAKING REQUIRED BY SUBSECTION (1)(B) MUST BE AN  
18 UNLIMITED GENERAL OBLIGATION OF THE PERSON BUT NEED NOT BE  
19 SECURED AND MAY BE ACCEPTED WITHOUT REFERENCE TO FINANCIAL ABIL-  
20 ITY TO MAKE REPAYMENT.

21       (3) DETERMINATIONS OF PAYMENTS UNDER THIS SECTION SHALL BE  
22 MADE IN THE MANNER SPECIFIED IN SECTION 564A.

23       SEC. 564C. A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF THE  
24 CORPORATION WHO IS A PARTY OR THREATENED TO BE MADE A PARTY TO AN  
25 ACTION, SUIT, OR PROCEEDING MAY APPLY FOR INDEMNIFICATION TO THE  
26 COURT CONDUCTING THE PROCEEDING OR TO ANOTHER COURT OF COMPETENT  
27 JURISDICTION. ON RECEIPT OF AN APPLICATION, THE COURT AFTER

1 GIVING ANY NOTICE IT CONSIDERS NECESSARY MAY ORDER  
2 INDEMNIFICATION IF IT DETERMINES THAT THE PERSON IS FAIRLY AND  
3 REASONABLY ENTITLED TO INDEMNIFICATION IN VIEW OF ALL THE RELE-  
4 VANT CIRCUMSTANCES, WHETHER OR NOT HE OR SHE MET THE APPLICABLE  
5 STANDARD OF CONDUCT SET FORTH IN SECTIONS 561 AND 562 OR WAS  
6 ADJUDGED LIABLE AS DESCRIBED IN SECTION 562, BUT IF HE OR SHE WAS  
7 ADJUDGED LIABLE, HIS OR HER INDEMNIFICATION IS LIMITED TO REASON-  
8 ABLE EXPENSES INCURRED.

9       Sec. 565. (1) The indemnification or advancement of  
10 expenses provided under sections 561 to ~~564~~ 564C is not exclu-  
11 sive of other rights to which a person seeking indemnification or  
12 advancement of expenses may be entitled under the articles of  
13 incorporation, bylaws, or a contractual agreement. ~~However,~~  
14 ~~the~~ THE total amount of expenses advanced or indemnified from  
15 all sources combined shall not exceed the amount of actual  
16 expenses incurred by the person seeking indemnification or  
17 advancement of expenses.

18       (2) The indemnification provided for in sections 561 to 565  
19 continues as to a person who ceases to be a director, officer,  
20 employee, or agent and shall inure to the benefit of the heirs,  
21 executors, and administrators of the person.

22       Sec. 567. A corporation shall have power to purchase and  
23 maintain insurance on behalf of any person who is or was a direc-  
24 tor, officer, employee, or agent of the corporation, or is or was  
25 serving at the request of the corporation as a director, officer,  
26 PARTNER, TRUSTEE, employee, or agent of another corporation,  
27 partnership, joint venture, trust, or other enterprise against



1 any liability asserted against him OR HER and incurred by him OR  
2 HER in any ~~such~~ capacity or arising out of his OR HER status as  
3 such, whether or not the corporation would have power to indem-  
4 nify him OR HER against ~~such~~ liability under sections 561 to  
5 565.

6 Sec. 571. For the purposes of sections 561 to 567:

7 ~~,"other enterprises" shall include employee benefit plans;~~  
8 ~~"fines" shall include any excise taxes assessed on a person with~~  
9 ~~respect to an employee benefit plan; and "serving at the request~~  
10 ~~of the corporation" shall include any service as a director,~~  
11 ~~officer, employee, or agent of the corporation which imposes~~  
12 ~~duties on, or involves services by, the director, officer,~~  
13 ~~employee, or agent with respect to an employee benefit plan, its~~  
14 ~~participants or beneficiaries; and a person who acted in good~~  
15 ~~faith and in a manner he or she reasonably believed to be in the~~  
16 ~~interest of the participants and beneficiaries of an employee~~  
17 ~~benefit plan shall be considered to have acted in a manner "not~~  
18 ~~opposed to the best interests of the corporation or its~~  
19 ~~shareholders" as referred to in sections 561 and 562.~~

20 (A) "FINES" SHALL INCLUDE ANY EXCISE TAXES ASSESSED ON A  
21 PERSON WITH RESPECT TO AN EMPLOYEE BENEFIT PLAN.

22 (B) "OTHER ENTERPRISES" SHALL INCLUDE EMPLOYEE BENEFIT  
23 PLANS.

24 (C) "SERVING AT THE REQUEST OF THE CORPORATION" SHALL  
25 INCLUDE ANY SERVICE AS A DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF  
26 THE CORPORATION WHICH IMPOSES DUTIES ON, OR INVOLVES SERVICES BY,

1 THE DIRECTOR, OFFICER, EMPLOYEE, OR AGENT WITH RESPECT TO AN  
2 EMPLOYEE BENEFIT PLAN, ITS PARTICIPANTS, OR ITS BENEFICIARIES.

3 (D) A PERSON WHO ACTED IN GOOD FAITH AND IN A MANNER HE OR  
4 SHE REASONABLY BELIEVED TO BE IN THE INTEREST OF THE PARTICIPANTS  
5 AND BENEFICIARIES OF AN EMPLOYEE BENEFIT PLAN SHALL BE CONSIDERED  
6 TO HAVE ACTED IN A MANNER "NOT OPPOSED TO THE BEST INTERESTS OF  
7 THE CORPORATION OR ITS SHAREHOLDERS OR MEMBERS" AS REFERRED TO IN  
8 SECTIONS 561 AND 562.

9 Sec. 601. (1) A corporation may amend its articles of  
10 incorporation if the amendment contains only ~~such~~ provisions  
11 ~~as~~ THAT might lawfully be contained in original articles of  
12 incorporation filed at the time of making the amendment.

13 (2) A CORPORATION MAY AMEND ITS ARTICLES OF INCORPORATION TO  
14 BECOME A NONPROFIT CORPORATION BY ADOPTING RESTATED ARTICLES IN  
15 ACCORDANCE WITH SECTION 641 WHICH SHALL SO AMEND THE ARTICLES TO  
16 CONTAIN ONLY THOSE PROVISIONS THAT MIGHT BE LAWFULLY CONTAINED IN  
17 ORIGINAL ARTICLES OF A NONPROFIT CORPORATION ORGANIZED UNDER THE  
18 NONPROFIT CORPORATION ACT, ACT NO. 162 OF THE PUBLIC ACTS OF  
19 1982, BEING SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN  
20 COMPILED LAWS. THE AMENDMENT DOES NOT CONSTITUTE A DISSOLUTION  
21 OF THE CORPORATION.

22 Sec. 602. Without limitation upon the general power of  
23 amendment granted by section 601, a corporation may amend its  
24 articles of incorporation TO DO ANY OF THE FOLLOWING:

25 (a) ~~To change~~ CHANGE its corporate name.

26 (b) ~~To enlarge~~ ENLARGE, limit, or otherwise change its  
27 corporate purposes or powers.

1 (c) ~~To change~~ CHANGE the duration of the corporation.

2 (d) ~~To increase~~ INCREASE or decrease the aggregate number  
3 of shares, or shares of any class or series of any class, which  
4 the corporation has authority to issue.

5 ~~(e) To increase or decrease the par value of the authorized~~  
6 ~~issued or unissued shares of any class having a par value.~~

7 (E) ~~(f) To exchange~~ EXCHANGE, classify, reclassify, or  
8 cancel any of its issued or unissued shares.

9 (F) ~~(g) To change~~ CHANGE the designation of any of its  
10 issued or unissued shares, and to change the preferences, limita-  
11 tions, and relative rights in respect of any of its issued or  
12 unissued shares.

13 ~~(h) To change issued or unissued shares having par value~~  
14 ~~into the same or a different number of shares without par value,~~  
15 ~~and to change issued or unissued shares without par value into~~  
16 ~~the same or a different number of shares having par value.~~

17 (G) ~~(i) To change~~ CHANGE the issued or unissued shares of  
18 any class or series ~~, with or without par value,~~ into a differ-  
19 ent number of shares of the same class or series or into the same  
20 or a different number of shares ~~, with or without par value,~~ of  
21 other classes or series.

22 (H) ~~(j) To create~~ CREATE new classes or series of shares  
23 having rights and preferences superior or inferior to, or equal  
24 with, the issued or unissued shares of any class or series then  
25 authorized.

1 (I) ~~(k) To cancel~~ CANCEL or otherwise affect the right of  
 2 the holders of the shares of any class or series to receive  
 3 dividends which have accrued but have not been declared.

4 (J) ~~(l) To divide~~ DIVIDE any class of issued or unissued  
 5 shares into series and fix the designations of ~~such~~ THE series  
 6 and the preferences, limitations, and relative rights of the  
 7 shares of the series.

8 (K) ~~(m) To authorize~~ AUTHORIZE the board to divide autho-  
 9 rized but unissued shares of any class into series and fix the  
 10 designations and number of shares of the series and the prefer-  
 11 ences, limitations, and relative rights of the shares of the  
 12 series.

13 (L) ~~(n) To authorize~~ AUTHORIZE the board to fix or change  
 14 the designation or number of, or preferences, limitations, or  
 15 relative rights of the shares of ~~a theretofore~~ AN established  
 16 series the shares of which have not been issued.

17 (M) ~~(o) To revoke~~ REVOKE, diminish, or enlarge the author-  
 18 ity of the board to take any action set forth in subdivisions  
 19 ~~(m) and (n)~~ (K) AND (L).

20 (N) ~~(p) To limit~~ LIMIT, deny, or grant to shareholders of  
 21 a class the preemptive right to acquire shares of the  
 22 corporation. ~~, then or thereafter authorized.~~

23 (O) ~~(q) To change~~ CHANGE its registered office or change  
 24 its resident agent.

25 (P) ~~(r) To strike~~ STRIKE out, change, or add any provision  
 26 for management of the business and conduct of the affairs of the  
 27 corporation, or creating, defining, limiting, and regulating the

1 powers of the corporation, its directors and shareholders, or any  
2 class of shareholders, including any provision which under this  
3 act is required or permitted to be set forth in the bylaws.

4       Sec. 621. (1) A holder of adversely affected shares who  
5 does not vote for or consent in writing to a proposed amendment  
6 may dissent, pursuant to ~~sections 761 and~~ SECTION 762, and  
7 receive payment for the shares, if the amendment does either of  
8 the following:

9       (a) Materially alters or abolishes a preferential right of  
10 ~~such~~ THE shares having preferences.

11       (b) Creates, alters, or abolishes a material provision or  
12 right in respect of the redemption of ~~such~~ THE shares or a  
13 sinking fund for the redemption or purchase of ~~such~~ THE  
14 shares.

15       (2) A dissenting shareholder shall not receive payment in  
16 excess of the sum payable upon redemption of the shares or liqui-  
17 dation of the corporation, whichever is less.

18       Sec. 701. (1) Two or more domestic corporations may merge  
19 into 1 of the corporations ~~or consolidate into a new~~  
20 ~~corporation~~ pursuant to a plan of merger ~~or consolidation~~  
21 approved in the manner provided by this act.

22       (2) The board of each corporation proposing to participate  
23 in a merger ~~or consolidation~~ shall adopt a plan of merger, ~~or~~  
24 ~~consolidation,~~ setting forth ALL OF THE FOLLOWING:

25       (a) The name of each constituent corporation and the name of  
26 the surviving ~~or consolidated~~ corporation.

1 (b) As to each constituent corporation, the designation and  
 2 number of outstanding shares of each class and series, specifying  
 3 the classes and series entitled to vote; and each class and  
 4 series entitled to vote as a class; and, if the number of shares  
 5 is subject to change before the effective date of the merger, ~~or~~  
 6 ~~consolidation,~~ the manner in which the change may occur.

7 (c) The terms and conditions of the proposed merger, ~~or~~  
 8 ~~consolidation,~~ including the manner and basis of converting the  
 9 shares of each constituent corporation into shares, bonds, or  
 10 other securities of the surviving ~~or consolidated~~ corporation,  
 11 or into cash or other consideration, which may include shares,  
 12 bonds, rights, or other property or securities of a corporation  
 13 whether or not a party to the merger, or into a combination  
 14 thereof.

15 (d) ~~In a merger, a~~ A statement of ~~an~~ ANY amendment to  
 16 the articles of incorporation of the surviving corporation to be  
 17 effected by the merger or ~~a~~ ANY restatement of the articles ~~of~~  
 18 ~~incorporation~~ as provided in section 641(1), which shall be in  
 19 the form of restated articles ~~of incorporation~~ as provided in  
 20 section 642. ~~, and in a consolidation, all statements required~~  
 21 ~~to be included in articles of incorporation formed under this~~  
 22 ~~act.~~

23 (e) Other provisions with respect to the proposed merger ~~or~~  
 24 ~~consolidation~~ as the board considers necessary or desirable.

25 SEC. 702. (1) A CORPORATION MAY ACQUIRE ALL OF THE OUT-  
 26 STANDING SHARES OF 1 OR MORE CLASSES OR SERIES OF ANOTHER

1 CORPORATION PURSUANT TO A PLAN OF SHARE EXCHANGE APPROVED IN THE  
2 MANNER PROVIDED BY THIS ACT.

3 (2) THE BOARD OF EACH CORPORATION PROPOSING TO PARTICIPATE  
4 IN A SHARE EXCHANGE SHALL ADOPT A PLAN OF SHARE EXCHANGE SETTING  
5 FORTH ALL OF THE FOLLOWING:

6 (A) THE NAME OF THE CORPORATION WHOSE SHARES WILL BE  
7 ACQUIRED AND THE NAME OF THE ACQUIRING CORPORATION.

8 (B) THE TERMS AND CONDITIONS OF THE EXCHANGE, INCLUDING THE  
9 MANNER AND BASIS OF EXCHANGING THE SHARES TO BE ACQUIRED FOR  
10 SHARES, OBLIGATIONS, OR OTHER SECURITIES OF THE ACQUIRING OR ANY  
11 OTHER CORPORATION OR FOR CASH OR OTHER PROPERTY IN WHOLE OR  
12 PART.

13 (C) OTHER PROVISIONS WITH RESPECT TO THE PROPOSED EXCHANGE  
14 AS THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

15 (3) THIS SECTION DOES NOT LIMIT THE POWER OF A CORPORATION  
16 TO ACQUIRE ALL OR PART OF THE SHARES OF 1 OR MORE CLASSES OR  
17 SERIES OF ANOTHER CORPORATION THROUGH A VOLUNTARY EXCHANGE OR  
18 OTHERWISE.

19 SEC. 703A. (1) A PLAN OF MERGER OR SHARE EXCHANGE ADOPTED  
20 BY THE BOARD OF EACH CONSTITUENT CORPORATION SHALL, EXCEPT AS  
21 PROVIDED IN SUBSECTION (2)(E) AND (F), BE SUBMITTED FOR APPROVAL  
22 AT A MEETING OF THE SHAREHOLDERS.

23 (2) FOR A PLAN OF MERGER OR SHARE EXCHANGE TO BE APPROVED  
24 ALL OF THE FOLLOWING SHALL APPLY:

25 (A) THE BOARD MUST RECOMMEND THE PLAN OF MERGER OR SHARE  
26 EXCHANGE TO THE SHAREHOLDERS, UNLESS THE BOARD DETERMINES THAT  
27 BECAUSE OF CONFLICT OF INTEREST OR OTHER SPECIAL CIRCUMSTANCES IT

1 SHOULD MAKE NO RECOMMENDATION AND COMMUNICATES THE BASIS FOR ITS  
2 DETERMINATION TO THE SHAREHOLDERS WITH THE PLAN.

3 (B) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSED  
4 MERGER OR SHARE EXCHANGE ON ANY BASIS.

5 (C) NOTICE OF THE SHAREHOLDER MEETING SHALL BE GIVEN TO EACH  
6 SHAREHOLDER OF RECORD, WHETHER OR NOT ENTITLED TO VOTE AT THE  
7 MEETING, WITHIN THE TIME AND IN THE MANNER PROVIDED IN THIS ACT  
8 FOR THE GIVING OF NOTICE OF MEETINGS OF SHAREHOLDERS. THE NOTICE  
9 SHALL INCLUDE OR BE ACCOMPANIED BY ALL OF THE FOLLOWING:

10 (i) A COPY OR SUMMARY OF THE PLAN OF MERGER OR SHARE  
11 EXCHANGE.

12 (ii) A STATEMENT INFORMING SHAREHOLDERS WHO, UNDER SECTION  
13 762, ARE ENTITLED TO DISSENT, THAT THEY HAVE THE RIGHT TO DISSENT  
14 AND TO BE PAID THE FAIR VALUE OF THEIR SHARES BY COMPLYING WITH  
15 THE PROCEDURES SET FORTH IN SECTIONS 764 TO 772.

16 (D) AT THE MEETING, A VOTE OF THE SHAREHOLDERS SHALL BE  
17 TAKEN ON THE PROPOSED PLAN OF MERGER OR SHARE EXCHANGE. THE PLAN  
18 SHALL BE APPROVED UPON RECEIVING THE AFFIRMATIVE VOTE OF THE  
19 HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF THE CORPORA-  
20 TION ENTITLED TO VOTE ON THE PLAN OF MERGER, AND IF A CLASS OR  
21 SERIES IS ENTITLED TO VOTE ON THE PLAN AS A CLASS, THE AFFIRMA-  
22 TIVE VOTE OF THE HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES  
23 OF EACH CLASS OR SERIES. A CLASS OR SERIES OF SHARES IS ENTITLED  
24 TO VOTE AS A CLASS IN THE CASE OF A MERGER, IF THE PLAN OF MERGER  
25 CONTAINS A PROVISION WHICH, IF CONTAINED IN A PROPOSED AMENDMENT  
26 TO THE ARTICLES OF INCORPORATION, WOULD ENTITLE THE CLASS OR



1 SERIES OF SHARES TO VOTE AS A CLASS, OR, IN THE CASE OF A SHARE  
2 EXCHANGE, IF THE CLASS OR SERIES IS INCLUDED IN THE EXCHANGE.

3 (E) EXCEPT AS PROVIDED IN SECTION 754 OR UNLESS REQUIRED BY  
4 THE ARTICLES, ACTION BY THE SHAREHOLDERS OF THE SURVIVING CORPO-  
5 RATION ON A PLAN OF MERGER IS NOT REQUIRED IF ALL OF THE FOLLOW-  
6 ING APPLY:

7 (i) THE ARTICLES OF THE SURVIVING CORPORATION WILL NOT  
8 DIFFER FROM ITS ARTICLES BEFORE THE MERGER.

9 (ii) EACH SHAREHOLDER OF THE SURVIVING CORPORATION WHOSE  
10 SHARES WERE OUTSTANDING IMMEDIATELY BEFORE THE EFFECTIVE DATE OF  
11 THE MERGER WILL HOLD THE SAME NUMBER OF SHARES, WITH IDENTICAL  
12 DESIGNATIONS, PREFERENCES, LIMITATIONS, AND RELATIVE RIGHTS,  
13 IMMEDIATELY AFTER.

14 (F) EXCEPT AS PROVIDED IN SECTION 754, ACTION BY THE SHARE-  
15 HOLDERS OF THE ACQUIRING CORPORATION ON A PLAN OF SHARE EXCHANGE  
16 IS NOT REQUIRED.

17 Sec. 706. (1) A domestic corporation which has not com-  
18 menced business, has not issued any shares, and has not elected a  
19 board may merge ~~or consolidate~~ with any domestic or foreign  
20 corporation by unanimous consent of its incorporators.

21 (2) In order to effect the merger, ~~or consolidation,~~ all  
22 of the incorporators shall execute a certificate of merger ~~or~~  
23 ~~certificate of consolidation~~ in accordance with section 707.

24 (3) The other domestic or foreign corporations participating  
25 in the merger ~~or consolidation~~ shall comply with the provisions  
26 of this act dealing with mergers ~~and consolidations~~ which are  
27 applicable to them.

1       Sec. 707. (1) After ~~approval of~~ a plan of merger or  
 2 ~~consolidation~~ SHARE EXCHANGE IS APPROVED, a certificate of  
 3 merger or ~~a certificate of consolidation~~ SHARE EXCHANGE shall  
 4 be executed and filed on behalf of each corporation. The certif-  
 5 icate shall set forth: ~~the plan of merger or the plan of con-~~  
 6 ~~solidation and~~ ~~of the following.~~

7       (A) THE PLAN OF MERGER OR SHARE EXCHANGE.

8       (B) ~~(a)~~ A statement that the plan of merger or  
 9 ~~consolidation~~ SHARE EXCHANGE has been adopted by the ~~board and~~  
 10 ~~approved by the shareholders~~ BOARDS in accordance with  
 11 ~~sections~~ SECTION 701 ~~to 704~~ OR 702.

12       ~~(b) In the case of a merger governed by section 704, that~~  
 13 ~~the plan of merger was approved by the board without a vote of~~  
 14 ~~shareholders of the surviving corporation.~~

15       (C) IF APPROVAL OF THE SHAREHOLDERS OF 1 OR MORE CORPORA-  
 16 TIONS PARTY TO THE MERGER OR SHARE EXCHANGE WAS REQUIRED, A  
 17 STATEMENT THAT THE PLAN WAS APPROVED BY THE SHAREHOLDERS IN  
 18 ACCORDANCE WITH SECTION 703A.

19       (D) ~~(c)~~ In the case of a merger governed by section 706,  
 20 that the MERGING corporation has not commenced business, has not  
 21 issued any shares, and has not elected a board, ~~of directors,~~  
 22 and that the plan of merger ~~or plan of consolidation~~ was  
 23 approved by the unanimous consent of the incorporators.

24       (2) The certificate of merger or ~~consolidation~~ SHARE  
 25 EXCHANGE shall become effective in accordance with section 131.

26       Sec. 711. (1) A domestic corporation owning not less than  
 27 90% of the outstanding shares of each class of another domestic

1 corporation or corporations may merge the other corporation or  
2 corporations into itself, or may merge itself, or itself and any  
3 ~~such~~ subsidiary corporation or corporations, into any ~~such~~  
4 subsidiary corporation, without approval of the shareholders of  
5 any of the corporations, except as provided in section 713. The  
6 board of the parent corporation shall approve a plan of merger  
7 setting forth those matters required to be set forth in a plan of  
8 merger under section 701. Approval by the board of any ~~such~~  
9 subsidiary corporation is not required.

10 (2) If the parent corporation owns less than 100% of the  
11 outstanding shares of ~~each~~ ANY CONSTITUENT subsidiary corpora-  
12 tion, the parent corporation shall mail PROMPTLY AFTER THE FILING  
13 OF THE CERTIFICATE OF MERGER to each minority shareholder of  
14 record of each subsidiary corporation, unless waived in writing,  
15 a copy or summary of the plan of merger ~~-. The parent corpora-~~  
16 ~~tion shall also mail to each shareholder, who under section 761~~  
17 ~~or 762 is entitled to dissent, a statement informing the share-~~  
18 ~~holder that the shareholder has the right to dissent and to be~~  
19 ~~paid the fair value of the shares held by complying with sections~~  
20 ~~763 to 771~~ AND SHALL COMPLY WITH THE PROVISIONS OF THIS CHAPTER  
21 RESPECTING DISSENTERS' RIGHTS.

22 (3) The grant of power to merge under this section does not  
23 preclude the effectuation of a merger as elsewhere provided in  
24 this act.

25 Sec. 712. (1) A certificate of merger shall be executed and  
26 filed on behalf of the parent corporation and shall set forth ALL  
27 OF THE FOLLOWING:

1 (a) The plan of merger.

2 (b) The number of outstanding shares of each class of each  
3 subsidiary corporation which is a party to the merger and the  
4 number of ~~such~~ shares of each class owned by the parent  
5 corporation.

6 ~~(c) If the parent corporation owns less than 100% of the~~  
7 ~~outstanding shares of each subsidiary corporation, the date of~~  
8 ~~mailing of a copy or a summary of the plan of merger to minority~~  
9 ~~shareholders of each subsidiary corporation; or if all such~~  
10 ~~shareholders have waived the mailing in writing, a statement that~~  
11 ~~the waiver has been obtained.~~

12 (2) The merger shall become effective in accordance with  
13 section 131.

14 Sec. 713. (1) Approval by shareholders of a subsidiary cor-  
15 poration shall be obtained pursuant to its articles of incorpora-  
16 tion, if the articles require approval of a merger by the affir-  
17 mative vote of holders of more than the percentage of the shares  
18 of any class or series of ~~such~~ THE corporation then owned by  
19 the parent corporation.

20 (2) Approval of the shareholders of the parent corporation  
21 shall be obtained in either of the following cases:

22 (a) ~~When~~ IF its articles ~~of incorporation~~ require share-  
23 holder approval of the merger.

24 (b) Pursuant to ~~sections 703 and 704 where (i)~~ SECTION  
25 703A, IF the plan of merger contains a provision which would  
26 amend any part of the articles ~~of incorporation~~ of the parent  
27 corporation into which a subsidiary corporation is being merged,

1 or ~~(ii)~~ a subsidiary corporation is to be the surviving  
2 corporation.

3 SEC. 724. (1) WHEN A MERGER TAKES EFFECT ALL OF THE FOLLOW-  
4 ING APPLY:

5 (A) EVERY OTHER CORPORATION PARTY TO THE MERGER MERGES INTO  
6 THE SURVIVING CORPORATION AND THE SEPARATE EXISTENCE OF EVERY  
7 CORPORATION EXCEPT THE SURVIVING CORPORATION CEASES.

8 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND  
9 RIGHTS OWNED BY EACH CORPORATION PARTY TO THE MERGER ARE VESTED  
10 IN THE SURVIVING CORPORATION WITHOUT REVERSION OR IMPAIRMENT.

11 (C) UPON COMPLYING WITH SECTION 217, THE SURVIVING CORPORA-  
12 TION MAY USE THE CORPORATE NAME AND THE ASSUMED NAMES OF ANY  
13 MERGING CORPORATION.

14 (D) THE SURVIVING CORPORATION HAS ALL LIABILITIES OF EACH  
15 CORPORATION PARTY TO THE MERGER.

16 (E) A PROCEEDING PENDING AGAINST ANY CORPORATION PARTY TO  
17 THE MERGER MAY BE CONTINUED AS IF THE MERGER DID NOT OCCUR OR THE  
18 SURVIVING CORPORATION MAY BE SUBSTITUTED IN THE PROCEEDING FOR  
19 THE CORPORATION WHOSE EXISTENCE CEASED.

20 (F) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORA-  
21 TION ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF MERGER.

22 (G) THE SHARES OF EACH CORPORATION PARTY TO THE MERGER THAT  
23 ARE TO BE CONVERTED INTO SHARES, OBLIGATIONS, OR OTHER SECURITIES  
24 OF THE SURVIVING OR ANY OTHER CORPORATION OR INTO CASH OR OTHER  
25 PROPERTY ARE CONVERTED.

26 (2) WHEN A SHARE EXCHANGE TAKES EFFECT, THE SHARES OF EACH  
27 ACQUIRED CORPORATION ARE EXCHANGED AS PROVIDED IN THE PLAN.

1 SEC. 735. (1) ONE OR MORE FOREIGN CORPORATIONS MAY MERGE OR  
2 ENTER INTO A SHARE EXCHANGE WITH 1 OR MORE DOMESTIC CORPORATIONS  
3 IF THE FOLLOWING APPLY:

4 (A) IN A MERGER, THE MERGER IS PERMITTED BY THE LAW OF THE  
5 STATE OR COUNTRY UNDER WHOSE LAW EACH FOREIGN CORPORATION IS  
6 INCORPORATED AND EACH FOREIGN CORPORATION COMPLIES WITH THAT LAW  
7 IN EFFECTING THE MERGER PROVIDED THAT IF THE PARENT CORPORATION  
8 IN A MERGER CONDUCTED PURSUANT TO SECTION 711 IS A FOREIGN CORPO-  
9 RATION, IT SHALL COMPLY, NOTWITHSTANDING THE PROVISIONS OF THE  
10 LAWS OF ITS JURISDICTION OF INCORPORATION, WITH SECTION 711(2)  
11 WITH RESPECT TO NOTICE TO SHAREHOLDERS OF A DOMESTIC SUBSIDIARY  
12 CORPORATION WHICH IS A PARTY TO THE MERGER AND WITH SECTION 712  
13 WITH RESPECT TO THE CERTIFICATE OF MERGER.

14 (B) IN A SHARE EXCHANGE, THE CORPORATION WHOSE SHARES WILL  
15 BE ACQUIRED IS A DOMESTIC CORPORATION, WHETHER OR NOT A SHARE  
16 EXCHANGE IS PERMITTED BY THE LAW OF THE STATE OR COUNTRY UNDER  
17 WHOSE LAW THE ACQUIRING CORPORATION IS INCORPORATED.

18 (C) EACH DOMESTIC CORPORATION COMPLIES WITH THE APPLICABLE  
19 PROVISIONS OF SECTIONS 701 THROUGH 713.

20 (2) IF THE SURVIVING CORPORATION OF A MERGER OR THE ACQUIR-  
21 ING CORPORATION IN A SHARE EXCHANGE IS TO BE GOVERNED BY THE LAWS  
22 OF A JURISDICTION OTHER THAN THIS STATE, IT SHALL COMPLY WITH THE  
23 PROVISIONS OF THIS ACT WITH RESPECT TO FOREIGN CORPORATIONS IF IT  
24 IS TO TRANSACT BUSINESS IN THIS STATE. THE CORPORATION IS  
25 LIABLE, AND IS SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN  
26 THIS STATE, FOR THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC  
27 CORPORATION WHICH IS PARTY TO THE MERGER OR SHARE EXCHANGE, AND

1 IN A PROCEEDING FOR THE ENFORCEMENT OF A RIGHT OF A DISSENTING  
2 SHAREHOLDER OF A DOMESTIC CORPORATION AGAINST THE SURVIVING OR  
3 ACQUIRING CORPORATION.

4 (3) THIS SECTION DOES NOT LIMIT THE POWER OF A FOREIGN COR-  
5 PORATION TO ACQUIRE ALL OR PART OF THE SHARES OF 1 OR MORE CLAS-  
6 SES OR SERIES OF A DOMESTIC CORPORATION THROUGH A VOLUNTARY  
7 EXCHANGE OR OTHERWISE.

8 SEC. 736. (1) ONE OR MORE DOMESTIC CORPORATIONS, DOMESTIC  
9 NONPROFIT CORPORATIONS, FOREIGN CORPORATIONS, FOREIGN NONPROFIT  
10 CORPORATIONS, OR ANY COMBINATION THEREOF MAY BE MERGED OR CONSOL-  
11 IDATED AS PROVIDED IN THIS ACT, IF THE MERGER OR CONSOLIDATION IS  
12 NOT CONTRARY TO THE LAW OF THE STATE OF INCORPORATION OF ANY CON-  
13 STITUENT FOREIGN CORPORATION OR FOREIGN NONPROFIT CORPORATION.

14 (2) WITH RESPECT TO PROCEDURE, INCLUDING AUTHORIZATION BY  
15 SHAREHOLDERS, MEMBERS, OR DIRECTORS, EACH DOMESTIC CORPORATION  
16 SHALL COMPLY WITH THE PROVISIONS OF THIS ACT, EACH DOMESTIC NON-  
17 PROFIT CORPORATION SHALL COMPLY WITH THE PROVISIONS OF THE NON-  
18 PROFIT CORPORATION ACT, ACT NO. 162 OF THE PUBLIC ACTS OF 1982,  
19 BEING SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN COMPILED  
20 LAWS, AND EACH FOREIGN CORPORATION OR FOREIGN NONPROFIT CORPORA-  
21 TION SHALL COMPLY WITH THE APPLICABLE PROVISIONS OF THE LAW OF  
22 THE JURISDICTION WHERE IT IS ORGANIZED.

23 (3) IN ADDITION TO ALL MATTERS REQUIRED BY SECTION 701(2),  
24 THE PLAN OF MERGER OR CONSOLIDATION SHALL SET FORTH THE MANNER  
25 AND BASIS OF CONVERTING SHARES, MEMBERSHIP, OR OTHER INTERESTS IN  
26 EACH CONSTITUENT CORPORATION OR NONPROFIT CORPORATION INTO  
27 SHARES, MEMBERSHIP, OR OTHER INTERESTS OF THE SURVIVING OR

1 CONSOLIDATED CORPORATION OR NONPROFIT CORPORATION, OR THE CASH OR  
2 OTHER CONSIDERATION TO BE PAID OR DELIVERED IN EXCHANGE FOR  
3 SHARES, MEMBERSHIP, OR OTHER INTERESTS IN EACH CONSTITUENT CORPO-  
4 RATION OR NONPROFIT CORPORATION, OR A COMBINATION THEREOF.

5 (4) FOR A SURVIVING OR NEW CORPORATION OR NONPROFIT CORPORA-  
6 TION WHICH TRANSACTS BUSINESS OR CONDUCTS AFFAIRS IN THIS STATE  
7 BUT WHICH IS TO BE GOVERNED BY THE LAWS OF ANOTHER STATE, IF IT  
8 IS A PROFIT CORPORATION, IT SHALL ALSO COMPLY WITH THE PROVISIONS  
9 OF THIS ACT, AND IF IT IS A NONPROFIT CORPORATION, IT SHALL ALSO  
10 COMPLY WITH THE PROVISIONS OF ACT NO. 162 OF THE PUBLIC ACTS OF  
11 1982, BEING SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN  
12 COMPILED LAWS. THE CORPORATION OR NONPROFIT CORPORATION IS  
13 LIABLE AND IS SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN  
14 THIS STATE FOR THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC  
15 CORPORATION OR A NONPROFIT CORPORATION WHICH IS A PARTY TO THE  
16 MERGER OR CONSOLIDATION.

17 SEC. 737. IF A SURVIVING OR NEW CORPORATION IS A DOMESTIC  
18 CORPORATION TO BE GOVERNED BY THE LAWS OF THIS STATE, THE EFFECT  
19 OF THE MERGER OR CONSOLIDATION AUTHORIZED BY SECTION 736 IS THE  
20 SAME AS FOR A MERGER OR CONSOLIDATION OF DOMESTIC CORPORATIONS.  
21 IF A SURVIVING OR NEW NONPROFIT CORPORATION IS A DOMESTIC NON-  
22 PROFIT CORPORATION TO BE GOVERNED BY THE LAWS OF THIS STATE, THE  
23 EFFECT OF A MERGER OR CONSOLIDATION IS THE SAME AS FOR A MERGER  
24 OR CONSOLIDATION OF DOMESTIC NONPROFIT CORPORATIONS, SUBJECT TO  
25 THE NONPROFIT CORPORATION ACT, ACT NO. 162 OF THE PUBLIC ACTS OF  
26 1982, BEING SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN  
27 COMPILED LAWS. IF A SURVIVING OR NEW NONPROFIT CORPORATION IS A



1 FOREIGN NONPROFIT CORPORATION TO BE GOVERNED BY THE LAWS OF A  
2 JURISDICTION OTHER THAN THIS STATE, THE EFFECT OF THE MERGER OR  
3 CONSOLIDATION IS THE SAME AS FOR THE MERGER OR CONSOLIDATION IN  
4 THAT JURISDICTION, EXCEPT AS OTHERWISE PROVIDED IN THIS ACT. A  
5 MERGER OR CONSOLIDATION SHALL NOT BE CONSIDERED A DISSOLUTION OF  
6 ANY CONSTITUENT DOMESTIC CORPORATION OR CONSTITUENT DOMESTIC NON-  
7 PROFIT CORPORATION.

8       Sec. 741. At any time before the effective date of a cer-  
9 tificate of merger or ~~consolidation~~ SHARE EXCHANGE, the merger  
10 or ~~consolidation~~ SHARE EXCHANGE may be abandoned, ~~pursuant to~~  
11 ~~provisions therefor, if any, set forth in the plan of merger or~~  
12 ~~consolidation~~ SUBJECT TO ANY CONTRACTUAL RIGHTS, WITHOUT FURTHER  
13 SHAREHOLDER ACTION, IN ACCORDANCE WITH THE PROCEDURE SET FORTH IN  
14 THE PLAN OF MERGER OR SHARE EXCHANGE OR, IF NONE SET FORTH, IN  
15 THE MANNER DETERMINED BY THE BOARD. If a certificate of merger  
16 or ~~consolidation~~ SHARE EXCHANGE has been filed by a corpora-  
17 tion, it shall file a certificate of abandonment within 10 days  
18 after the abandonment, but not later than the proposed effective  
19 day.

20       Sec. 753. (1) A sale, lease, exchange, or other disposition  
21 of all, or substantially all, the property and assets, with or  
22 without the goodwill, of a corporation, if not in the usual and  
23 regular course of its business as conducted by the corporation,  
24 may be made upon ~~such~~ terms and conditions and for a considera-  
25 tion, which may consist in whole or in part of cash or other  
26 property, including shares, bonds, or other securities of any

1 other corporation, domestic or foreign, as authorized as provided  
2 in this section.

3       (2) ~~The board shall approve a proposal for the sale, lease,~~  
4 ~~exchange or other disposition.~~ THE BOARD MUST RECOMMEND THE PRO-  
5 POSED TRANSACTION TO THE SHAREHOLDERS UNLESS THE BOARD DETERMINES  
6 THAT BECAUSE OF CONFLICT OF INTEREST OR OTHER SPECIAL CIRCUM-  
7 STANCES IT SHOULD MAKE NO RECOMMENDATION AND COMMUNICATES THE  
8 BASIS FOR ITS DETERMINATION TO THE SHAREHOLDERS WITH THE SUBMIS-  
9 SION OF THE PROPOSED TRANSACTION.

10       (3) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSED  
11 TRANSACTION ON ANY BASIS.

12       (4) ~~(3)~~ The proposed transaction shall be submitted for  
13 approval at a meeting of shareholders. Notice of the meeting  
14 shall be given to each shareholder of record whether or not enti-  
15 tled to vote at the meeting ~~, not less than 20 days before the~~  
16 ~~meeting,~~ WITHIN THE TIME AND in the manner provided in this act  
17 for the giving of notice of meetings of shareholders. The notice  
18 shall include or be accompanied by BOTH OF THE FOLLOWING:

19       (a) A statement summarizing the principal terms of the pro-  
20 posed transaction or a copy of any documents containing the prin-  
21 cipal terms.

22       (b) A statement informing shareholders who, under section  
23 ~~761~~ 762, are entitled to dissent, that they have the right to  
24 dissent and to be paid the fair value of their shares by comply-  
25 ing with the procedures set forth in sections ~~763 to 771~~ 764 TO  
26 772.

1       (5) ~~(4)~~ At the meeting the shareholders may authorize the  
2 sale, lease, exchange, or other disposition and may fix, or may  
3 authorize the board to fix, any term or condition ~~thereof~~ and  
4 the consideration to be received by the corporation. ~~therefor.~~  
5 The authorization requires the affirmative vote of the holders of  
6 a majority of the outstanding shares of the corporation entitled  
7 to vote thereon. ~~, and if a class or series is entitled to vote~~  
8 ~~thereon as a class, the affirmative vote of a majority of the~~  
9 ~~outstanding shares of each such class or series.~~

10       (6) ~~(5)~~ Notwithstanding authorization by the shareholders,  
11 the board may abandon the sale, lease, exchange, or other dispo-  
12 sition, subject to the rights of third parties under any con-  
13 tracts relating thereto, without further action or approval by  
14 shareholders.

15       SEC. 754. SHAREHOLDERS OF A CORPORATION WHICH PROPOSES TO  
16 ISSUE, DIRECTLY OR THROUGH A SUBSIDIARY, ITS SHARES, OBLIGATIONS,  
17 OR SECURITIES IN THE COURSE OF A MERGER, ACQUISITION OF SOME OR  
18 ALL OF THE OUTSTANDING SHARES OF ANOTHER CORPORATION, OR SOME OR  
19 ALL OF THE ASSETS OF A CORPORATION, PROPRIETORSHIP, PARTNERSHIP,  
20 OR OTHER TYPE OF BUSINESS ORGANIZATION, SHALL HAVE THE SAME  
21 RIGHTS TO RECEIVE NOTICE AND TO VOTE ON THE PROPOSED ACQUISITION  
22 AS PROVIDED IN SECTION 703A(2) AND TO RECEIVE DISSENTERS' RIGHTS  
23 AS PROVIDED IN SECTION 762 IF THE SECURITIES TO BE ISSUED OR  
24 DELIVERED IN THE ACQUISITION ARE, OR MAY BE CONVERTED INTO,  
25 SHARES OF THE ACQUIRING CORPORATION'S COMMON STOCK AND THE NUMBER  
26 OF THE ACQUIRING CORPORATION'S COMMON SHARES TO BE ISSUED OR  
27 DELIVERED, PLUS THOSE INITIALLY ISSUABLE UPON CONVERSION OR

1 EXCHANGE OF ANY OTHER SECURITIES TO BE ISSUED OR DELIVERED, WILL  
2 EXCEED 100% OF THE NUMBER OF ITS COMMON SHARES OUTSTANDING IMME-  
3 DIATELY PRIOR TO THE ACQUISITION PLUS THE NUMBER OF ITS COMMON  
4 SHARES, IF ANY, INITIALLY ISSUABLE UPON CONVERSION OR EXCHANGE OF  
5 ANY OTHER SECURITIES THEN OUTSTANDING.

6 Sec. 761. ~~Except as provided in section 762(1) a share~~  
7 ~~holder of a corporation may dissent from any of the following~~  
8 ~~corporate actions:~~

9 ~~(a) A plan of merger or consolidation to which the corpora-~~  
10 ~~tion is a party, other than a plan pursuant to which shareholders~~  
11 ~~receive cash, bonds, or shares, or any combination thereof, if~~  
12 ~~the shares satisfy the requirements of section 762(1).~~

13 ~~(b) A sale, lease, exchange, or other disposition of all or~~  
14 ~~substantially all of the assets of a corporation not in the usual~~  
15 ~~or regular course of business as conducted by such corporation,~~  
16 ~~other than (i) a transaction pursuant to a plan of dissolution~~  
17 ~~which provides for distribution of substantially all of its net~~  
18 ~~assets to shareholders in accordance with their respective inter-~~  
19 ~~ests within 1 year after the date of the transaction, where such~~  
20 ~~transaction is for cash, bonds, or shares, or any combination~~  
21 ~~thereof, if the shares satisfy the requirements of section~~  
22 ~~762(1); or (ii) a sale pursuant to an order of a court having~~  
23 ~~jurisdiction.~~

24 ~~(c) An amendment of the articles of incorporation giving~~  
25 ~~rise to a right to dissent pursuant to section 621.~~

1       ~~(d) The approval of a control share acquisition giving rise~~  
2 ~~to a right to dissent pursuant to section 799.~~ AS USED IN  
3 SECTIONS 762 TO 774:

4       (A) "BENEFICIAL SHAREHOLDER" MEANS THE PERSON WHO IS A BENE-  
5 FICIAL OWNER OF SHARES HELD BY A NOMINEE AS THE RECORD  
6 SHAREHOLDER.

7       (B) "CORPORATION" MEANS THE ISSUER OF THE SHARES HELD BY A  
8 DISSENTER BEFORE THE CORPORATE ACTION, OR THE SURVIVING OR  
9 ACQUIRING CORPORATION BY MERGER OR SHARE EXCHANGE OF THAT  
10 ISSUER.

11       (C) "DISSENTER" MEANS A SHAREHOLDER WHO IS ENTITLED TO DIS-  
12 SENT FROM CORPORATE ACTION UNDER SECTION 762 AND WHO EXERCISES  
13 THAT RIGHT WHEN AND IN THE MANNER REQUIRED BY SECTIONS 764  
14 THROUGH 772.

15       (D) "FAIR VALUE", WITH RESPECT TO A DISSENTER'S SHARES,  
16 MEANS THE VALUE OF THE SHARES IMMEDIATELY BEFORE THE EFFECTUATION  
17 OF THE CORPORATE ACTION TO WHICH THE DISSENTER OBJECTS, EXCLUDING  
18 ANY APPRECIATION OR DEPRECIATION IN ANTICIPATION OF THE CORPORATE  
19 ACTION UNLESS EXCLUSION WOULD BE INEQUITABLE.

20       (E) "INTEREST" MEANS INTEREST FROM THE EFFECTIVE DATE OF THE  
21 CORPORATE ACTION UNTIL THE DATE OF PAYMENT, AT THE AVERAGE RATE  
22 CURRENTLY PAID BY THE CORPORATION ON ITS PRINCIPAL BANK LOANS OR,  
23 IF NONE, AT A RATE THAT IS FAIR AND EQUITABLE UNDER ALL THE  
24 CIRCUMSTANCES.

25       (F) "RECORD SHAREHOLDER" MEANS THE PERSON IN WHOSE NAME  
26 SHARES ARE REGISTERED IN THE RECORDS OF A CORPORATION OR THE

1 BENEFICIAL OWNER OF SHARES TO THE EXTENT OF THE RIGHTS GRANTED BY  
2 A NOMINEE CERTIFICATE ON FILE WITH A CORPORATION.

3 (G) "SHAREHOLDER" MEANS THE RECORD OR BENEFICIAL  
4 SHAREHOLDER.

5 Sec. 762. ~~(1) Unless otherwise provided in the articles of~~  
6 ~~incorporation, a shareholder may not dissent as to any corporate~~  
7 ~~action set forth in section 761(a), (b), or (c) as to shares~~  
8 ~~which are listed on a national securities exchange or are held of~~  
9 ~~record by not less than 2,000 persons on the record date fixed to~~  
10 ~~determine the shareholders entitled to receive notice of and to~~  
11 ~~vote at the meeting of shareholders at which the corporate action~~  
12 ~~is to be acted upon.~~

13 ~~(2) A shareholder may not dissent as to less than all of the~~  
14 ~~shares owned beneficially by him or her and as to which a right~~  
15 ~~of dissent exists. A nominee or fiduciary may not dissent on~~  
16 ~~behalf of a beneficial owner as to less than all of the shares of~~  
17 ~~the owner as to which a right of dissent exists.~~

18 ~~(3) A shareholder of a surviving corporation to a merger may~~  
19 ~~not dissent from a plan of merger, if the merger did not require~~  
20 ~~for its approval the vote of the shareholder pursuant to section~~  
21 ~~704.~~

22 (1) A SHAREHOLDER IS ENTITLED TO DISSENT FROM, AND OBTAIN  
23 PAYMENT OF THE FAIR VALUE OF HIS OR HER SHARES IN THE EVENT OF,  
24 ANY OF THE FOLLOWING CORPORATE ACTIONS:

25 (A) CONSUMMATION OF A PLAN OF MERGER TO WHICH THE CORPORA-  
26 TION IS A PARTY IF SHAREHOLDER APPROVAL IS REQUIRED FOR THE  
27 MERGER BY SECTION 703A OR THE ARTICLES OF INCORPORATION AND THE

1 SHAREHOLDER IS ENTITLED TO VOTE ON THE MERGER, OR THE CORPORATION  
2 IS A SUBSIDIARY THAT IS MERGED WITH ITS PARENT UNDER  
3 SECTION 711.

4 (B) CONSUMMATION OF A PLAN OF SHARE EXCHANGE TO WHICH THE  
5 CORPORATION IS A PARTY AS THE CORPORATION WHOSE SHARES WILL BE  
6 ACQUIRED, IF THE SHAREHOLDER IS ENTITLED TO VOTE ON THE PLAN.

7 (C) CONSUMMATION OF A SALE OR EXCHANGE OF ALL, OR SUBSTAN-  
8 Tially ALL, OF THE PROPERTY OF THE CORPORATION OTHER THAN IN THE  
9 USUAL AND REGULAR COURSE OF BUSINESS, IF THE SHAREHOLDER IS ENTI-  
10 TLED TO VOTE ON THE SALE OR EXCHANGE, INCLUDING A SALE IN DISSO-  
11 LUTION BUT NOT INCLUDING A SALE PURSUANT TO COURT ORDER.

12 (D) AN AMENDMENT OF THE ARTICLES GIVING RISE TO A RIGHT TO  
13 DISSENT PURSUANT TO SECTION 621.

14 (E) A TRANSACTION GIVING RISE TO A RIGHT TO DISSENT PURSUANT  
15 TO SECTION 754.

16 (F) ANY CORPORATE ACTION TAKEN PURSUANT TO A SHAREHOLDER  
17 VOTE TO THE EXTENT THE ARTICLES, BYLAWS, OR A RESOLUTION OF THE  
18 BOARD PROVIDES THAT VOTING OR NONVOTING SHAREHOLDERS ARE ENTITLED  
19 TO DISSENT AND OBTAIN PAYMENT FOR THEIR SHARES.

20 (G) THE APPROVAL OF A CONTROL SHARE ACQUISITION GIVING RISE  
21 TO A RIGHT TO DISSENT PURSUANT TO SECTION 799.

22 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES, BYLAWS, OR A  
23 RESOLUTION OF THE BOARD, A SHAREHOLDER MAY NOT DISSENT FROM ANY  
24 OF THE FOLLOWING:

25 (A) ANY CORPORATE ACTION SET FORTH IN SUBSECTION (1)(A) TO  
26 (E) AS TO SHARES WHICH ARE LISTED ON A NATIONAL SECURITIES  
27 EXCHANGE OR HELD OF RECORD BY NOT LESS THAN 2,000 PERSONS ON THE

1 RECORD DATE FIXED TO DETERMINE THE SHAREHOLDERS ENTITLED TO  
2 RECEIVE NOTICE OF AND TO VOTE AT THE MEETING OF SHAREHOLDERS AT  
3 WHICH THE CORPORATE ACTION IS TO BE ACTED UPON.

4 (B) A TRANSACTION DESCRIBED IN SUBSECTION (1)(A) IN WHICH  
5 SHAREHOLDERS RECEIVE CASH OR SHARES THAT SATISFY THE REQUIREMENTS  
6 OF SUBDIVISION (A) OR ANY COMBINATION THEREOF.

7 (C) A TRANSACTION DESCRIBED IN SUBSECTION (1)(B) IN WHICH  
8 SHAREHOLDERS RECEIVE CASH OR SHARES THAT SATISFY THE REQUIREMENTS  
9 OF SUBDIVISION (A) OR ANY COMBINATION THEREOF.

10 (D) A TRANSACTION DESCRIBED IN SUBSECTION (1)(C) WHICH IS  
11 CONDUCTED PURSUANT TO A PLAN OF DISSOLUTION PROVIDING FOR DISTRI-  
12 BUTION OF SUBSTANTIALLY ALL OF THE CORPORATION'S NET ASSETS TO  
13 SHAREHOLDERS IN ACCORDANCE WITH THEIR RESPECTIVE INTERESTS WITHIN  
14 1 YEAR AFTER THE DATE OF THE TRANSACTION, WHERE THE TRANSACTION  
15 IS FOR CASH OR SHARES THAT SATISFY THE REQUIREMENTS OF SUBDIVI-  
16 SION (A) OR ANY COMBINATION THEREOF.

17 (3) A SHAREHOLDER ENTITLED TO DISSENT AND OBTAIN PAYMENT FOR  
18 HIS OR HER SHARES PURSUANT TO SUBSECTION (1)(A) TO (E) MAY NOT  
19 CHALLENGE THE CORPORATE ACTION CREATING HIS OR HER ENTITLEMENT  
20 UNLESS THE ACTION IS UNLAWFUL OR FRAUDULENT WITH RESPECT TO THE  
21 SHAREHOLDER OR THE CORPORATION.

22 (4) A SHAREHOLDER WHO EXERCISES HIS OR HER RIGHT TO DISSENT  
23 AND SEEK PAYMENT FOR HIS OR HER SHARES PURSUANT TO  
24 SUBSECTION (1)(F) MAY NOT CHALLENGE THE CORPORATE ACTION CREATING  
25 HIS OR HER ENTITLEMENT UNLESS THE ACTION IS UNLAWFUL OR FRAUDU-  
26 LENT WITH RESPECT TO THE SHAREHOLDER OR THE CORPORATION.



1       Sec. 763. ~~A dissenting shareholder intending to enforce~~  
2 ~~his right to receive payment for his shares, if the proposed~~  
3 ~~corporate action referred to therein is taken, shall file with~~  
4 ~~the corporation, before the meeting of shareholders at which the~~  
5 ~~action is submitted to a vote, or at the meeting but before the~~  
6 ~~vote, written objection to the action. The objection shall~~  
7 ~~include a statement that he intends to demand payment for his~~  
8 ~~shares if the action is taken. The objection is not required~~  
9 ~~from a shareholder to whom the corporation did not give notice of~~  
10 ~~the meeting in accordance with this chapter or where the proposed~~  
11 ~~action is authorized by written consent of shareholders without a~~  
12 ~~meeting.~~

13       (1) A RECORD SHAREHOLDER MAY ASSERT DISSENTERS' RIGHTS AS TO  
14 FEWER THAN ALL THE SHARES REGISTERED IN HIS OR HER NAME ONLY IF  
15 HE OR SHE DISSENTS WITH RESPECT TO ALL SHARES BENEFICIALLY OWNED  
16 BY ANY 1 PERSON AND NOTIFIES THE CORPORATION IN WRITING OF THE  
17 NAME AND ADDRESS OF EACH PERSON ON WHOSE BEHALF HE OR SHE ASSERTS  
18 DISSENTERS' RIGHTS. THE RIGHTS OF A PARTIAL DISSENTER UNDER THIS  
19 SUBSECTION ARE DETERMINED AS IF THE SHARES AS TO WHICH HE OR SHE  
20 DISSENTS AND HIS OR HER OTHER SHARES WERE REGISTERED IN THE NAMES  
21 OF DIFFERENT SHAREHOLDERS.

22       (2) A BENEFICIAL SHAREHOLDER MAY ASSERT DISSENTERS' RIGHTS  
23 AS TO SHARES HELD ON HIS OR HER BEHALF ONLY IF ALL OF THE FOLLOW-  
24 ING APPLY:

25       (A) HE OR SHE SUBMITS TO THE CORPORATION THE RECORD  
26 SHAREHOLDER'S WRITTEN CONSENT TO THE DISSENT NOT LATER THAN THE  
27 TIME THE BENEFICIAL SHAREHOLDER ASSERTS DISSENTERS' RIGHTS.

1 (B) HE OR SHE DOES SO WITH RESPECT TO ALL SHARES OF WHICH HE  
2 OR SHE IS THE BENEFICIAL SHAREHOLDER OR OVER WHICH HE OR SHE HAS  
3 POWER TO DIRECT THE VOTE.

4 Sec. 764. ~~(1) Within 10 days after the date on which the~~  
5 ~~shareholders' vote authorizing the action was taken, or the date~~  
6 ~~on which such consent without a meeting was obtained from the~~  
7 ~~requisite shareholders, hereinafter referred to as the~~  
8 ~~shareholders' authorization date, the corporation shall give~~  
9 ~~written notice of the authorization or consent by certified or~~  
10 ~~registered mail to each shareholder who filed written objection~~  
11 ~~or from whom written objection was not required, except a share-~~  
12 ~~holder who voted for or consented in writing to the proposed~~  
13 ~~action.~~

14 ~~(2) Within 20 days after the mailing of notice to a share-~~  
15 ~~holder to whom the corporation was required to give notice and~~  
16 ~~who elects to dissent, he shall file with the corporation a writ-~~  
17 ~~ten notice of his election, stating his name and residence~~  
18 ~~address, the number and classes of shares as to which he dissents~~  
19 ~~and a demand for payment of the fair value of his shares. A~~  
20 ~~shareholder who elects to dissent from a merger under section 711~~  
21 ~~or subsection (1) of section 733 shall file a written notice of~~  
22 ~~his election within 20 days after the mailing to him of a copy of~~  
23 ~~the plan of merger or a summary of the plan as provided under~~  
24 ~~section 711.~~

25 (1) IF PROPOSED CORPORATE ACTION CREATING DISSENTERS' RIGHTS  
26 UNDER SECTION 762 IS SUBMITTED TO A VOTE AT A SHAREHOLDERS'  
27 MEETING, THE MEETING NOTICE MUST STATE THAT SHAREHOLDERS ARE OR

1 MAY BE ENTITLED TO ASSERT DISSENTERS' RIGHTS UNDER THIS ACT AND  
2 SHALL BE ACCOMPANIED BY A COPY OF SECTIONS 761 TO 774.

3 (2) IF CORPORATE ACTION CREATING DISSENTERS' RIGHTS UNDER  
4 SECTION 762 IS TAKEN WITHOUT A VOTE OF SHAREHOLDERS, THE CORPORA-  
5 TION SHALL NOTIFY IN WRITING ALL SHAREHOLDERS ENTITLED TO ASSERT  
6 DISSENTERS' RIGHTS THAT THE ACTION WAS TAKEN AND SEND THEM THE  
7 DISSENTERS' NOTICE DESCRIBED IN SECTION 766.

8 Sec. 765. ~~Upon filing a notice of election to dissent a~~  
9 ~~shareholder ceases to have any right of a shareholder except the~~  
10 ~~right to be paid the fair value of his shares and any other~~  
11 ~~rights under sections 763 to 771. A notice of election may be~~  
12 ~~withdrawn only with written consent of the corporation. If a~~  
13 ~~notice of election is withdrawn, or the proposed corporate action~~  
14 ~~is abandoned or rescinded, or a court determines that the share-~~  
15 ~~holder is not entitled to receive payment for his shares, or the~~  
16 ~~shareholder otherwise loses his dissenter's rights, he shall not~~  
17 ~~have the right to receive payment for his shares and he shall be~~  
18 ~~reinstated to all his rights as a shareholder as of the filing of~~  
19 ~~his notice of election, including any intervening dividend or~~  
20 ~~other distribution or, if any such right has expired or any such~~  
21 ~~dividend or distribution other than in cash has been completed,~~  
22 ~~in lieu thereof, at the election of the corporation, the fair~~  
23 ~~value thereof in cash as determined by the board as of the time~~  
24 ~~of the expiration or completion, but without prejudice otherwise~~  
25 ~~to any corporate proceedings that may have been taken in the~~  
26 ~~interim.~~

1 (1) IF PROPOSED CORPORATE ACTION CREATING DISSENTERS' RIGHTS  
2 UNDER SECTION 762 IS SUBMITTED TO A VOTE AT A SHAREHOLDERS'  
3 MEETING, A SHAREHOLDER WHO WISHES TO ASSERT DISSENTERS' RIGHTS  
4 MUST DELIVER TO THE CORPORATION BEFORE THE VOTE IS TAKEN WRITTEN  
5 NOTICE OF HIS OR HER INTENT TO DEMAND PAYMENT FOR HIS OR HER  
6 SHARES IF THE PROPOSED ACTION IS EFFECTUATED AND MUST NOT VOTE  
7 HIS OR HER SHARES IN FAVOR OF THE PROPOSED ACTION.

8 (2) A SHAREHOLDER WHO DOES NOT SATISFY THE REQUIREMENTS OF  
9 SUBSECTION (1) IS NOT ENTITLED TO PAYMENT FOR HIS OR HER SHARES  
10 UNDER THIS ACT.

11 Sec. 766. ~~No later than 10 days after consummation of a~~  
12 ~~corporate action set forth in section 761, the corporation, or,~~  
13 ~~in case of a merger or consolidation, the surviving or new corpo-~~  
14 ~~ration, shall give written notice thereof to each dissenting~~  
15 ~~shareholder who has made demand as herein provided, and shall~~  
16 ~~make a written offer to each such shareholder to pay for his~~  
17 ~~shares at a specified price deemed by the corporation to be the~~  
18 ~~fair value thereof. If within 30 days after making such offer,~~  
19 ~~the corporation making the offer and a shareholder agree upon the~~  
20 ~~price to be paid for his shares, payment therefor shall be made~~  
21 ~~within 60 days after consummation of the proposed corporate~~  
22 ~~action, upon the surrender of the certificates representing the~~  
23 ~~shares.~~

24 (1) IF PROPOSED CORPORATE ACTION CREATING DISSENTERS' RIGHTS  
25 UNDER SECTION 762 IS AUTHORIZED AT A SHAREHOLDERS' MEETING, THE  
26 CORPORATION SHALL DELIVER A WRITTEN DISSENTERS' NOTICE TO ALL  
27 SHAREHOLDERS WHO SATISFIED THE REQUIREMENTS OF SECTION 765.

1 (2) THE DISSENTERS' NOTICE MUST BE SENT NO LATER THAN 10  
2 DAYS AFTER THE CORPORATE ACTION WAS TAKEN, AND MUST PROVIDE ALL  
3 OF THE FOLLOWING:

4 (A) STATE WHERE THE PAYMENT DEMAND MUST BE SENT AND WHERE  
5 AND WHEN CERTIFICATES FOR SHARES REPRESENTED BY CERTIFICATES MUST  
6 BE DEPOSITED.

7 (B) INFORM HOLDERS OF SHARES WITHOUT CERTIFICATES TO WHAT  
8 EXTENT TRANSFER OF THE SHARES WILL BE RESTRICTED AFTER THE PAY-  
9 MENT DEMAND IS RECEIVED.

10 (C) SUPPLY A FORM FOR THE PAYMENT DEMAND THAT INCLUDES THE  
11 DATE OF THE FIRST ANNOUNCEMENT TO NEWS MEDIA OR TO SHAREHOLDERS  
12 OF THE TERMS OF THE PROPOSED CORPORATE ACTION AND REQUIRES THAT  
13 THE PERSON ASSERTING DISSENTERS' RIGHTS CERTIFY WHETHER HE OR SHE  
14 ACQUIRED BENEFICIAL OWNERSHIP OF THE SHARES BEFORE THE DATE.

15 (D) SET A DATE BY WHICH THE CORPORATION MUST RECEIVE THE  
16 PAYMENT DEMAND, WHICH DATE MAY NOT BE FEWER THAN 30 NOR MORE THAN  
17 60 DAYS AFTER THE DATE THE SUBSECTION (1) NOTICE IS DELIVERED.

18 Sec. 767. ~~(1) The procedure in this section and sections~~  
19 ~~768 to 769 applies if the corporation fails to make an offer~~  
20 ~~within 10 days, or if it makes the offer and a dissenting share~~  
21 ~~holder fails to agree upon the price to be paid for his or her~~  
22 ~~shares within 30 days after the offer.~~

23 ~~(2) The corporation, within 20 days after expiration of the~~  
24 ~~periods in subsection (1), shall file an action in the circuit~~  
25 ~~court of the county in which the registered office of the corpo-~~  
26 ~~ration is located to determine the rights of dissenting~~  
27 ~~shareholders and to fix the fair value of their shares. If, in~~

~~1 case of a merger or consolidation, the surviving or new  
2 corporation is a foreign corporation without a registered office  
3 in this state, the action shall be brought in the county where  
4 the registered office of the domestic corporation, whose shares  
5 are to be valued, was located.~~

~~6 (3) If the corporation fails to file the action within this  
7 20 day period, a dissenting shareholder may file the action for  
8 the same purpose not later than 30 days after expiration of the  
9 20 days or within 30 days after he or she is notified by mail of  
10 the consummation of the transaction, whichever is later. If the  
11 action is not filed within this 30 day period, all dissenter's  
12 rights hereunder are terminated.~~

~~13 (4) Dissenting shareholders, except those who, as provided  
14 in section 766, have agreed with the corporation upon the price  
15 to be paid for their shares, shall be made parties to the action,  
16 which shall have the effect of an action in rem against their  
17 shares.~~

18 (1) A SHAREHOLDER SENT A DISSENTER'S NOTICE DESCRIBED IN  
19 SECTION 766 MUST DEMAND PAYMENT, CERTIFY WHETHER HE OR SHE  
20 ACQUIRED BENEFICIAL OWNERSHIP OF THE SHARES BEFORE THE DATE  
21 REQUIRED TO BE SET FORTH IN THE DISSENTERS' NOTICE PURSUANT TO  
22 SECTION 766(2)(C), AND DEPOSIT HIS OR HER CERTIFICATES IN ACCORD-  
23 ANCE WITH THE TERMS OF THE NOTICE.

24 (2) THE SHAREHOLDER WHO DEMANDS PAYMENT AND DEPOSITS HIS OR  
25 HER SHARE CERTIFICATES UNDER SUBSECTION (1) RETAINS ALL OTHER  
26 RIGHTS OF A SHAREHOLDER UNTIL THESE RIGHTS ARE CANCELED OR  
27 MODIFIED BY THE TAKING OF THE PROPOSED CORPORATE ACTION.

1 (3) A SHAREHOLDER WHO DOES NOT DEMAND PAYMENT OR DEPOSIT HIS  
2 OR HER SHARE CERTIFICATES WHERE REQUIRED, EACH BY THE DATE SET IN  
3 THE DISSENTERS' NOTICE, IS NOT ENTITLED TO PAYMENT FOR HIS OR HER  
4 SHARES UNDER THIS ACT.

5 Sec. 768. ~~(1) Subject to section 768a, the court shall~~  
6 ~~determine whether a dissenting shareholder, as to whom the corpo-~~  
7 ~~ration requests the court to make a determination, is entitled to~~  
8 ~~receive payment for his or her shares. If the corporation does~~  
9 ~~not request a determination or if the court finds that a dissent-~~  
10 ~~ing shareholder is entitled, it shall fix the value of the~~  
11 ~~shares, which, for the purposes of sections 763 to 771, shall be~~  
12 ~~the fair value as of the close of business on the day before the~~  
13 ~~shareholders' authorization date, excluding any appreciation or~~  
14 ~~depreciation directly or indirectly induced by corporate action~~  
15 ~~or its proposal.~~

16 ~~(2) The final order in the action shall determine the value~~  
17 ~~of the shares of each dissenting shareholder and require the cor-~~  
18 ~~poration to pay that amount to the dissenting shareholders.~~

19 ~~(3) The final order shall include an allowance for interest~~  
20 ~~at a rate the court finds to be equitable, from the shareholders'~~  
21 ~~authorization date to the date of payment.~~

22 (1) THE CORPORATION MAY RESTRICT THE TRANSFER OF SHARES  
23 WITHOUT CERTIFICATES FROM THE DATE THE DEMAND FOR THEIR PAYMENT  
24 IS RECEIVED UNTIL THE PROPOSED CORPORATE ACTION IS TAKEN OR THE  
25 RESTRICTIONS RELEASED UNDER SECTION 770.

26 (2) THE PERSON FOR WHOM DISSENTERS' RIGHTS ARE ASSERTED AS  
27 TO SHARES WITHOUT CERTIFICATES RETAINS ALL OTHER RIGHTS OF A

1 SHAREHOLDER UNTIL THESE RIGHTS ARE CANCELED OR MODIFIED BY THE  
2 TAKING OF THE PROPOSED CORPORATE ACTION.

3       Sec. 769. ~~(1) The costs and expenses of the proceeding~~  
4 ~~shall be determined by the court and shall be assessed against~~  
5 ~~the corporation, except that any part of the costs and expenses~~  
6 ~~may be apportioned and assessed, as the court may determine,~~  
7 ~~against any dissenting shareholders who are parties to the pro-~~  
8 ~~ceeding if the court finds that their refusal to accept the cor-~~  
9 ~~porate offer was arbitrary, vexatious or otherwise not in good~~  
10 ~~faith. The expenses shall include reasonable compensation for~~  
11 ~~and reasonable expenses of the appraiser, but shall exclude the~~  
12 ~~fees and expenses of attorneys for and experts employed by any~~  
13 ~~party unless the court, in its discretion, awards such fees and~~  
14 ~~expenses. In exercising discretion as to payment of the attorney~~  
15 ~~fees of dissenting shareholders, the court shall consider any of~~  
16 ~~the following: (a) That the fair value of the shares as deter-~~  
17 ~~mined materially exceeds the amount which the corporation offered~~  
18 ~~to pay, (b) that no offer was made by the corporation, and (c)~~  
19 ~~that the corporation failed to institute the special proceeding~~  
20 ~~within the period specified therefor.~~

21       ~~(2) Within 60 days after final determination of the proceed-~~  
22 ~~ing, the corporation shall pay to each dissenting shareholder the~~  
23 ~~amount found to be due him, upon surrender of the certificates~~  
24 ~~representing his shares.~~

25       (1) EXCEPT AS PROVIDED IN SECTION 771, AS SOON AS THE PRO-  
26 POSED CORPORATE ACTION IS TAKEN, OR UPON RECEIPT OF A PAYMENT  
27 DEMAND, THE CORPORATION SHALL PAY EACH DISSENTER WHO COMPLIED



1 WITH SECTION 767 THE AMOUNT THE CORPORATION ESTIMATES TO BE THE  
2 FAIR VALUE OF HIS OR HER SHARES, PLUS ACCRUED INTEREST.

3 (2) THE PAYMENT MUST BE ACCOMPANIED BY ALL OF THE  
4 FOLLOWING:

5 (A) THE CORPORATION'S BALANCE SHEET AS OF THE END OF A  
6 FISCAL YEAR ENDING NOT MORE THAN 16 MONTHS BEFORE THE DATE OF  
7 PAYMENT, AN INCOME STATEMENT FOR THAT YEAR, A STATEMENT OF  
8 CHANGES IN SHAREHOLDERS' EQUITY FOR THAT YEAR, AND IF AVAILABLE  
9 THE LATEST INTERIM FINANCIAL STATEMENTS.

10 (B) A STATEMENT OF THE CORPORATION'S ESTIMATE OF THE FAIR  
11 VALUE OF THE SHARES.

12 (C) AN EXPLANATION OF HOW THE INTEREST WAS CALCULATED.

13 (D) A STATEMENT OF THE DISSENTER'S RIGHT TO DEMAND PAYMENT  
14 UNDER SECTION 772.

15 Sec. 770. ~~Shares acquired by the corporation upon payment~~  
16 ~~of the agreed value therefor or of the amount due under the final~~  
17 ~~order, shall become treasury shares or be canceled as provided in~~  
18 ~~section 371, except that, in case of a merger or consolidation,~~  
19 ~~they may be held and disposed of as the plan of merger or consol-~~  
20 ~~idation otherwise provides.~~

21 (1) IF THE CORPORATION DOES NOT TAKE THE PROPOSED ACTION  
22 WITHIN 60 DAYS AFTER THE DATE SET FOR DEMANDING PAYMENT AND  
23 DEPOSITING SHARE CERTIFICATES, THE CORPORATION SHALL RETURN THE  
24 DEPOSITED CERTIFICATES AND RELEASE THE TRANSFER RESTRICTIONS  
25 IMPOSED ON SHARES WITHOUT CERTIFICATES.

26 (2) IF AFTER RETURNING DEPOSITED CERTIFICATES AND RELEASING  
27 TRANSFER RESTRICTIONS, THE CORPORATION TAKES THE PROPOSED ACTION,

1 IT MUST SEND A NEW DISSENTERS' NOTICE UNDER SECTION 766 AND  
2 REPEAT THE PAYMENT DEMAND PROCEDURE.

3       Sec. 771. ~~The enforcement by a shareholder of his right to~~  
4 ~~receive payment for his shares excludes the enforcement by the~~  
5 ~~shareholder of any other right to which he might otherwise be~~  
6 ~~entitled by virtue of share ownership, except as provided in sec-~~  
7 ~~tion 765, and except that the right of the shareholder to bring~~  
8 ~~or maintain an appropriate action to obtain relief on the ground~~  
9 ~~that such corporate action will be or is unlawful or fraudulent~~  
10 ~~as to him is not excluded.~~

11       (1) A CORPORATION MAY ELECT TO WITHHOLD PAYMENT REQUIRED BY  
12 SECTION 769 FROM A DISSENTER UNLESS HE OR SHE WAS THE BENEFICIAL  
13 OWNER OF THE SHARES BEFORE THE DATE SET FORTH IN THE DISSENTERS'  
14 NOTICE PURSUANT TO SECTION 766(2)(C).

15       (2) TO THE EXTENT THE CORPORATION ELECTS TO WITHHOLD PAYMENT  
16 UNDER SUBSECTION (1), AFTER TAKING THE PROPOSED CORPORATE ACTION,  
17 IT SHALL ESTIMATE THE FAIR VALUE OF THE SHARES, PLUS ACCRUED  
18 INTEREST, AND SHALL OFFER TO PAY THIS AMOUNT TO EACH DISSENTER  
19 WHO SHALL AGREE TO ACCEPT IT IN FULL SATISFACTION OF HIS OR HER  
20 DEMAND. THE CORPORATION SHALL SEND WITH ITS OFFER A STATEMENT OF  
21 ITS ESTIMATE OF THE FAIR VALUE OF THE SHARES, AN EXPLANATION OF  
22 HOW THE INTEREST WAS CALCULATED, AND A STATEMENT OF THE  
23 DISSENTER'S RIGHT TO DEMAND PAYMENT UNDER SECTION 772.

24       SEC. 772. (1) A DISSENTER MAY NOTIFY THE CORPORATION IN  
25 WRITING OF HIS OR HER OWN ESTIMATE OF THE FAIR VALUE OF HIS OR  
26 HER SHARES AND AMOUNT OF INTEREST DUE, AND DEMAND PAYMENT OF HIS  
27 OR HER ESTIMATE, LESS ANY PAYMENT UNDER SECTION 769, OR REJECT

1 THE CORPORATION'S OFFER UNDER SECTION 771 AND DEMAND PAYMENT OF  
2 THE FAIR VALUE OF HIS OR HER SHARES AND INTEREST DUE, IF ANY 1 OF  
3 THE FOLLOWING APPLIES:

4 (A) THE DISSENTER BELIEVES THAT THE AMOUNT PAID UNDER  
5 SECTION 769 OR OFFERED UNDER SECTION 771 IS LESS THAN THE FAIR  
6 VALUE OF HIS OR HER SHARES OR THAT THE INTEREST DUE IS INCOR-  
7 RECTLY CALCULATED.

8 (B) THE CORPORATION FAILS TO MAKE PAYMENT UNDER SECTION 769  
9 WITHIN 60 DAYS AFTER THE DATE SET FOR DEMANDING PAYMENT.

10 (C) THE CORPORATION, HAVING FAILED TO TAKE THE PROPOSED  
11 ACTION, DOES NOT RETURN THE DEPOSITED CERTIFICATES OR RELEASE THE  
12 TRANSFER RESTRICTIONS IMPOSED ON SHARES WITHOUT CERTIFICATES  
13 WITHIN 60 DAYS AFTER THE DATE SET FOR DEMANDING PAYMENT.

14 (2) A DISSENTER WAIVES HIS OR HER RIGHT TO DEMAND PAYMENT  
15 UNDER THIS SECTION UNLESS HE OR SHE NOTIFIES THE CORPORATION OF  
16 HIS OR HER DEMAND IN WRITING UNDER SUBSECTION (1) WITHIN 30 DAYS  
17 AFTER THE CORPORATION MADE OR OFFERED PAYMENT FOR HIS OR HER  
18 SHARES.

19 SEC. 773. (1) IF A DEMAND FOR PAYMENT UNDER SECTION 772  
20 REMAINS UNSETTLED, THE CORPORATION SHALL COMMENCE A PROCEEDING  
21 WITHIN 60 DAYS AFTER RECEIVING THE PAYMENT DEMAND AND PETITION  
22 THE COURT TO DETERMINE THE FAIR VALUE OF THE SHARES AND ACCRUED  
23 INTEREST. IF THE CORPORATION DOES NOT COMMENCE THE PROCEEDING  
24 WITHIN THE 60-DAY PERIOD, IT SHALL PAY EACH DISSENTER WHOSE  
25 DEMAND REMAINS UNSETTLED THE AMOUNT DEMANDED.

26 (2) THE CORPORATION SHALL COMMENCE THE PROCEEDING IN THE  
27 CIRCUIT COURT OF THE COUNTY IN WHICH THE CORPORATION'S PRINCIPAL

1 PLACE OF BUSINESS OR REGISTERED OFFICE IS LOCATED. IF THE  
2 CORPORATION IS A FOREIGN CORPORATION WITHOUT A REGISTERED OFFICE  
3 OR PRINCIPAL PLACE OF BUSINESS IN THIS STATE, IT SHALL COMMENCE  
4 THE PROCEEDING IN THE COUNTY IN THIS STATE WHERE THE PRINCIPAL  
5 PLACE OF BUSINESS OR REGISTERED OFFICE OF THE DOMESTIC CORPORA-  
6 TION WHOSE SHARES ARE TO BE VALUED WAS LOCATED.

7 (3) THE CORPORATION SHALL MAKE ALL DISSENTERS, WHETHER OR  
8 NOT RESIDENTS OF THIS STATE, WHOSE DEMANDS REMAIN UNSETTLED PAR-  
9 TIES TO THE PROCEEDING AS IN AN ACTION AGAINST THEIR SHARES AND  
10 ALL PARTIES SHALL BE SERVED WITH A COPY OF THE PETITION.  
11 NONRESIDENTS MAY BE SERVED BY REGISTERED OR CERTIFIED MAIL OR BY  
12 PUBLICATION AS PROVIDED BY LAW.

13 (4) THE JURISDICTION OF THE COURT IN WHICH THE PROCEEDING IS  
14 COMMENCED UNDER SUBSECTION (2) IS PLENARY AND EXCLUSIVE. THE  
15 COURT MAY APPOINT 1 OR MORE PERSONS AS APPRAISERS TO RECEIVE EVI-  
16 DENCE AND RECOMMEND DECISION ON THE QUESTION OF FAIR VALUE. THE  
17 APPRAISERS HAVE THE POWERS DESCRIBED IN THE ORDER APPOINTING  
18 THEM, OR IN ANY AMENDMENT TO IT. THE DISSENTERS ARE ENTITLED TO  
19 THE SAME DISCOVERY RIGHTS AS PARTIES IN OTHER CIVIL PROCEEDINGS.

20 (5) EACH DISSENTER MADE A PARTY TO THE PROCEEDING IS ENTI-  
21 TLED TO JUDGMENT FOR THE AMOUNT, IF ANY, BY WHICH THE COURT FINDS  
22 THE FAIR VALUE OF HIS OR HER SHARES, PLUS INTEREST, EXCEEDS THE  
23 AMOUNT PAID BY THE CORPORATION OR FOR THE FAIR VALUE, PLUS  
24 ACCRUED INTEREST, OF HIS OR HER AFTER-ACQUIRED SHARES FOR WHICH  
25 THE CORPORATION ELECTED TO WITHHOLD PAYMENT UNDER SECTION 771.

26 SEC. 773A. (1) IN A PROCEEDING BROUGHT PURSUANT TO SECTION  
27 773, THE COURT MAY, PURSUANT TO THE AGREEMENT OF THE PARTIES,

1 APPOINT A REFEREE SELECTED BY THE PARTIES AND SUBJECT TO THE  
2 APPROVAL OF THE COURT. THE REFEREE MAY CONDUCT PROCEEDINGS  
3 WITHIN THE STATE, OR OUTSIDE THE STATE BY STIPULATION OF THE PAR-  
4 TIES WITH THE REFEREE'S CONSENT, AND PURSUANT TO THE MICHIGAN  
5 COURT RULES. THE REFEREE SHALL HAVE POWERS THAT INCLUDE, BUT ARE  
6 NOT LIMITED TO, THE FOLLOWING:

7 (A) TO HEAR ALL PRETRIAL MOTIONS AND SUBMIT PROPOSED ORDERS  
8 TO THE COURT. IN RULING ON THE PRETRIAL MOTION AND PROPOSED  
9 ORDERS, THE COURT SHALL CONSIDER ONLY THOSE DOCUMENTS, PLEADINGS,  
10 AND ARGUMENTS THAT WERE PRESENTED TO THE REFEREE.

11 (B) TO REQUIRE THE PRODUCTION OF EVIDENCE, INCLUDING THE  
12 PRODUCTION OF ALL BOOKS, PAPERS, DOCUMENTS, AND WRITINGS APPLICA-  
13 BLE TO THE PROCEEDING, AND TO PERMIT ENTRY UPON DESIGNATED LAND  
14 OR OTHER PROPERTY IN THE POSSESSION OR CONTROL OF THE  
15 CORPORATION.

16 (C) TO RULE UPON THE ADMISSIBILITY OF EVIDENCE PURSUANT TO  
17 THE MICHIGAN RULES OF EVIDENCE.

18 (D) TO PLACE WITNESSES UNDER OATH AND TO EXAMINE WITNESSES.

19 (E) TO PROVIDE FOR THE TAKING OF TESTIMONY BY DEPOSITION.

20 (F) TO REGULATE THE COURSE OF THE PROCEEDING.

21 (G) TO ISSUE SUBPOENAS, WHEN A WRITTEN REQUEST IS MADE BY  
22 ANY OF THE PARTIES, REQUIRING THE ATTENDANCE AND TESTIMONY OF ANY  
23 WITNESS AND THE PRODUCTION OF EVIDENCE INCLUDING BOOKS, RECORDS,  
24 CORRESPONDENCE, AND DOCUMENTS IN THE POSSESSION OF THE WITNESS OR  
25 UNDER HIS OR HER CONTROL, AT A HEARING BEFORE THE REFEREE OR AT A  
26 DEPOSITION CONVENED PURSUANT TO SUBDIVISION (E). IN CASE OF A  
27 REFUSAL TO COMPLY WITH A SUBPOENA, THE PARTY ON WHOSE BEHALF THE

1 SUBPOENA WAS ISSUED MAY FILE A PETITION IN THE COURT FOR AN ORDER  
2 REQUIRING COMPLIANCE.

3 (2) THE AMOUNT AND MANNER OF PAYMENT OF THE REFEREE'S COM-  
4 PENSATION SHALL BE DETERMINED BY AGREEMENT BETWEEN THE REFEREE  
5 AND THE PARTIES, SUBJECT TO THE COURT'S ALLOCATION OF COMPENSA-  
6 TION BETWEEN THE PARTIES AT THE END OF THE PROCEEDING PURSUANT TO  
7 EQUITABLE PRINCIPLES, NOTWITHSTANDING SECTION 774.

8 (3) THE REFEREE SHALL DO ALL OF THE FOLLOWING:

9 (A) MAKE A RECORD AND REPORTER'S TRANSCRIPT OF THE  
10 PROCEEDING.

11 (B) PREPARE A REPORT, INCLUDING PROPOSED FINDINGS OF FACT  
12 AND CONCLUSIONS OF LAW, AND A RECOMMENDED JUDGMENT.

13 (C) FILE THE REPORT WITH THE COURT, TOGETHER WITH ALL ORIGI-  
14 NAL EXHIBITS AND THE REPORTER'S TRANSCRIPT OF THE PROCEEDING.

15 (4) UNLESS THE COURT PROVIDES FOR A LONGER PERIOD, NOT MORE  
16 THAN 45 DAYS AFTER BEING SERVED WITH NOTICE OF THE FILING OF THE  
17 REPORT DESCRIBED IN SUBSECTION (3), ANY PARTY MAY SERVE WRITTEN  
18 OBJECTIONS TO THE REPORT UPON THE OTHER PARTY. APPLICATION TO  
19 THE COURT FOR ACTION UPON THE REPORT AND OBJECTIONS TO THE REPORT  
20 SHALL BE MADE BY MOTION UPON NOTICE. THE COURT, AFTER HEARING,  
21 MAY ADOPT THE REPORT, MAY RECEIVE FURTHER EVIDENCE, MAY MODIFY  
22 THE REPORT, OR MAY RECOMMIT THE REPORT TO THE REFEREE WITH  
23 INSTRUCTIONS. UPON ADOPTION OF THE REPORT, JUDGMENT SHALL BE  
24 ENTERED IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE  
25 COURT AND SHALL BE SUBJECT TO REVIEW IN THE SAME MANNER AS ANY  
26 OTHER JUDGMENT OF THE COURT.

1        SEC. 774. (1) THE COURT IN AN APPRAISAL PROCEEDING  
2 COMMENCED UNDER SECTION 773 SHALL DETERMINE ALL COSTS OF THE  
3 PROCEEDING, INCLUDING THE REASONABLE COMPENSATION AND EXPENSES OF  
4 APPRAISERS APPOINTED BY THE COURT. THE COURT SHALL ASSESS THE  
5 COSTS AGAINST THE CORPORATION, EXCEPT THAT THE COURT MAY ASSESS  
6 COSTS AGAINST ALL OR SOME OF THE DISSENTERS, IN AMOUNTS THE COURT  
7 FINDS EQUITABLE, TO THE EXTENT THE COURT FINDS THE DISSENTERS  
8 ACTED ARBITRARILY, VEXATIONOUSLY, OR NOT IN GOOD FAITH IN DEMANDING  
9 PAYMENT UNDER SECTION 772.

10        (2) THE COURT MAY ALSO ASSESS THE FEES AND EXPENSES OF COUN-  
11 SEL AND EXPERTS FOR THE RESPECTIVE PARTIES, IN AMOUNTS THE COURT  
12 FINDS EQUITABLE IN THE FOLLOWING MANNER:

13        (A) AGAINST THE CORPORATION AND IN FAVOR OF ANY OR ALL DIS-  
14 SENTERS IF THE COURT FINDS THE CORPORATION DID NOT SUBSTANTIALLY  
15 COMPLY WITH THE REQUIREMENTS OF SECTIONS 764 THROUGH 772.

16        (B) AGAINST EITHER THE CORPORATION OR A DISSENTER, IN FAVOR  
17 OF ANY OTHER PARTY, IF THE COURT FINDS THAT THE PARTY AGAINST  
18 WHOM THE FEES AND EXPENSES ARE ASSESSED ACTED ARBITRARILY, VEXA-  
19 TIOUSLY, OR NOT IN GOOD FAITH WITH RESPECT TO THE RIGHTS PROVIDED  
20 BY THIS ACT.

21        (3) IF THE COURT FINDS THAT THE SERVICES OF COUNSEL FOR ANY  
22 DISSENTER WERE OF SUBSTANTIAL BENEFIT TO OTHER DISSENTERS SIMI-  
23 LARLY SITUATED, AND THAT THE FEES FOR THOSE SERVICES SHOULD NOT  
24 BE ASSESSED AGAINST THE CORPORATION, THE COURT MAY AWARD TO THOSE  
25 COUNSEL REASONABLE FEES PAID OUT OF THE AMOUNTS AWARDED THE DIS-  
26 SENTERS WHO WERE BENEFITED.

1       Sec. 799. (1) If authorized in an issuing public  
2 corporation's articles of incorporation or bylaws before a  
3 control share acquisition has occurred, control shares acquired  
4 in a control share acquisition, with respect to which no acquir-  
5 ing person statement has been filed with the issuing public cor-  
6 poration, may, at any time during the period ending 60 days after  
7 the last acquisition of control shares or the power to direct the  
8 exercise of voting power of control shares by the acquiring  
9 person, be subject to redemption by the corporation at the fair  
10 value of the shares pursuant to the procedures adopted by the  
11 corporation.

12       (2) If authorized in a corporation's articles ~~of~~  
13 ~~incorporation~~ or bylaws before a control share acquisition has  
14 occurred, after an acquiring person statement has been filed and  
15 after the meeting at which the voting rights of the control  
16 shares acquired in a control share acquisition are submitted to  
17 the shareholders, the shares are subject to redemption by the  
18 corporation at the fair value of the shares pursuant to the pro-  
19 cedures adopted by the corporation unless the shares are accorded  
20 full voting rights by the shareholders as provided in section  
21 798.

22       (3) Unless otherwise provided in a corporation's articles of  
23 incorporation or bylaws before a control share acquisition has  
24 occurred, in the event control shares acquired in a control share  
25 acquisition are accorded full voting rights and the acquiring  
26 person has acquired a majority of all voting power of the  
27 corporation, shareholders of the issuing public corporation,



1 other than the acquiring person, have dissenters' rights as  
2 provided in this section.

3 (4) As soon as practicable after such events have occurred,  
4 the board of directors shall cause a notice to be sent to all  
5 shareholders of the corporation advising them that they have  
6 dissenters' rights to receive the fair value of their shares and  
7 making an offer to pay for the shares at a specified price deemed  
8 by the corporation to be the fair value. The issuing public cor-  
9 poration and the shareholders shall have ~~such~~ ALL further  
10 rights as are provided in ~~sections 766 to 768a~~ THIS ACT.

11 (5) As used in this section, "fair value" means a value not  
12 less than the highest price paid per share by the acquiring  
13 person in the control share acquisition.

14 Sec. 801. (1) A corporation may be dissolved in any of the  
15 following ways:

16 (a) Automatically by expiration of a period of duration to  
17 which the corporation is limited by its articles of  
18 incorporation.

19 (b) By action of the incorporators or directors ~~pursuant~~  
20 ~~to~~ UNDER section 803.

21 (c) By action of the board and the shareholders ~~pursuant~~  
22 ~~to~~ UNDER section 804.

23 (d) By action of a shareholder ~~pursuant to~~ UNDER section  
24 805.

25 (e) By a judgment of the circuit court in an action brought  
26 ~~pursuant to~~ UNDER this act or otherwise.

1 (f) Automatically, ~~pursuant to~~ UNDER section 922, for  
2 failure to file an annual report or pay the ~~privilege~~ FILING  
3 fee.

4 (2) A corporation whose assets have been wholly disposed of  
5 under court order in receivership or bankruptcy proceedings may  
6 be summarily dissolved by order of the court having jurisdiction  
7 of the proceedings. A copy of the order shall be filed by the  
8 clerk of the court with the administrator.

9 Sec. 804. (1) A corporation may be dissolved by action of  
10 its board and shareholders as provided in this section.

11 (2) ~~The board shall adopt a resolution that the corporation~~  
12 ~~be dissolved.~~ A CORPORATION'S BOARD MAY PROPOSE DISSOLUTION FOR  
13 ACTION BY THE SHAREHOLDERS.

14 (3) THE BOARD MUST RECOMMEND DISSOLUTION TO THE SHAREHOLDERS  
15 UNLESS THE BOARD DETERMINES THAT BECAUSE OF CONFLICT OF INTEREST  
16 OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO RECOMMENDATION  
17 AND COMMUNICATES THE BASIS FOR ITS DETERMINATION TO THE  
18 SHAREHOLDERS.

19 (4) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSAL  
20 FOR DISSOLUTION ON ANY BASIS.

21 (5) ~~(3)~~ The proposed dissolution shall be submitted for  
22 approval at a meeting of shareholders. Notice shall be given to  
23 each shareholder of record WHETHER OR NOT entitled to vote at the  
24 meeting WITHIN THE TIME AND IN THE MANNER as provided in this act  
25 for the giving of notice of meetings of shareholders, and shall  
26 state that a purpose of the meeting is to vote on dissolution of  
27 the corporation.

1       (6) ~~(4)~~ At the meeting a vote of shareholders shall be  
2 taken on the proposed dissolution. The dissolution shall be  
3 approved upon receiving the affirmative vote of the holders of a  
4 majority of the outstanding shares of the corporation entitled to  
5 vote thereon. ~~, and if a class or series is entitled to vote~~  
6 ~~thereon as a class, the affirmative vote of a majority of the~~  
7 ~~outstanding shares of each such class or series.~~

8       (7) ~~(5)~~ If the dissolution is approved, ~~a certificate of~~  
9 ~~dissolution shall be executed and filed on behalf of the~~  
10 ~~corporation~~ IT SHALL BE EFFECTED BY THE EXECUTION AND FILING OF  
11 A CERTIFICATE OF DISSOLUTION ON BEHALF OF THE CORPORATION, set-  
12 ting forth ALL OF THE FOLLOWING:

13       (a) The name of the corporation.

14       (b) The date and place of the meeting of shareholders  
15 approving the dissolution.

16       (c) A statement that dissolution was PROPOSED AND approved  
17 by the requisite vote of ~~directors~~ THE BOARD and shareholders.

18       Sec. 805. (1) The articles of incorporation may contain a  
19 provision that a shareholder, or the holders of any specified  
20 number or proportion of shares, or of any specified number or  
21 proportion of shares of a class or series, ~~thereof,~~ may require  
22 dissolution of the corporation at will or upon the occurrence of  
23 a specified event, if all the incorporators have authorized the  
24 provision in the articles or the holders of record of all out-  
25 standing shares authorize the provision in an amendment to the  
26 articles.

1 (2) If the articles contain this provision, dissolution may  
2 be effected by the execution and filing of a certificate of  
3 dissolution on behalf of the corporation when authorized by a  
4 holder or holders of the number or proportion of shares specified  
5 in the provision, obtained in ~~such~~ THE manner as may be speci-  
6 fied ~~therein~~ IN THE ARTICLES, or if no manner is specified,  
7 ~~therein~~, when authorized on written consent signed by ~~such~~  
8 THE holder or holders. The certificate of dissolution shall  
9 state the name of the corporation and that the corporation is  
10 dissolved pursuant to a designated provision in the articles.

11 (3) ~~If the articles contain a provision authorized by sub-~~  
12 ~~section (1), the existence of the provision shall be noted con-~~  
13 ~~spicuously on the face of every certificate for shares issued by~~  
14 ~~the corporation, and a holder of such certificate is conclusively~~  
15 ~~deemed to have taken delivery with notice of the provision. A~~  
16 PROVISION AUTHORIZED BY SUBSECTION (1) BECOMES INVALID IF SUBSE-  
17 QUENT TO THE ADOPTION OF THE PROVISION, SHARES ARE TRANSFERRED OR  
18 ISSUED TO A PERSON WHO TAKES DELIVERY OF THE SHARE CERTIFICATE  
19 WITHOUT ACTUAL NOTICE OF THE PROVISION, UNLESS THAT PERSON CON-  
20 SENTS IN WRITING TO THE PROVISION. IF THE ARTICLES CONTAIN A  
21 PROVISION AUTHORIZED BY SUBSECTION (1) AND THE EXISTENCE OF THE  
22 PROVISION IS NOTED ON THE FACE OR BACK OF A CERTIFICATE FOR  
23 SHARES ISSUED BY THE CORPORATION, A HOLDER OF THAT CERTIFICATE IS  
24 CONCLUSIVELY CONSIDERED TO HAVE TAKEN DELIVERY WITH ACTUAL NOTICE  
25 OF THE PROVISION.

1 (4) THE FAILURE TO INCLUDE A PROVISION OF A KIND AUTHORIZED  
2 IN SUBSECTION (1) IN THE ARTICLES SHALL NOT INVALIDATE ANY  
3 AGREEMENT WHICH WOULD OTHERWISE BE CONSIDERED VALID.

4 Sec. 815. A corporation whose term has expired may renew  
5 its corporate existence, if a proceeding pursuant to section 851  
6 is not pending, in the following manner:

7 (a) The board shall adopt a resolution that the corporate  
8 existence be renewed. The proposed renewal shall be submitted  
9 for approval at a meeting of shareholders. Notice shall be given  
10 to each shareholder of record entitled to vote at the meeting  
11 within the time and in the manner provided in this act for the  
12 giving of notice of meetings of shareholders, and shall state  
13 that a purpose of the meeting is to vote on the renewal of corpo-  
14 rate existence.

15 (b) At the meeting a vote of shareholders entitled to vote  
16 ~~thereat~~ ON THE RENEWAL shall be taken on the proposed renewal  
17 which shall be adopted upon receiving the affirmative vote of  
18 holders of a majority of the outstanding shares. ~~of the corpo-~~  
19 ~~ration and if a class or series is entitled to vote thereon as a~~  
20 ~~class, the affirmative vote of a majority of the outstanding~~  
21 ~~shares of each such class or series.~~

22 (c) If renewal of the corporate existence is approved, a  
23 certificate of renewal shall be executed and filed on behalf of  
24 the corporation, setting forth ALL OF THE FOLLOWING:

25 (i) The name of the corporation.

26 (ii) The date and place of the meeting of shareholders  
27 approving the renewal of existence.

1 (iii) A statement that renewal was approved by the requisite  
2 vote of directors and shareholders.

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

5 Sec. 817. (1) Upon filing of the certificate of revocation  
6 of dissolution or of renewal of existence, the revocation of the  
7 dissolution proceedings or the renewal of the corporate existence  
8 becomes effective, and the corporation may again transact its  
9 business.

10 (2) Revocation of dissolution or renewal of corporate exis-  
11 tence does not relieve the corporation of any penalty or liabil-  
12 ity accrued against it under any law of this state.

13 (3) If during the period of dissolution or expiration of  
14 term, ~~the corporate~~ A name ~~or a confusingly similar~~ THAT IS  
15 NOT DISTINGUISHABLE FROM THE CORPORATION'S name has been assigned  
16 to another corporation OR LIMITED PARTNERSHIP, the administrator  
17 may require that the corporation adopt OR USE a different name.  
18 ~~upon filing of a certificate of revocation of dissolution or of~~  
19 ~~renewal of existence.~~

20 Sec. 821. (1) The attorney general may bring an action in  
21 the circuit court of the county in which the PRINCIPAL PLACE OF  
22 BUSINESS OR registered office of the corporation is located for  
23 dissolution of a corporation upon the ground that the corporation  
24 has committed any of the following acts:

25 (a) Procured its organization through fraud.

26 (b) Repeatedly and ~~wilfully~~ WILLFULLY exceeded the  
27 authority conferred upon it by law.

1 (c) Repeatedly and ~~wilfully~~ WILLFULLY conducted its  
2 business in an unlawful manner.

3 (2) The enumeration in this section of grounds for dissolu-  
4 tion does not exclude any other statutory or common law action by  
5 the attorney general for dissolution of a corporation or revoca-  
6 tion or forfeiture of its corporate franchises.

7 Sec. 823. A corporation may be dissolved by a judgment  
8 entered in an action brought in the circuit court of the county  
9 in which the PRINCIPAL PLACE OF BUSINESS OR registered office of  
10 the corporation is located by 1 or more directors or by 1 or more  
11 shareholders entitled to vote in an election of directors of the  
12 corporation, upon proof of both of the following:

13 (a) The directors of the corporation, or its shareholders if  
14 a provision in the articles of incorporation authorized by sub-  
15 section (1) of section 463 is in effect, are unable to agree by  
16 the requisite vote on material matters respecting management of  
17 the corporation's affairs, or the shareholders of the corporation  
18 are so divided in voting power that they have failed to elect  
19 successors to any director whose term has expired or would have  
20 expired upon the election and qualification of his OR HER  
21 successor.

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

25 Sec. 831. A corporation is dissolved when any of the fol-  
26 lowing occurs:

1 (a) The period of duration stated in the corporation's  
2 articles of incorporation expires.

3 (b) A certificate of dissolution is filed pursuant to sec-  
4 tions 803 to 805.

5 (c) A judgment of forfeiture of corporate franchises or of  
6 dissolution is entered by a court of competent jurisdiction and a  
7 copy of a judicial order of dissolution shall be forwarded  
8 promptly to the administrator by the receiver or other person  
9 designated by the court.

10 (d) Failure to file an annual report or pay ~~a privilege~~ AN  
11 ANNUAL FILING fee as provided in section 922.

12 SEC. 841A. (1) THE DISSOLVED CORPORATION MAY NOTIFY ITS  
13 EXISTING CLAIMANTS IN WRITING OF THE DISSOLUTION AT ANY TIME  
14 AFTER THE EFFECTIVE DATE OF THE DISSOLUTION. THE WRITTEN NOTICE  
15 SHALL INCLUDE ALL OF THE FOLLOWING:

16 (A) DESCRIBE INFORMATION THAT MUST BE INCLUDED IN A CLAIM.  
17 THE CORPORATION MAY DEMAND SUFFICIENT INFORMATION TO PERMIT IT TO  
18 MAKE A REASONABLE JUDGMENT WHETHER THE CLAIM SHOULD BE ACCEPTED  
19 OR REJECTED.

20 (B) PROVIDE A MAILING ADDRESS WHERE A CLAIM MAY BE SENT.

21 (C) STATE THE DEADLINE, WHICH MAY NOT BE LESS THAN 6 MONTHS  
22 FROM THE EFFECTIVE DATE OF THE WRITTEN NOTICE, BY WHICH THE DIS-  
23 SOLVED CORPORATION MUST RECEIVE THE CLAIM.

24 (D) STATE THAT THE CLAIM WILL BE BARRED IF NOT RECEIVED BY  
25 THE DEADLINE.



1 (2) THE GIVING OF NOTICE DESCRIBED ABOVE DOES NOT CONSTITUTE  
2 RECOGNITION THAT A PERSON TO WHOM THE NOTICE IS DIRECTED HAS A  
3 VALID CLAIM AGAINST THE CORPORATION.

4 (3) A CLAIM AGAINST THE DISSOLVED CORPORATION IS BARRED IF  
5 EITHER OF THE FOLLOWING APPLIES:

6 (A) IF A CLAIMANT WHO WAS GIVEN WRITTEN NOTICE UNDER SUBSEC-  
7 TION (1) DOES NOT DELIVER THE CLAIM TO THE DISSOLVED CORPORATION  
8 BY THE DEADLINE.

9 (B) IF A CLAIMANT WHOSE CLAIM WAS REJECTED BY A WRITTEN  
10 NOTICE OF REJECTION BY THE DISSOLVED CORPORATION DOES NOT COM-  
11 MENCE A PROCEEDING TO ENFORCE THE CLAIM WITHIN 90 DAYS FROM THE  
12 EFFECTIVE DATE OF THE WRITTEN NOTICE OF REJECTION.

13 (4) FOR PURPOSES OF THIS SECTION, "EXISTING CLAIM" MEANS ANY  
14 CLAIM OR RIGHT AGAINST THE CORPORATION, LIQUIDATED OR  
15 UNLIQUIDATED. IT DOES NOT MEAN A CONTINGENT LIABILITY OR A CLAIM  
16 BASED ON AN EVENT OCCURRING AFTER THE EFFECTIVE DATE OF  
17 DISSOLUTION.

18 (5) FOR PURPOSES OF THIS SECTION, THE EFFECTIVE DATE OF THE  
19 WRITTEN NOTICE IS THE EARLIEST OF THE FOLLOWING:

20 (A) THE DATE IT IS RECEIVED.

21 (B) FIVE DAYS AFTER ITS DEPOSIT IN THE UNITED STATES MAIL,  
22 AS EVIDENCED BY THE POSTMARK, IF IT IS MAILED POSTPAID AND COR-  
23 RECTLY ADDRESSED.

24 (C) THE DATE SHOWN ON THE RETURN RECEIPT, IF THE NOTICE IS  
25 SENT BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED,  
26 AND THE RECEIPT IS SIGNED BY OR ON BEHALF OF THE ADDRESSEE.

1 SEC. 842A. (1) A DISSOLVED CORPORATION MAY ALSO PUBLISH  
2 NOTICE OF DISSOLUTION AT ANY TIME AFTER THE EFFECTIVE DATE OF  
3 DISSOLUTION AND REQUEST THAT PERSONS WITH CLAIMS AGAINST THE COR-  
4 PORATION PRESENT THEM IN ACCORDANCE WITH THE NOTICE.

5 (2) THE NOTICE MUST BE IN ACCORD WITH ALL OF THE FOLLOWING:

6 (A) BE PUBLISHED 1 TIME IN A NEWSPAPER OF GENERAL CIRCULA-  
7 TION IN THE COUNTY WHERE THE DISSOLVED CORPORATION'S PRINCIPAL  
8 OFFICE, OR IF NONE IN THIS STATE, ITS REGISTERED OFFICE, IS OR  
9 WAS LAST LOCATED.

10 (B) DESCRIBE THE INFORMATION THAT MUST BE INCLUDED IN A  
11 CLAIM AND PROVIDE A MAILING ADDRESS WHERE THE CLAIM MAY BE SENT.  
12 THE CORPORATION MAY DEMAND SUFFICIENT INFORMATION TO PERMIT IT TO  
13 MAKE A REASONABLE JUDGMENT WHETHER THE CLAIM SHOULD BE ACCEPTED  
14 OR REJECTED.

15 (C) STATE THAT A CLAIM AGAINST THE CORPORATION WILL BE  
16 BARRED UNLESS A PROCEEDING TO ENFORCE THE CLAIM IS COMMENCED  
17 WITHIN 1 YEAR AFTER THE PUBLICATION DATE OF THE NEWSPAPER  
18 NOTICE.

19 (3) IF THE DISSOLVED CORPORATION PUBLISHES A NEWSPAPER  
20 NOTICE IN ACCORDANCE WITH SUBSECTION (2), THE CLAIM OF EACH OF  
21 THE FOLLOWING CLAIMANTS IS BARRED UNLESS THE CLAIMANT COMMENCES A  
22 PROCEEDING TO ENFORCE THE CLAIM AGAINST THE DISSOLVED CORPORATION  
23 WITHIN 1 YEAR AFTER THE PUBLICATION DATE OF THE NEWSPAPER  
24 NOTICE:

25 (A) A CLAIMANT WHO DID NOT RECEIVE WRITTEN NOTICE UNDER SEC-  
26 TION 841A.

1 (B) A CLAIMANT WHOSE CLAIM WAS TIMELY SENT TO THE DISSOLVED  
2 CORPORATION BUT NOT ACTED ON.

3 (C) A CLAIMANT WHOSE CLAIM IS CONTINGENT OR BASED ON AN  
4 EVENT OCCURRING AFTER THE EFFECTIVE DATE OF DISSOLUTION.

5 (4) NOTWITHSTANDING SUBSECTION (3), A CLAIMANT WHOSE CLAIM  
6 WAS KNOWN TO THE CORPORATION AT THE TIME OF PUBLICATION IN  
7 ACCORDANCE WITH SUBSECTION (2) AND WHO DID NOT RECEIVE WRITTEN  
8 NOTICE UNDER SECTION 841A SHALL IN NO EVENT BE BARRED FROM SUIT  
9 UNTIL 6 MONTHS AFTER HE OR SHE HAS ACTUAL NOTICE OF THE  
10 DISSOLUTION.

11 Sec. 851. (1) After a corporation has been dissolved in any  
12 manner, the corporation, a creditor, or a shareholder may apply  
13 at any time to the circuit court of the county in which the  
14 PRINCIPAL PLACE OF BUSINESS OR registered office of the corpora-  
15 tion is located for a judgment that the affairs of the corpora-  
16 tion and the liquidation of its assets continue under supervision  
17 of the court. The court shall make ~~such~~ orders and judgments  
18 as may be required, including, but not limited to, continuance of  
19 the liquidation of the corporation's assets by its officers and  
20 directors under supervision of the court, or the appointment of a  
21 receiver of the corporation to be vested with powers as the court  
22 designates to liquidate the affairs of the corporation.

23 (2) For good cause shown, and so long as a corporation has  
24 not made complete distribution of its assets, the court ~~, in an~~  
25 ~~action pending under this section or otherwise,~~ may permit a  
26 creditor who has not ~~filed~~ DELIVERED his OR HER claim OR  
27 COMMENCED A PROCEEDING TO ENFORCE HIS OR HER CLAIM within the

1 ~~time limited by section 841, or who has not commenced an action~~  
2 ~~on a rejected claim within the time limited by section 842,~~  
3 LIMITS PROVIDED IN SECTIONS 841A AND 842A to file ~~such~~ THE  
4 claim or to commence ~~such action~~ A PROCEEDING within ~~such~~ THE  
5 time as the court directs.

6 SEC. 855A. BEFORE MAKING A DISTRIBUTION OF ASSETS TO SHARE-  
7 HOLDERS IN DISSOLUTION, A CORPORATION SHALL PAY OR MAKE PROVISION  
8 FOR ITS DEBTS AND OBLIGATIONS AND LIABILITIES. COMPLIANCE WITH  
9 THIS SECTION REQUIRES THAT, TO THE EXTENT THAT A REASONABLE ESTI-  
10 MATE IS POSSIBLE, PROVISION BE MADE FOR THOSE DEBTS, OBLIGATIONS,  
11 AND LIABILITIES ANTICIPATED TO ARISE AFTER THE EFFECTIVE DATE OF  
12 DISSOLUTION. PROVISION NEED NOT BE MADE FOR ANY DEBT, OBLIGA-  
13 TION, OR LIABILITY THAT IS OR IS REASONABLY ANTICIPATED TO BE  
14 BARRED UNDER SECTION 841A OR 842A. THE FACT THAT CORPORATE  
15 ASSETS ARE INSUFFICIENT TO SATISFY CLAIMS ARISING AFTER A DISSO-  
16 LUTION SHALL NOT CREATE A PRESUMPTION THAT THE CORPORATION HAS  
17 FAILED TO COMPLY WITH THIS SECTION. ADEQUATE PROVISION SHALL BE  
18 DEEMED TO HAVE BEEN MADE FOR ANY DEBT, OBLIGATION, OR LIABILITY  
19 OF THE CORPORATION IF PAYMENT HAS BEEN ASSUMED OR GUARANTEED IN  
20 GOOD FAITH BY 1 OR MORE FINANCIALLY RESPONSIBLE CORPORATIONS,  
21 PERSONS, OR THE UNITED STATES GOVERNMENT OR AGENCY OF THE UNITED  
22 STATES GOVERNMENT, AND THE PROVISION INCLUDING THE FINANCIAL  
23 RESPONSIBILITY OF THE CORPORATIONS OR OTHER PERSONS, WAS DETER-  
24 MINED IN GOOD FAITH AND WITH REASONABLE CARE BY THE BOARD TO BE  
25 ADEQUATE. AFTER PAYMENT OR ADEQUATE PROVISION HAS BEEN MADE FOR  
26 THE CORPORATION'S DEBTS, OBLIGATIONS, OR LIABILITIES, THE  
27 REMAINING ASSETS SHALL BE DISTRIBUTED TO SHAREHOLDERS ACCORDING

1 TO THEIR RESPECTIVE RIGHTS AND INTERESTS. THE DISTRIBUTION MAY  
2 BE MADE EITHER IN CASH OR IN KIND OR IN BOTH.

3 Sec. 911. (1) Each domestic ~~corporation~~ and ~~each~~ for-  
4 eign corporation subject to chapter 10 ~~of this act~~ shall file a  
5 report with the administrator ~~before~~ NO LATER THAN May ~~16~~ 15  
6 of each year. THE REPORT IS NOT REQUIRED TO BE FILED IN THE YEAR  
7 OF INCORPORATION OR AUTHORIZATION BY CORPORATIONS WHICH WERE  
8 ORGANIZED OR AUTHORIZED TO DO BUSINESS ON OR AFTER JANUARY 1 AND  
9 BEFORE MAY 16 OF THAT YEAR. The report shall be on a form  
10 approved by the administrator, signed in ink by an authorized  
11 officer or agent of the corporation, and shall contain ALL OF the  
12 following:

13 (a) Name of the corporation.

14 (b) Name of its resident agent and address of its registered  
15 office in this state.

16 (c) State and date of incorporation, term of corporate exis-  
17 tence, if other than perpetual; and, if a foreign corporation,  
18 the date when authorized to transact business in this state.

19 (d) Names and addresses of its president, secretary, trea-  
20 surer, and directors.

21 (e) General nature and kind of business in which the corpo-  
22 ration is engaged.

23 (f) Amount of authorized ~~capital~~ stock and number ~~and par~~  
24 ~~value~~ of shares of each class authorized. ~~, and the number of~~  
25 ~~shares of stock without par value authorized.~~

26 (g) Amount of ~~capital~~ stock subscribed.

1 (h) Amount of ~~capital~~ stock paid in.

2 (i) Nature and book value of the property owned and used by  
3 the corporation listed separately as to property ~~within and~~  
4 ~~without~~ IN AND OUTSIDE this state.

5 (j) ~~Complete~~ A COMPLETE and detailed statement of the  
6 assets and liabilities of the corporation as shown by the books  
7 of the corporation, at the close of business on December 31 or  
8 upon the date of the close of its latest fiscal year, which ~~, in~~  
9 ~~the case of~~ FOR a domestic corporation shall be the same balance  
10 sheet as furnished to shareholders as required by section 901. A  
11 corporation which is a member of an affiliated group of corpora-  
12 tions which regularly prepare financial statements on a consoli-  
13 dated basis may file a consolidated balance sheet in place of the  
14 statement of assets and liabilities required in this  
15 subdivision. ~~Corporations organized after December 31 and~~  
16 ~~before May 15 of a year, and foreign corporations authorized to~~  
17 ~~transact business in this state after December 31 and before May~~  
18 ~~15 of a year, shall not be required to file the report due that~~  
19 ~~year.~~

20 (k) Other information as the administrator reasonably  
21 requires for other purposes under this act.

22 (2) THE REPORT IS NOT REQUIRED TO BE FILED IN THE YEAR OF  
23 INCORPORATION OR AUTHORIZATION, BY CORPORATIONS WHICH WERE ORGA-  
24 NIZED OR AUTHORIZED TO DO BUSINESS ON OR AFTER JANUARY 1 AND  
25 BEFORE MAY 16 OF THAT YEAR.

26 Sec. 913. The county clerk may destroy the copies of the  
27 corporate documents of a DOMESTIC OR FOREIGN corporation which

1 were forwarded to his OR HER office in accordance with Act  
2 No. 327 of the Public Acts of 1931, as amended, being sections  
3 450.62 to 450.192 of the Michigan Compiled Laws, and its prede-  
4 cessor act. The clerk may destroy or dispose of these records in  
5 accordance with section 5 of Act No. 271 of the Public Acts of  
6 1913, as amended, being section 399.5 of the Michigan Compiled  
7 Laws.

8       Sec. 915. A report required by section 911 shall be filed  
9 with the administrator together with a \$15.00 filing fee. The  
10 report shall be open to reasonable inspection by the public  
11 promptly after filing by the DOMESTIC OR FOREIGN corporation.

12       Sec. 923. (1) ~~The administrator for~~ IF good cause IS  
13 shown, THE ADMINISTRATOR may extend the time for filing ~~of~~ a  
14 report for not more than 1 year from the due date of the filing.

15       (2) The administrator may report promptly to the attorney  
16 general any failure or neglect under sections 921, 922, 931, and  
17 932, and the attorney general may bring an action for imposition  
18 of the prescribed penalties. ~~When~~ IF a DOMESTIC OR FOREIGN  
19 corporation neglects or refuses to file its report within the  
20 time prescribed by this act, the administrator shall notify the  
21 corporation of that fact by mail directed to its registered  
22 office not later than 90 days after the due date of the filing.  
23 ~~The administrator's certificate of mailing of the notice is~~  
24 ~~prima facie evidence in all courts and places that the notice was~~  
25 ~~mailed, and that the notice was received by the corporation.~~

26       Sec. 925. (1) A domestic corporation which has been  
27 dissolved ~~pursuant to~~ UNDER subsection (1) of section 922, or a

1 foreign corporation whose certificate of authority has been  
2 revoked ~~pursuant to~~ UNDER subsection (2) of section 922 or sec-  
3 tion 1042, may renew its corporate existence or its certificate  
4 of authority by filing the reports and paying the fees for the  
5 years for which they were not filed and paid, and for every sub-  
6 sequent intervening year, together with the penalties provided by  
7 section 921. Upon filing the reports and payment of the fees and  
8 penalties, the corporate existence or the certificate of author-  
9 ity is renewed. If during the intervening period ~~the corporate~~

10 A name ~~or a confusingly similar~~ THAT IS NOT DISTINGUISHABLE  
11 FROM THE CORPORATION'S name has been assigned to another corpora-  
12 tion OR LIMITED PARTNERSHIP, the administrator may require that  
13 the corporation adopt or use within this state a different name.

14 (2) Upon compliance with the provisions of this section, the  
15 rights of the corporation shall be the same as though a dissolu-  
16 tion or revocation had not taken place, and all contracts entered  
17 into and other rights acquired during the interval shall be valid  
18 and enforceable.

19 Sec. 932. (1) A person who knowingly makes or files or a  
20 person who knowingly assists in the making or filing of a false  
21 or fraudulent report, certificate, or other statement required by  
22 this act to be filed by a DOMESTIC OR FOREIGN corporation with a  
23 public officer of this state, or a person knowing the same to be  
24 false or fraudulent, who procures, counsels, or advises the  
25 making or filing of ~~such~~ a report, certificate, or statement,  
26 is guilty of a misdemeanor and is subject to a fine of not to  
27 exceed \$1,000.00 for each ~~such~~ offense.



1 (2) An officer or agent of a DOMESTIC OR FOREIGN corporation  
2 who knowingly falsifies or wrongfully alters the books, records,  
3 or accounts of a corporation is guilty of a misdemeanor and is  
4 subject to a fine of not to exceed \$1,000.00 for each such  
5 offense.

6 Sec. 1014. (1) ~~The provisions of sections~~ SECTIONS 1001  
7 through 1055 ~~of this act~~ shall ~~be applicable~~ APPLY to BOTH OF  
8 THE FOLLOWING:

9 ~~(a) A foreign corporation organized not for pecuniary~~  
10 ~~profit.~~

11 (A) ~~(b)~~ A foreign joint stock company.

12 (B) ~~(c)~~ A foreign common law or statutory trust, by what-  
13 ever term or designation known, having any of the powers or priv-  
14 ileges of a corporation not possessed by an individual or  
15 partnership.

16 ~~(2) A foreign corporation or other foreign entity described~~  
17 ~~in subsection (1)(c) organized not for pecuniary profit may be~~  
18 ~~admitted to carry on its lawful business within this state upon~~  
19 ~~the same terms and under the same restrictions as apply to simi-~~  
20 ~~lar nonprofit corporations organized under the laws of this~~  
21 ~~state, and upon paying the same filing, privilege, and other fees~~  
22 ~~as are prescribed by law for similar domestic corporations.~~

23 (2) ~~(3) The provisions of sections~~ SECTIONS 1001 through  
24 1055 ~~of this act~~ shall not ~~be applicable~~ APPLY to EITHER OF  
25 THE FOLLOWING:

1 (a) A foreign corporation permitted to do business in this  
2 state by license issued by the commissioner of insurance  
3 according to the provisions of law.

4 (b) The government of any state or political subdivision  
5 ~~thereof~~ OF THE STATE or of the United States or of any foreign  
6 nation or any political subdivision ~~thereof~~ OF THE UNITED  
7 STATES OR A FOREIGN NATION, or any corporation organized as an  
8 instrumentality of the government of any of the foregoing.

9 Sec. 1021. (1) ~~A~~ EXCEPT AS OTHERWISE PROVIDED, A foreign  
10 corporation authorized to transact business in this state which  
11 changes its corporate name, or enlarges, limits, or otherwise  
12 changes the business which the foreign corporation proposes to do  
13 in this state, or otherwise affects the information set forth in  
14 its application for certificate of authority to transact business  
15 in this state, shall file an amended application with the admin-  
16 istrator not later than 30 days after the time a change becomes  
17 effective. A CHANGE IN THE REGISTERED OFFICE OR REGISTERED AGENT  
18 MAY BE MADE PURSUANT TO SECTION 242. The amended application  
19 UNDER THIS SUBSECTION shall set forth all of the following:

20 (a) The name of the foreign corporation as it appears on the  
21 records of the administrator and the jurisdiction of its  
22 incorporation.

23 (b) The date the foreign corporation was authorized to do  
24 business in this state.

25 (c) If the name of the foreign corporation has been changed,  
26 a statement of the name relinquished, a statement of the new  
27 name, and a statement that the change of name has been effected

1 under the laws of the jurisdiction of its incorporation and the  
2 date the change was effected.

3 (d) If the business the foreign corporation proposes to do  
4 in this state is to be enlarged, limited, or otherwise changed, a  
5 statement reflecting the change and a statement that the foreign  
6 corporation is authorized to do in the jurisdiction of its incor-  
7 poration the business which it proposes to do in this state.

8 (e) ~~Such~~ ANY additional information as the administrator  
9 may require.

10 (2) If a foreign corporation authorized to transact business  
11 in this jurisdiction is the survivor of a merger permitted by the  
12 laws of the jurisdiction in which the foreign corporation is  
13 incorporated, not later than 30 days after the merger becomes  
14 effective, the foreign corporation shall file a certificate  
15 issued by the proper officer of the jurisdiction of its incorpo-  
16 ration attesting to the occurrence of the merger. If the merger  
17 has changed the corporate name of the foreign corporation, or has  
18 enlarged, limited, or changed the business the foreign corpora-  
19 tion proposes to do in this state, or has affected the informa-  
20 tion set forth in the application, the foreign corporation shall  
21 also comply with subsection (1).

22 Sec. 1023. A foreign corporation which has been authorized  
23 to transact business in this state, and which, after its authori-  
24 zation, increases the amount of its authorized ~~capital~~ stock  
25 attributable to this state over the previous highest amount of  
26 its authorized ~~capital~~ stock attributable to this state, shall  
27 file a supplemental statement signed in ink by an officer or

1 agent of the corporation giving a detailed account of the amount  
2 of the increase, and shall pay an additional franchise fee on  
3 account of the increased authorized stock as prescribed by law.  
4 The supplemental statement shall be filed before May 16 of each  
5 year. The administrator for good cause shown may extend the time  
6 for filing of a supplemental statement for not more than 1 year  
7 after the due date of the filing. The portion of authorized  
8 ~~capital~~ stock of the corporation attributable to this state  
9 shall be determined by multiplying the entire amount of its  
10 authorized ~~capital~~ stock by the most recent apportionment per-  
11 centage used in the computation of the tax required by THE SINGLE  
12 BUSINESS TAX ACT, Act No. 228 of the Public Acts of 1975, as  
13 amended, being sections 208.1 to 208.145 of the Michigan Compiled  
14 Laws. The ~~capital~~ stock attributable to this state shall be  
15 determined pursuant to section 1062.

16       Sec. 1032. Upon filing the application for withdrawal, and  
17 payment of the filing ~~and privilege fees~~ FEE prescribed by law,  
18 the administrator shall issue to the FOREIGN corporation a cer-  
19 tificate of withdrawal, ~~whereupon~~ AND THE FOLLOWING SHALL  
20 OCCUR:

21       (a) The authority of the FOREIGN corporation to transact  
22 business in this state shall cease.

23       (b) The authority of its resident agent in this state to  
24 accept service of process against the FOREIGN corporation is  
25 ~~deemed~~ revoked.

26       Sec. 1035. (1) When a foreign corporation authorized to  
27 transact business in this state is dissolved, or its authority or

1 existence is otherwise terminated or canceled in the jurisdiction  
2 of its incorporation, or it is merged into or consolidated with  
3 another corporation, there shall be filed with the administrator  
4 ~~such~~ information as may be required by the administrator to  
5 determine and assess any unpaid ~~privilege~~ fees payable by  
6 ~~such~~ THE foreign corporation as required by law and either of  
7 the following:

8 (a) A certificate of the official of the jurisdiction of  
9 incorporation of the foreign corporation who has custody of the  
10 records pertaining to corporations, evidencing the occurrence of  
11 ~~any such~~ THE event.

12 (b) A certified copy of an order or judgment of a court of  
13 competent jurisdiction directing dissolution of the foreign cor-  
14 poration, the termination of its existence, or the cancellation  
15 of its authority.

16 (2) Upon filing of the certificate, order, or judgment and  
17 payment of the filing ~~and privilege fees~~ FEE prescribed by law,  
18 the administrator shall issue a certificate of withdrawal with  
19 ~~like~~ THE SAME effect as provided in section 1032.

20 Sec. 1041. In addition to any other ground for revocation  
21 provided by law, the administrator may revoke the certificate of  
22 authority of a foreign corporation to transact business in this  
23 state upon the conditions prescribed in section 1042 upon any of  
24 the following grounds:

25 (a) The corporation fails to maintain a resident agent in  
26 this state as required by this act.

1 (b) The corporation, after ~~change of~~ CHANGING its  
2 registered office or resident agent, fails to file a statement of  
3 ~~such~~ THE change as required by this act.

4 (c) The corporation, after ~~amending its articles of~~  
5 ~~incorporation,~~ THE INFORMATION IN ITS APPLICATION FOR CERTIFI-  
6 CATE OF AUTHORITY TO TRANSACT BUSINESS IN THIS STATE CHANGES,  
7 fails to file ~~a copy of the amendment~~ AN AMENDED APPLICATION as  
8 required by this act.

9 (d) The corporation, after becoming ~~a party~~ THE SURVIVOR  
10 to a merger, ~~consolidation, or similar corporate action,~~ fails  
11 to file ~~a copy of~~ the certificate of merger ~~, consolidation,~~  
12 ~~or similar corporate action~~ as required by this act.

13 (e) The corporation fails to file a supplemental statement  
14 as required by this act.

15 (f) The corporation fails to file its annual report within  
16 the time required by this act, or fails to pay an annual  
17 ~~privilege~~ FILING fee required by ~~law~~ THIS ACT.

18 Sec. 1042. (1) The administrator shall revoke a certificate  
19 of authority of a foreign corporation only when he OR SHE has  
20 given the corporation not less than 90 days' notice that a  
21 default under section ~~922~~ 1041 exists and that its certificate  
22 of authority will be revoked unless the default is cured within  
23 90 days after mailing of the notice, and the corporation fails  
24 before revocation to cure the default.

25 (2) The notice shall be sent by first class mail to the cor-  
26 poration at its registered office in this state and at its main

1 business or headquarters office as these offices are on record in  
2 the office of the administrator.

3 (3) Upon revoking ~~such~~ a certificate of authority, the  
4 administrator shall issue a certificate of revocation and mail a  
5 copy to the corporation at each of the addresses designated in  
6 subsection (2).

7 (4) The issuance of the certificate of revocation has the  
8 same force and effect as issuance of a certificate of withdrawal  
9 under section 1031.

10 Sec. 1060. (1) The fees to be paid to the administrator ~~by~~  
11 ~~or in behalf of corporations, for the purposes specified in this~~  
12 ~~section, shall be~~ WHEN THE DOCUMENTS DESCRIBED IN THIS SUBSEC-  
13 TION ARE DELIVERED TO HIM OR HER FOR FILING ARE as follows:

14 (a) ~~Examining and filing articles~~ ARTICLES of domestic  
15 corporations, \$10.00.

16 (b) ~~Examining and filing papers connected with the~~  
17 ~~application~~ APPLICATION of a foreign corporation for ~~admission~~  
18 ~~to do~~ A CERTIFICATE OF AUTHORITY TO TRANSACT business in this  
19 state, \$10.00.

20 (c) ~~Examining and filing an amendment~~ AMENDMENT to the  
21 articles of a domestic corporation, \$10.00.

22 (d) ~~Examining and filing an amended~~ AMENDED application  
23 for a certificate of authority to transact business in this  
24 state, \$10.00.

25 (e) ~~Examining and filing a supplemental~~ SUPPLEMENTAL  
26 statement, \$10.00.

1       (f) ~~Examining and filing a certificate~~ CERTIFICATE of  
2 merger or ~~consolidation~~ SHARE EXCHANGE as provided in chapter  
3 7, \$50.00.

4       (g) ~~Examining and filing a certificate~~ CERTIFICATE of  
5 ~~the~~ merger ~~or consolidation~~ of a foreign corporation, as  
6 ~~approved~~ PROVIDED in section 1021, \$10.00.

7       (h) ~~Examining and filing a certificate~~ CERTIFICATE of dis-  
8 solution, \$10.00.

9       (i) ~~Examining and filing an application~~ APPLICATION for  
10 withdrawal and issuance of a certificate of withdrawal of a for-  
11 eign corporation, \$10.00.

12       (j) ~~Examining and filing an application~~ APPLICATION for  
13 reservation of corporate name, \$10.00.

14       (k) ~~Examining and filing a certificate~~ CERTIFICATE of  
15 assumed name or a certificate of termination of assumed name,  
16 \$10.00.

17       (l) ~~Examining and filing a statement~~ STATEMENT of change  
18 of registered office or resident agent, \$5.00.

19       (m) ~~Examining and filing restated~~ RESTATED articles of  
20 domestic corporations, \$10.00.

21       (n) ~~Examining and filing a certificate~~ CERTIFICATE of  
22 abandonment, \$10.00.

23       (o) ~~Examining and filing a certificate~~ CERTIFICATE of cor-  
24 rection, \$10.00.

25       (p) ~~Examining and filing a certificate~~ CERTIFICATE of  
26 revocation of dissolution proceedings, \$10.00.



1 (q) ~~Examining and filing a certificate~~ CERTIFICATE of  
2 renewal of corporate existence, \$10.00.

3 (r) ~~Filing and examination of a special~~ FOR EXAMINING A  
4 SPECIAL report required by law, \$2.00.

5 (s) ~~Examining and filing a certificate~~ CERTIFICATE of reg-  
6 istration of corporate name of a foreign corporation, \$50.00.

7 (t) ~~Examining and filing a certificate~~ CERTIFICATE of  
8 renewal of registration of corporate name of a foreign corpora-  
9 tion, \$50.00.

10 (u) ~~Examining and filing a certificate~~ CERTIFICATE of ter-  
11 mination of registration of corporate name of a foreign corpora-  
12 tion, \$10.00.

13 (2) ~~These fees shall be paid to the administrator at the~~  
14 ~~time of filing or when the service is rendered by the~~  
15 ~~administrator.~~ The fees PRESCRIBED IN SUBSECTION (1), NO PART OF  
16 WHICH SHALL BE REFUNDED, shall be in addition to the franchise  
17 fees prescribed in this act, and shall, when collected, be paid  
18 into the treasury of the state and credited to the administrator  
19 to be used solely by the corporation and securities bureau in  
20 carrying out those duties required by law.

21 (3) Fees paid by or on behalf of domestic and foreign regu-  
22 lated investment companies as defined in section 1064 shall be  
23 the same as are charged foreign and domestic corporations for the  
24 purposes specified in this section.

25 (4) The fees received pursuant to section 915 shall be  
26 deposited in the state treasury to the credit of the  
27 administrator to be used by the corporation and securities bureau

1 in carrying out those duties required by law. After the payment  
2 of the amounts appropriated by the legislature for the necessary  
3 expenses incurred in the administration of this act, the money  
4 remaining shall be credited to the general fund of the state.

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

17 (6) IF A DOMESTIC OR FOREIGN CORPORATION PAYS FEES OR PENAL-  
18 TIES BY CHECK AND THE CHECK IS DISHONORED, THE FEE SHALL BE CON-  
19 SIDERED UNPAID AND ALL RELATED FILINGS WILL BE RESCINDED.

20 (7) THE ADMINISTRATOR MAY ACCEPT A CREDIT CARD, IN LIEU OF  
21 CASH OR CHECK, AS PAYMENT OF A FEE UNDER THIS ACT. THE ADMINIS-  
22 TRATOR SHALL DETERMINE WHICH CREDIT CARDS MAY BE ACCEPTED FOR  
23 PAYMENT.

24 Sec. 1062. (1) A domestic corporation or cooperative asso-  
25 ciation, organized for profit, and a domestic regulated invest-  
26 ment company, except corporations organized under THE SAVINGS AND  
27 LOAN ACT OF 1980, Act No. 307 of the Public Acts of 1980, being

1 sections 491.102 to 491.1202 of the Michigan Compiled Laws, at  
2 the time of filing its articles, shall pay to the administrator,  
3 as an organization fee and as an admission fee, a sum equal to  
4 ~~1/2 mill upon the dollar for each dollar of the authorized capi-~~  
5 ~~tal stock of the corporation. The organization fee shall not be~~  
6 ~~less than \$25.00. In case of a regulated investment company the~~  
7 ~~fee shall not exceed \$40.00.~~ \$50.00 FOR THE FIRST 60,000 AUTHO-  
8 RIZED SHARES AND \$30.00 FOR EACH ADDITIONAL 20,000 AUTHORIZED  
9 SHARES.

10 (2) The initial admission franchise fee of a foreign corpo-  
11 ration for profit and foreign regulated investment company apply-  
12 ing for admission to do business in this state shall be ~~\$25.00,~~  
13 ~~and authorized capital stock in the amount of \$50,000.00~~ \$50.00  
14 AND 60,000 SHARES shall be considered initially attributable to  
15 this state at the time of admission.

16 (3) Every corporation incorporated under the laws of this  
17 state which increases its authorized ~~capital~~ stock shall pay a  
18 sum equal to ~~1/2 mill upon each dollar for each increase in its~~  
19 ~~authorized capital stock~~ \$30.00 FOR EACH ADDITIONAL 20,000  
20 AUTHORIZED SHARES OF THE INCREASE.

21 (4) A foreign corporation authorized to transact business in  
22 this state which increases the amount of its authorized ~~capital~~  
23 stock attributable to this state over the previous highest amount  
24 of authorized ~~capital~~ stock attributable to this state upon  
25 which a franchise fee has been paid ~~—~~ shall file a supplemental  
26 statement in accordance with section 1023 and shall pay an  
27 additional ~~sum equal to 1/2 mill upon each dollar of the~~

1 ~~increase~~ ADMISSION FRANCHISE FEE OF \$30.00 FOR EACH ADDITIONAL  
2 20,000 AUTHORIZED SHARES OF THE INCREASE.

3 (5) The amount of authorized ~~capital~~ stock attributable to  
4 this state shall be determined by multiplying the entire amount  
5 of authorized ~~capital~~ stock by the apportionment percentage  
6 used in the computation of the tax required by THE SINGLE BUSI-  
7 NESS TAX ACT, Act No. 228 of the Public Acts of 1975, as amended,  
8 being sections 208.1 to 208.145 of the Michigan Compiled Laws.  
9 If the business activities are confined solely to this state, the  
10 entire amount of authorized ~~capital~~ stock shall be considered  
11 attributable to this state.

12 ~~(6) A foreign corporation required to file a supplemental~~  
13 ~~statement shall pay with the filing an additional admission fran-~~  
14 ~~chise fee of 1/2 mill upon each dollar of increase in the amount~~  
15 ~~of authorized capital stock attributable to this state. This~~  
16 ~~increase shall be the excess of the then current amount of autho-~~  
17 ~~rized capital stock attributable to this state over the previous~~  
18 ~~highest amount of authorized capital stock attributable to this~~  
19 ~~state.~~

20 ~~(7) A supplemental statement shall be filed on or before May~~  
21 ~~15, 1973, by every foreign corporation authorized to transact~~  
22 ~~business in this state on December 31, 1972. Every such foreign~~  
23 ~~corporation shall be considered to have that amount of its autho-~~  
24 ~~rized capital stock initially attributable to this state which~~  
25 ~~shall be determined by applying its entire amount of authorized~~  
26 ~~capital stock by the allocation factor used in the computation of~~  
27 ~~its annual privilege fee. If the annual privilege fee is~~

~~1 computed upon the entire paid up capital and surplus, the entire~~  
~~2 amount of authorized capital stock shall be considered to be ini-~~  
~~3 tially attributable to this state. A minimum authorized capital~~  
~~4 stock of \$50,000.00 shall be considered to be initially attribut-~~  
~~5 able to this state. The supplemental statement setting forth~~  
~~6 this initial determination shall be without fee other than the~~  
~~7 filing fee and shall be used as a base in connection with ascer-~~  
~~8 taining future supplemental statement filing requirements.~~

9       (6) ~~-(8)-~~ The administrator shall be authorized to require  
10 the corporation to furnish detailed and exact information  
11 ~~touching these matters~~ RELATING TO THE DETERMINATION OF FEES  
12 before making a final determination of the organization fee to be  
13 paid by the corporation.

14       (7) ~~-(9)-~~ "Corporation", as used in this section, includes  
15 partnership associations limited, cooperative associations, joint  
16 associations having any of the powers of corporations, and common  
17 law trust or trusts created by statute of this or another state  
18 or country exercising common law powers in the nature of corpora-  
19 tions, whether domestic or foreign, in addition to other corpora-  
20 tions as are referred to in this act.

21       (8) ~~-(10)-~~ If the capital of a corporation is not divided  
22 into shares, the ~~property of the corporation is the authorized~~  
23 ~~capital stock for the purposes of this section~~ FEE FOR PURPOSES  
24 OF THIS SECTION SHALL BE DETERMINED AS IF THE CORPORATION HAD  
25 60,000 SHARES.

26       (9) ~~-(11)-~~ If a foreign corporation authorized to transact  
27 business in this state merges into any domestic corporation or

1 consolidates with 1 or more corporations into a domestic  
 2 corporation by complying with the provisions of this act, the  
 3 resulting domestic corporation shall pay franchise fees for any  
 4 increase in authorized ~~capital~~ stock or for any authorized  
 5 ~~capital~~ stock as provided in this section, less such sums as  
 6 the foreign corporation so merging or consolidating has previ-  
 7 ously paid to the state under this section as an initial or addi-  
 8 tional admission franchise fee.

9       Sec. 1064. A regulated investment company, for purposes of  
 10 this act, means any DOMESTIC OR FOREIGN corporation or associa-  
 11 tion, common law or statutory trust, under whatever authority  
 12 organized, which for any taxable year or period for purposes of  
 13 federal income tax is registered and regulated under the invest-  
 14 ment company act of 1940, ~~as amended, being sections 80a-1 to~~  
 15 ~~80a-52 of title 15 of the United States code~~ TITLE I OF CHAPTER  
 16 686, 54 STAT. 789 and which for such taxable year or period is  
 17 classified as a regulated investment company as defined in PART 1  
 18 OF subchapter M of chapter 1 of the internal revenue code, ~~of~~  
 19 ~~1954, as amended, being sections 851 to 855 of title 26 of the~~  
 20 ~~United States code~~ 26 U.S.C. 851 TO 855.

21       Section 2. Sections 110, 311, 313, 315, 321, 335, 341, 342,  
 22 351, 355, 356, 361, 362, 363, 365, 366, 367, 371, 372, 376, 377,  
 23 381, 411, 447, 481, 491, 492, 493, 515, 541, 545, 546, 564, 703,  
 24 704, 721, 722, 723, 731, 732, 733, 734, 768a, 825, 841, 842, 855,  
 25 935, 1061, 1063, and 1099 of Act No. 284 of the Public Acts of  
 26 1972, being sections 450.1110, 450.1311, 450.1313, 450.1315,  
 27 450.1321, 450.1335, 450.1341, 450.1342, 450.1351, 450.1355,

1 450.1356, 450.1361, 450.1362, 450.1363, 450.1365, 450.1366,  
2 450.1367, 450.1371, 450.1372, 450.1376, 450.1377, 450.1381,  
3 450.1411, 450.1447, 450.1481, 450.1492, 450.1493, 450.1515,  
4 450.1541, 450.1545, 450.1546, 450.1564, 450.1703, 450.1704,  
5 450.1721, 450.1722, 450.1723, 450.1731, 450.1732, 450.1733,  
6 450.1734, 450.1768a, 450.1825, 450.1841, 450.1842, 450.1855,  
7 450.1935, 450.2061, 450.2063, and 450.2099 of the Michigan  
8 Compiled Laws, are repealed.