



SENATE BILL No. 148

January 26, 1993, Introduced by Senator DILLINGHAM and referred to the Committee on Corporations and Economic Development.

A bill to amend sections 109, 131, 209, 251, 261, 338, 344, 345, 402, 403, 407, 423, 447a, 472, 492a, 496, 505, 515a, 528, 551, 564b, 565, 571, 631, 643, 712, 735, 741, 753, 761, 764, 769, 778, 791, 805, 811, 834, 841a, 842a, 911, 922, 1012, 1014, 1016, 1021, 1042, 1060, and 1062 of Act No. 284 of the Public Acts of 1972, entitled

"Business corporation act,"

sections 109, 209, 251, 261, 407, 423, 472, 505, 528, 551, 565, 571, 712, 741, 753, 761, 764, 769, 805, 911, 1014, 1021, 1042, 1060, and 1062 as amended and sections 344, 345, 447a, 492a, 496, 515a, 564b, 735, 841a, and 842a as added by Act No. 121 of the Public Acts of 1989, section 131 as amended by Act No. 199 of the Public Acts of 1992, sections 631, 643, 922, and 1016 as amended by Act No. 407 of the Public Acts of 1982, section 778 as amended by Act No. 31 of the Public Acts of 1989, and section 791 as

added by Act No. 58 of the Public Acts of 1988, being sections 450.1109, 450.1131, 450.1209, 450.1251, 450.1261, 450.1338, 450.1344, 450.1345, 450.1402, 450.1403, 450.1407, 450.1423, 450.1447a, 450.1472, 450.1492a, 450.1496, 450.1505, 450.1515a, 450.1528, 450.1551, 450.1564b, 450.1565, 450.1571, 450.1631, 450.1643, 450.1712, 450.1735, 450.1741, 450.1753, 450.1761, 450.1764, 450.1769, 450.1778, 450.1791, 450.1805, 450.1811, 450.1834, 450.1841a, 450.1842a, 450.1911, 450.1922, 450.2012, 450.2014, 450.2016, 450.2021, 450.2042, 450.2060, and 450.2062 of the Michigan Compiled Laws; and to repeal certain parts of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 109, 131, 209, 251, 261, 338, 344, 345,
2 402, 403, 407, 423, 447a, 472, 492a, 496, 505, 515a, 528, 551,
3 564b, 565, 571, 631, 643, 712, 735, 741, 753, 761, 764, 769, 778,
4 791, 805, 811, 834, 841a, 842a, 911, 922, 1012, 1014, 1016, 1021,
5 1042, 1060, and 1062 of Act No. 284 of the Public Acts of 1972,
6 sections 109, 209, 251, 261, 407, 423, 472, 505, 528, 551, 565,
7 571, 712, 741, 753, 761, 764, 769, 805, 911, 1014, 1021, 1042,
8 1060, and 1062 as amended and sections 344, 345, 447a, 492a, 496,
9 515a, 564b, 735, 841a, and 842a as added by Act No. 121 of the
10 Public Acts of 1989, section 131 as amended by Act No. 199 of the
11 Public Acts of 1992, sections 631, 643, 922, and 1016 as amended
12 by Act No. 407 of the Public Acts of 1982, section 778 as amended
13 by Act No. 31 of the Public Acts of 1989, and section 791 as
14 added by Act No. 58 of the Public Acts of 1988, being sections
15 450.1109, 450.1131, 450.1209, 450.1251, 450.1261, 450.1338,

1 450.1344, 450.1345, 450.1402, 450.1403, 450.1407, 450.1423,
 2 450.1447a, 450.1472, 450.1492a, 450.1496, 450.1505, 450.1515a,
 3 450.1528, 450.1551, 450.1564b, 450.1565, 450.1571, 450.1631,
 4 450.1643, 450.1712, 450.1735, 450.1741, 450.1753, 450.1761,
 5 450.1764, 450.1769, 450.1778, 450.1791, 450.1805, 450.1811,
 6 450.1834, 450.1841a, 450.1842a, 450.1911, 450.1922, 450.2012,
 7 450.2014, 450.2016, 450.2021, 450.2042, 450.2060, and 450.2062 of
 8 the Michigan Compiled Laws, are amended to read as follows:

9 Sec. 109. (1) "SHAREHOLDER" MEANS A PERSON HOLDING UNITS OF
 10 PROPRIETARY INTEREST IN A CORPORATION AND IS CONSIDERED TO BE
 11 SYNONYMOUS WITH "MEMBER" IN A NONSTOCK CORPORATION.

12 (2) "Shares" means the units into which proprietary inter-
 13 ests in a corporation are divided AND IS CONSIDERED TO BE SYNONY-
 14 MOUS WITH "MEMBERSHIP" IN A NONSTOCK CORPORATION.

15 Sec. 131. (1) A document required or permitted to be filed
 16 under this act shall be filed by delivering the document to the
 17 administrator together with the fees and accompanying documents
 18 required by law. THE ADMINISTRATOR MAY ESTABLISH A PROCEDURE FOR
 19 ACCEPTING DELIVERY BY FACSIMILE TRANSMISSION. If the document
 20 substantially conforms to the requirements of this act, the
 21 administrator shall endorse upon it the word "filed" with his or
 22 her official title and the date of receipt and of filing and
 23 shall file and index the document or a ~~reproduction of the docu-~~
 24 ~~ment pursuant to the records media act~~ PHOTOSTATIC, MICROGRAPH-
 25 IC, PHOTOGRAPHIC, OPTICAL DISC MEDIA, OR OTHER REPRODUCED COPY in
 26 his or her office. If so requested at the time of the delivery
 27 of the document to his or her office, the administrator shall

1 include the hour of filing in his or her endorsement. The
2 administrator shall prepare and return a true copy of the docu-
3 ment other than an annual report, or at his or her discretion the
4 original, to the person who submitted it for filing showing the
5 filing date. The records and files of the administrator relating
6 to domestic and foreign corporations shall be open to reasonable
7 inspection by the public. The records or files, at the discre-
8 tion of the administrator, may be maintained either in their
9 original form or in ~~the form of reproductions pursuant to the~~
10 ~~records media act~~ PHOTOSTATIC, MICROGRAPHIC, PHOTOGRAPHIC, OPTI-
11 CAL DISC MEDIA, OR OTHER REPRODUCED FORM. The administrator may
12 make reproductions of documents filed under this act, or any
13 predecessor act, ~~pursuant to the records media act~~ BY PHOTO-
14 STATIC, MICROGRAPHIC, PHOTOGRAPHIC, OPTICAL DISC MEDIA, OR OTHER
15 REPRODUCED FORM and may destroy the originals of the documents so
16 reproduced.

17 (2) A PHOTOSTATIC, MICROGRAPHIC, PHOTOGRAPHIC, OPTICAL DISC
18 MEDIA, OR OTHER REPRODUCED COPY CERTIFIED BY THE ADMINISTRATOR,
19 WHICH MAY BE SENT BY FACSIMILE TRANSMISSION, SHALL BE CONSIDERED
20 AN ORIGINAL FOR ALL PURPOSES AND IS ADMISSIBLE IN EVIDENCE IN
21 LIKE MANNER AS AN ORIGINAL.

22 (3) ~~-(2)-~~ The document is effective at the time it is
23 endorsed unless a subsequent effective time, not later than 90
24 days after the date of delivery, is set forth in the document.

25 Sec. 209. The articles of incorporation may contain any
26 provision not inconsistent with THIS ACT OR ANOTHER STATUTE OF
27 THIS STATE, INCLUDING any of the following:

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

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

8 (c) A provision providing that a director is not personally
9 liable to the corporation or its shareholders for monetary dam-
10 ages for a breach of the director's fiduciary duty. The provi-
11 sion does not eliminate or limit the liability of a director for
12 any of the following:

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

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

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

18 (iv) A transaction from which the director derived an
19 improper personal benefit.

20 (v) An act or omission occurring prior to the date when the
21 provision becomes effective.

22 Sec. 251. (1) A corporation may be formed under this act
23 for any lawful ~~business~~ purpose, except to engage in a business
24 for which a corporation may be formed under any other statute of
25 this state unless that statute permits formation under this act.

26 (2) In time of war or other national emergency, a
27 corporation may take any lawful action to provide aid,

1 notwithstanding the purposes set forth in its articles of
2 incorporation, at the request or direction of a competent govern-
3 mental authority.

4 Sec. 261. A corporation, subject to any limitation provided
5 in this act, in any other statute of this state, or in its arti-
6 cles of incorporation, shall have power in furtherance of its
7 corporate purposes to do all of the following:

8 (a) Have perpetual duration.

9 (b) Sue and be sued in all courts and participate in actions
10 and proceedings, judicial, administrative, arbitratative, or other-
11 wise, in the same manner as natural persons.

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

15 (d) Adopt, amend, or repeal bylaws, including emergency
16 bylaws, relating to the business of the corporation, the conduct
17 of its affairs, its rights and powers and the rights and powers
18 of its shareholders, directors, or officers.

19 (e) Elect or appoint officers, employees, and other agents
20 of the corporation, prescribe their duties, fix their compensa-
21 tion and the compensation of directors, and indemnify corporate
22 directors, officers, employees, and agents.

23 (f) Purchase, receive, take by grant, gift, devise, bequest
24 or otherwise, lease, or otherwise acquire, own, hold, improve,
25 employ, use and otherwise deal in and with, real or personal
26 property, or an interest in real or personal property, wherever
27 situated.

1 (g) Sell, convey, lease, exchange, transfer, or otherwise
2 dispose of, or mortgage or pledge, or create a security interest
3 in any of its property or an interest in its property, wherever
4 situated.

5 (h) Purchase, take, receive, subscribe for, or otherwise
6 acquire, own, hold, vote, employ, sell, lend, lease, exchange,
7 transfer or otherwise dispose of, mortgage, pledge, use and oth-
8 erwise deal in and with, bonds and other obligations, shares or
9 other securities or interests issued by others, whether engaged
10 in similar or different business, governmental, or other activi-
11 ties, including banking corporations or trust companies. A cor-
12 poration organized or transacting business in this state under
13 this act shall not guarantee or become surety upon a bond or
14 other undertaking securing the deposit of public money.

15 (i) Make contracts, give guarantees and incur liabilities,
16 borrow money at rates of interest as the corporation may deter-
17 mine, issue its notes, bonds, and other obligations, and secure
18 any of its obligations by mortgage or pledge of any of its prop-
19 erty or an interest in its property, wherever situated. This
20 power shall include the power to give guarantees which are neces-
21 sary or convenient to the conduct, promotion, or attainment of
22 the business of any of the following corporations, whether or not
23 subject to this act, which guarantees shall be considered to be
24 in furtherance of the corporate purposes of the contracting
25 corporation:

26 (i) All of the outstanding ~~stock~~ SHARES of which ~~is~~ ARE
27 owned, directly or indirectly, by the contracting corporation.

1 (ii) A corporation which owns, directly or indirectly, all
2 of the outstanding ~~stock~~ SHARES of the contracting
3 corporation.

4 (iii) All of the outstanding ~~stock~~ SHARES of which ~~is~~
5 ARE owned, directly or indirectly, by a corporation, whether or
6 not subject to this act, which owns, directly or indirectly, all
7 of the outstanding ~~stock~~ SHARES of the contracting
8 corporation.

9 (j) Lend money, invest and reinvest its funds, and take and
10 hold real and personal property as security for the payment of
11 funds so loaned or invested.

12 (k) Make donations for any of the following: The public
13 welfare; community fund or hospital; or a charitable, education-
14 al, scientific, civic, or similar purpose. A corporation also
15 has the power to provide aid in time of war or other national
16 emergency.

17 (l) Pay pensions, establish and carry out pension, profit
18 sharing, share bonus, share purchase, share option, savings,
19 thrift and other retirement, incentive and benefit plans, trusts,
20 and provisions for any of its directors, officers, and
21 employees.

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

26 (n) Participate with others in any corporation, partnership,
27 limited partnership, joint venture, or other association of any

1 kind, or in any transaction, undertaking, or agreement which the
2 participating corporation would have power to conduct by itself,
3 whether or not the participation involves sharing or delegation
4 of control with or to others.

5 (o) Cease its corporate activities and dissolve.

6 (p) Transact business, carry on its operations, and have
7 offices and exercise the powers granted by this act in any juris-
8 diction in or outside the United States.

9 (q) Have and exercise all powers necessary or convenient to
10 effect any purpose for which the corporation is formed.

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

15 Sec. 338. (1) A corporation may issue certificates for
16 fractions of a share where necessary to effect share transfers,
17 share distributions or a reclassification, merger,
18 ~~consolidation~~ SHARE EXCHANGE, or reorganization, which shall
19 entitle the holders, in proportion to their fractional holdings,
20 to exercise voting rights — AND TO receive dividends and
21 ~~participate in liquidating~~ distributions.

22 (2) As an alternative, a corporation may pay in cash the
23 fair value of fractions of a share as of the time when those
24 entitled to receive the fractions are determined.

25 (3) As an alternative, a corporation may issue scrip in reg-
26 istered or bearer form over the manual or facsimile signature of
27 an officer of the corporation or of its agent, exchangeable as

1 therein provided for full shares, but such scrip shall not
2 entitle the holder to any right of a shareholder except as
3 therein provided. The scrip shall be issued subject to the con-
4 dition that it becomes void if not exchanged for certificates
5 representing full shares before a specified date. The scrip may
6 be subject to the condition that the shares for which the scrip
7 is exchangeable may be sold by the corporation and the proceeds
8 thereof distributed to the holders of the scrip, or subject to
9 any other condition which the board may determine.

10 (4) A corporation may provide reasonable opportunity for
11 persons entitled to fractions of a share or scrip to sell them or
12 to purchase additional fractions of a share or scrip needed to
13 acquire a full share.

14 Sec. 344. (1) Subject to restrictions imposed by this act
15 or the articles of incorporation, a corporation may acquire its
16 own shares and shares so acquired constitute authorized but unis-
17 sued shares, EXCEPT AS PROVIDED IN SUBSECTION (4).

18 (2) If the articles prohibit reissue of any shares so
19 acquired, the board by resolution shall adopt and file an amend-
20 ment of the articles reducing the number of authorized shares
21 accordingly.

22 (3) A corporation shall not acquire its own shares by pur-
23 chase, redemption, or otherwise unless after the acquisition
24 there remain outstanding shares possessing, collectively, voting
25 rights and unlimited rights to receive assets in dissolution.

26 (4) SHARES OF A CORPORATION ACQUIRED BY IT MAY BE PLEDGED AS
27 SECURITY FOR THE PAYMENT OF THE PURCHASE PRICE OF THE SHARES AND,

1 UNTIL THE PURCHASE PRICE IS PAID BY THE CORPORATION, SUCH SHARES
2 ARE NOT CANCELED AND DO NOT CONSTITUTE AUTHORIZED BUT UNISSUED
3 SHARES. HOWEVER, THE ACQUIRED AND PLEDGED SHARES SHALL NOT BE
4 VOTED DIRECTLY OR INDIRECTLY AT ANY MEETING OR OTHERWISE, SHALL
5 NOT BE COUNTED IN DETERMINING THE TOTAL NUMBER OF ISSUED SHARES
6 ENTITLED TO VOTE AT ANY GIVEN TIME, AND, UPON PAYMENT OF THE PUR-
7 CHASE PRICE, ARE CANCELED AND CONSTITUTE AUTHORIZED BUT UNISSUED
8 SHARES. IF THE ARTICLES PROHIBIT REISSUE OF CANCELED SHARES,
9 THEN THE RESOLUTION REQUIRED BY SUBSECTION (2) SHALL BE FILED.

10 Sec. 345. (1) A board may authorize and the corporation may
11 make distributions to its shareholders subject to restriction by
12 the articles of incorporation and the limitation in
13 subsection (3).

14 (2) If the board does not fix the record date for determin-
15 ing shareholders entitled to a distribution, other than one
16 involving a purchase, redemption, or acquisition of the
17 corporation's shares, it is the date the board authorizes the
18 distribution.

19 (3) No distribution may be made if, after giving it effect,
20 the corporation would not be able to pay its debts as they become
21 due in the usual course of business, or the corporation's total
22 assets would be less than the sum of its total liabilities plus,
23 unless the articles permit otherwise, the amount that would be
24 needed, if the corporation were to be dissolved at the time of
25 the distribution, to satisfy the preferential rights upon disso-
26 lution of shareholders whose preferential rights are superior to
27 those receiving the distribution.

1 (4) The board may base a determination that a distribution
2 is not prohibited under subsection (3) either on financial state-
3 ments prepared on the basis of accounting practices and princi-
4 ples that are reasonable in the circumstances or on a fair valua-
5 tion or other method that is reasonable.

6 (5) The effect of a distribution under subsection (3) is
7 measured at the following times:

8 (a) Except as provided in subsection (7), in the case of a
9 distribution by purchase, redemption, or other acquisition of the
10 corporation's shares, as of the earlier of the date money or
11 other property is transferred or debt incurred by the corpora-
12 tion, or the date the shareholder ceases to be a shareholder with
13 respect to the acquired shares.

14 (b) In the case of any other distribution of indebtedness,
15 as of the date the indebtedness is authorized if distribution
16 occurs within 120 days after the date of authorization or the
17 date the indebtedness is distributed if it occurs more than 120
18 days after the date of authorization.

19 (c) In all other cases, as of the date the distribution is
20 authorized if the payment occurs within 120 days after the date
21 of authorization or the date the payment is made if it occurs
22 more than 120 days after the date of authorization.

23 (6) A corporation's indebtedness to a shareholder incurred
24 by reason of a distribution made in accordance with this section
25 is at parity with the corporation's indebtedness to its general,
26 unsecured creditors except ~~to the extent subordinated by~~
27 ~~agreement~~ AS OTHERWISE AGREED.

1 (7) If the corporation acquires its shares in exchange for
2 an obligation to make future payments, and distribution of the
3 obligation would otherwise be prohibited under subsection (3) at
4 the time it is made, the corporation may issue the obligation and
5 the following shall apply:

6 (a) At any time prior to the due date of the obligation,
7 payments of principal and interest may be made as a distribution
8 to the extent that a distribution may then be made under this
9 section.

10 (b) At any time on or after the due date, the obligation to
11 pay principal and interest is deemed distributed and treated as
12 indebtedness described in subsection (6) to the extent that a
13 distribution may then be made under this section.

14 (c) The obligation shall not be considered a liability or
15 debt for purposes of determinations under subsection (3) except
16 to the extent that it is deemed distributed and treated as
17 indebtedness under this subsection.

18 (8) The enforceability of a guaranty or other undertaking by
19 a third party relating to a distribution shall not be affected by
20 the prohibition of the distribution under subsection (3).

21 (9) If any claim is made to recover a distribution made con-
22 trary to subsection (3) or if a violation of subsection (3) is
23 raised as a defense to a claim based upon a distribution, nothing
24 in this section shall prevent the person receiving the distribu-
25 tion from asserting a right of rescission or other legal or equi-
26 table rights.

1 Sec. 402. An annual meeting of shareholders for election of
2 directors and for such other business as may come before the
3 meeting shall be held at a time as provided in the bylaws, unless
4 such action is taken by written consent as provided in section
5 407. Failure to hold the annual meeting at the designated time,
6 or to elect a sufficient number of directors at the meeting or
7 any adjournment thereof, does not affect otherwise valid corpo-
8 rate acts or work a forfeiture or give cause for dissolution of
9 the corporation, except as provided in section 823. If the
10 annual meeting is not held on the date designated therefor, the
11 board shall cause the meeting to be held as soon thereafter as
12 convenient. If the annual meeting is not held for 90 days after
13 the date designated therefor, or if no date has been designated
14 for 15 months after organization of the corporation or after its
15 last annual meeting, the circuit court of the county in which the
16 PRINCIPAL PLACE OF BUSINESS OR registered office of the corpora-
17 tion is located, upon application of a shareholder, may summarily
18 order the meeting or the election, or both, to be held at such
19 time and place, upon such notice and for the transaction of such
20 business as may be designated in the order. At any such meeting
21 ordered to be called by the court, the shareholders present in
22 person or by proxy and having voting powers constitute a quorum
23 for transaction of the business designated in the order.

24 Sec. 403. A special meeting of shareholders may be called
25 by the board, or by officers, directors or shareholders as pro-
26 vided in the bylaws. Notwithstanding any such provision, upon
27 application of the holders of not less than 10% of all the shares

1 entitled to vote at a meeting, the circuit court of the county in
2 which the PRINCIPAL PLACE OF BUSINESS OR registered office is
3 located, for good cause shown, may order a special meeting of
4 shareholders to be called and held at such time and place, upon
5 such notice and for the transaction of such business as may be
6 designated in the order. At any such meeting ordered to be
7 called by the court, the shareholders present in person or by
8 proxy and having voting powers constitute a quorum for transac-
9 tion of the business designated in the order.

10 Sec. 407. (1) The articles of incorporation may provide
11 that any action required or permitted by this act to be taken at
12 an annual or special meeting of shareholders may be taken without
13 a meeting, without prior notice, and without a vote, if consents
14 in writing, setting forth the action so taken, are signed by the
15 holders of outstanding shares having not less than the minimum
16 number of votes that would be necessary to authorize or take the
17 action at a meeting at which all shares entitled to vote on the
18 action were present and voted. The written consents shall bear
19 the date of signature of each shareholder who signs the consent.
20 No written consents shall be effective to take the corporate
21 action referred to unless, within 60 days after the record date
22 for determining shareholders entitled to express consent to or to
23 dissent from a proposal without a meeting, written consents DATED
24 NOT MORE THAN 10 DAYS BEFORE THE RECORD DATE AND signed by a suf-
25 ficient number of shareholders to take the action are delivered
26 to the corporation. Delivery shall be to the corporation's
27 registered office, its principal place of business, or an officer

1 or agent of the corporation having custody of the minutes of the
2 proceedings of its shareholders. Delivery made to a
3 corporation's registered office shall be by hand or by certified
4 or registered mail, return receipt requested. Prompt notice of
5 the taking of the corporate action without a meeting by less than
6 unanimous written consent shall be given to shareholders WHO
7 WOULD HAVE BEEN ENTITLED TO NOTICE OF THE SHAREHOLDER MEETING IF
8 THE ACTION HAD BEEN TAKEN AT A MEETING AND who have not consented
9 in writing. If the action consented to would have required
10 filing of a certificate under any other section of this act, if
11 the action had been voted upon by shareholders at a meeting of
12 the shareholders, the certificate filed under such other section
13 shall state, in lieu of any statement required by the section
14 concerning a vote of shareholders, that both written consent and
15 written notice have been given as provided in this section.

16 (2) Any action required or permitted by this act to be taken
17 at an annual or special meeting of shareholders may be taken
18 without a meeting, without prior notice, and without a vote, if
19 before or after the action all the shareholders entitled to vote
20 consent in writing. If the action consented to would have
21 required filing of a certificate under any other section of this
22 act if the action had been voted upon by shareholders at ~~the~~ A
23 meeting, the certificate filed under ~~a different~~ THE OTHER sec-
24 tion shall state, in lieu of any statement required by the sec-
25 tion concerning a vote of shareholders, that written consent has
26 been given as provided by this section.

1 Sec. 423. (1) A proxy becomes revocable, notwithstanding a
2 provision making it irrevocable, after the pledge is redeemed or
3 the security interest is terminated, or the debt of the corpora-
4 tion is paid, or the period of employment provided for in the
5 contract of employment has terminated, or the agreement under
6 section 461 has terminated. In a case provided for in
7 ~~subdivisions (c) and (d) of~~ section 422 (C) OR (D), the proxy
8 is revocable 3 years after the date of the proxy or at the end of
9 ~~the~~ ANY period ~~, if~~ specified IN THE PROXY, whichever period
10 is less, unless the period of irrevocability is renewed by execu-
11 tion of a new irrevocable proxy. This subsection does not affect
12 the duration of a proxy under ~~subsection (2) of~~ section
13 421(2).

14 (2) A proxy is revocable, notwithstanding a provision making
15 it irrevocable, by a purchaser of shares who did not know of the
16 existence of the provision unless the existence of the proxy and
17 its irrevocability are noted conspicuously on the face or back of
18 the certificate representing the shares.

19 Sec. 447a. Absent an order of a court of competent juris-
20 diction based upon a determination that special circumstances
21 exist and the best interests of the corporation would be served,
22 the shares of a corporation shall not be voted on any matter or
23 considered to be outstanding shares FOR ANY PURPOSE RELATED TO
24 VOTING if they are owned, directly or indirectly, by a second
25 corporation, domestic or foreign, and the first corporation owns,
26 directly or indirectly, a majority of the shares entitled to vote
27 for directors of the second corporation.

1 Sec. 472. (1) A restriction on the transfer or registration
2 of transfer of a bond or share of a corporation may be imposed
3 either by the articles of incorporation or by the bylaws or by an
4 agreement among any number of holders or among the holders and
5 the corporation. A restriction so imposed is not binding with
6 respect to bonds or shares issued before adoption of the restric-
7 tion unless the holders are parties to an agreement or voted in
8 favor of the restriction.

9 (2) A written restriction on the transfer or registration of
10 transfer of a bond or share of a corporation, if permitted by
11 this section or section 473 and noted conspicuously on the face
12 or back of the instrument, may be enforced against the holder of
13 the restricted instrument or a successor or transferee of the
14 holder including ~~an executor~~ A PERSONAL REPRESENTATIVE, admin-
15 istrator, trustee, guardian, or other fiduciary entrusted with
16 like responsibility for the person or estate of the holder.
17 Unless THE EXISTENCE OF THE RESTRICTION IS noted conspicuously on
18 the face or back of the instrument, a restriction, even though
19 permitted by this section or section 473, is ineffective except
20 against a person with actual knowledge of the restriction.

21 Sec. 492a. A ~~person~~ SHAREHOLDER may not commence or main-
22 tain a derivative proceeding unless the ~~person~~ SHAREHOLDER
23 meets all of the following criteria:

24 (a) ~~He or she~~ THE SHAREHOLDER was a shareholder of the
25 corporation at the time of the act or omission complained of or
26 became a shareholder through transfer by operation of law from
27 one who was a shareholder at that time.

1 (b) ~~He or she~~ THE SHAREHOLDER fairly and adequately
2 represents the interests of the corporation in enforcing the
3 right of the corporation.

4 (C) THE SHAREHOLDER CONTINUES TO BE A SHAREHOLDER UNTIL THE
5 TIME OF JUDGMENT, UNLESS THE FAILURE TO CONTINUE TO BE A SHARE-
6 HOLDER IS THE RESULT OF CORPORATE ACTION IN WHICH THE FORMER
7 SHAREHOLDER DID NOT ACQUIESCE AND THE DERIVATIVE PROCEEDING WAS
8 COMMENCED PRIOR TO THE TERMINATION OF THE FORMER SHAREHOLDER'S
9 STATUS AS A SHAREHOLDER.

10 Sec. 496. A derivative proceeding may not be discontinued
11 or settled without the court's approval. If the court determines
12 that a proposed discontinuance or settlement will substantially
13 affect the interests of the corporation's shareholders or a class
14 of shareholders, the court shall direct that notice be given to
15 the shareholders affected. If notice is directed to be given to
16 the affected ~~shareholder~~ SHAREHOLDERS, the court may determine
17 whether 1 or more of the parties to the action shall bear the
18 expense of giving the notice, in the amount as the court deter-
19 mines and finds to be reasonable under the circumstances. The
20 amount of expense shall be awarded as special costs of the action
21 and recoverable in the same manner as statutory taxable costs.

22 Sec. 505. (1) The board shall consist of 1 or more
23 members. The number of directors shall be fixed by, or in the
24 manner provided in, the bylaws, unless the articles of incorpora-
25 tion fix the number.

26 (2) The first board of directors shall hold office until the
27 first annual meeting of shareholders. At the first annual

1 meeting of shareholders and at each annual meeting thereafter,
2 the shareholders shall elect directors to hold office until the
3 succeeding annual meeting, except in case of the classification
4 of directors as permitted by this act. A director shall hold
5 office for the term for which he or she is elected and until his
6 or her successor is elected and qualified, or until his or her
7 resignation or removal. A director may resign by written notice
8 to the corporation. The resignation is effective upon its
9 receipt by the corporation or a later time as set forth in the
10 notice of resignation.

11 (3) The shareholders or board may designate 1 or more direc-
12 tors as an independent director. Any director so designated
13 shall be entitled to reasonable compensation in addition to com-
14 pensation paid to directors generally, as determined by the board
15 or shareholders, and reimbursement for expenses reasonably
16 related to ~~performance of duties~~ SERVICE as an independent
17 director. An independent director may communicate with share-
18 holders at the corporation's expense, as part of a communication
19 or report sent by the corporation to shareholders. AN INDEPEN-
20 DENT DIRECTOR SHALL NOT HAVE ANY GREATER DUTIES OR LIABILITIES
21 THAN ANY OTHER DIRECTOR.

22 Sec. 515a. (1) Unless otherwise limited by the articles of
23 incorporation, if a vacancy, including a vacancy resulting from
24 an increase in the number of directors, occurs in a board, the
25 vacancy may be filled as follows:

26 (a) The shareholders may fill the vacancy.

1 (b) The board may fill the vacancy.

2 (c) If the directors remaining in office constitute fewer
3 than a quorum of the board, they may fill the vacancy by the
4 affirmative vote of a majority of all the directors remaining in
5 office.

6 (2) Unless otherwise provided in the articles, if the hold-
7 ers of any class or classes of stock or series are entitled to
8 elect 1 or more directors to the exclusion of other shareholders,
9 vacancies of that class or classes or series may be filled only
10 by 1 of the following:

11 (a) By a majority of the directors elected by the holders of
12 that class or classes or series then in office, whether or not
13 those directors constitute a quorum of the board.

14 (b) By the holders of shares of that class or classes of
15 shares, or series.

16 (3) ~~In~~ UNLESS OTHERWISE LIMITED BY THE ARTICLES OR BYLAWS,
17 IN the case of a corporation the directors of which are divided
18 into classes, any director chosen to fill a vacancy shall hold
19 office until the next election of the class for which the direc-
20 tor shall have been chosen, and until his or her successor is
21 elected and qualified.

22 (4) If because of death, resignation, or other cause, a cor-
23 poration has no directors in office, an officer, a shareholder, a
24 personal representative, administrator, trustee, or guardian of a
25 shareholder, or other fiduciary entrusted with like responsibil-
26 ity for the person or estate of a shareholder, may call a special

1 meeting of shareholders in accordance with the articles or the
2 bylaws.

3 (5) A vacancy that will occur at a specific date, by reason
4 of a resignation effective at a later date under section 505 or
5 otherwise, may be filled before the vacancy occurs but the newly
6 elected or appointed director may not take office until the
7 vacancy occurs.

8 Sec. 528. (1) A committee designated pursuant to section
9 527, to the extent provided in the resolution of the board or in
10 the bylaws, may exercise all powers and authority of the board in
11 management of the business and affairs of the corporation. A
12 committee does not have power or authority to do any of the
13 following:

14 (a) Amend the articles of incorporation.

15 (b) Adopt an agreement of merger or ~~consolidation~~ SHARE
16 EXCHANGE.

17 (c) Recommend to shareholders the sale, lease, or exchange
18 of all or substantially all of the corporation's property and
19 assets.

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

22 (e) Amend the bylaws of the corporation.

23 (f) Fill vacancies in the board.

24 (2) Unless the resolution, articles, or bylaws expressly so
25 provide, a committee does not have power or authority to declare
26 a distribution, dividend, or to authorize the issuance of ~~stock~~
27 SHARES.

1 Sec. 551. (1) Directors who vote for, or concur in, any of
2 the following corporate actions are jointly and severally liable
3 to the corporation for the benefit of its creditors or sharehold-
4 ers, to the extent of any legally recoverable injury suffered by
5 such persons as a result of the action but not to exceed the
6 amount unlawfully paid or distributed:

7 (a) Declaration of a share dividend or distribution to
8 shareholders contrary to this act or contrary to any restriction
9 in the articles of incorporation. ~~or bylaws.~~

10 (b) Distribution to shareholders during or after dissolution
11 of the corporation without paying or providing for debts, obliga-
12 tions, and liabilities of the corporation as required by
13 section 855a.

14 (c) Making of a loan to a director, officer, or employee of
15 the corporation or of a subsidiary of the corporation contrary to
16 this act.

17 (2) A director is not liable under this section if he or she
18 has complied with section 541a.

19 (3) A shareholder who accepts or receives a share dividend
20 or distribution with knowledge of facts indicating it is contrary
21 to this act, or any restriction in the articles, ~~or bylaws,~~ is
22 liable to the corporation in the amount accepted or received by
23 him or her.

24 Sec. 564b. (1) A corporation may pay or reimburse the rea-
25 sonable expenses incurred by a director, officer, employee, or
26 agent who is a party or threatened to be made a party to an

1 action, suit, or proceeding in advance of final disposition of
2 the proceeding if all of the following apply:

3 (a) The person furnishes the corporation a written affirma-
4 tion of his or her good faith belief that he or she has met the
5 applicable standard of conduct set forth in sections 561 and
6 562.

7 (b) The person furnishes the corporation a written undertak-
8 ing, executed personally or on his or her behalf, to repay the
9 advance if it is ultimately determined that he or she did not
10 meet the standard of conduct.

11 (c) A determination is made that the facts then known to
12 those making the determination would not preclude indemnification
13 under this act.

14 (2) The undertaking required by subsection (1)(b) must be an
15 unlimited general obligation of the person but need not be
16 secured.

17 (3) Determinations ~~of payments~~ AND EVALUATIONS under this
18 section shall be made in the manner specified in section 564a.

19 Sec. 565. (1) The indemnification or advancement of
20 expenses provided under sections 561 to 564c is not exclusive of
21 other rights to which a person seeking indemnification or
22 advancement of expenses may be entitled under the articles of
23 incorporation, bylaws, or a contractual agreement. The total
24 amount of expenses advanced or indemnified from all sources com-
25 bined shall not exceed the amount of actual expenses incurred by
26 the person seeking indemnification or advancement of expenses.

1 (2) The indemnification provided for in sections 561 to 565
2 continues as to a person who ceases to be a director, officer,
3 employee, or agent and shall inure to the benefit of the heirs,
4 ~~executors~~ PERSONAL REPRESENTATIVES, and administrators of the
5 person.

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

7 (a) "Fines" shall include any excise taxes assessed on a
8 person with respect to an employee benefit plan.

9 (b) "Other enterprises" shall include employee benefit
10 plans.

11 (c) "Serving at the request of the corporation" shall
12 include any service as a director, officer, employee, or agent of
13 the corporation which imposes duties on, or involves services by,
14 the director, officer, employee, or agent with respect to an
15 employee benefit plan, its participants, or its beneficiaries.

16 (d) A person who acted in good faith and in a manner he or
17 she reasonably believed to be in the interest of the participants
18 and beneficiaries of an employee benefit plan shall be considered
19 to have acted in a manner "not opposed to the best interests of
20 the corporation or its shareholders" ~~or members~~ as referred to
21 in sections 561 and 562.

22 Sec. 631. (1) If the amendment is made as provided in sec-
23 tion 611(1), a certificate of amendment shall be signed by ~~all~~
24 the MAJORITY OF incorporators and filed on behalf of the corpora-
25 tion, setting forth the amendment and certifying that the amend-
26 ment is adopted by ~~unanimous~~ consent of the incorporators
27 before the first meeting of the board.

1 (2) In case of any other amendment, except as otherwise
2 provided in this act, a certificate of amendment shall be exe-
3 cuted and filed on behalf of the corporation, setting forth the
4 amendment, and certifying that the amendment has been adopted in
5 accordance with section 611(2).

6 (3) A certificate of amendment shall set forth the entire
7 article being amended; however, if the article being amended is
8 divided into separately identified sections, the certificate of
9 amendment need only set forth the section of the article being
10 amended.

11 Sec. 643. (1) Restated articles of incorporation adopted as
12 provided in section 641(2) shall be signed by ~~all of~~ the
13 MAJORITY OF incorporators and filed in accordance with section
14 131.

15 (2) Other restated articles of incorporation shall be exe-
16 cuted on behalf of the corporation and filed in accordance with
17 section 131.

18 (3) When that filing becomes effective, the corporation's
19 original articles of incorporation, as amended, are superseded;
20 and thenceforth the restated articles, including any further
21 amendments made thereby, shall be the articles of incorporation
22 of the corporation.

23 Sec. 712. (1) A certificate of merger shall be executed and
24 filed on behalf of the parent corporation and shall set forth all
25 of the following:

1 (a) The STATEMENTS REQUIRED BY SECTION 701(2)(A) AND (D) AND
2 THE MANNER AND BASIS OF CONVERTING SHARES OF EACH CONSTITUENT
3 CORPORATION AS SET FORTH IN THE plan of merger.

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

7 (2) The merger shall become effective in accordance with
8 section 131.

9 Sec. 735. (1) One or more foreign corporations may merge or
10 enter into a share exchange with 1 or more domestic corporations
11 if the following apply:

12 (a) In a merger, the merger is permitted by the law of the
13 state or country under whose law each foreign corporation is
14 incorporated and each foreign corporation complies with that law
15 in effecting the merger provided that if the parent corporation
16 in a merger conducted pursuant to section 711 is a foreign corpo-
17 ration, it shall comply, notwithstanding the provisions of the
18 laws of its jurisdiction of incorporation, with section 711(2)
19 with respect to notice to shareholders of a domestic subsidiary
20 corporation which is a party to the merger and with section 712
21 with respect to the certificate of merger.

22 (b) In a share exchange, the corporation whose shares will
23 be acquired is a domestic corporation, whether or not a share
24 exchange is permitted by the law of the state or country under
25 whose law the acquiring corporation is incorporated.

26 (c) Each domestic corporation complies with the applicable
27 provisions of sections 701 through 713.

1 (2) If the surviving corporation of a merger or the
2 acquiring corporation in a share exchange is to be governed by
3 the laws of a jurisdiction other than this state, it shall comply
4 with the provisions of this act with respect to foreign corpora-
5 tions if it is to transact business in this state. The SURVIVING
6 corporation IN A MERGER is liable, and is subject to service of
7 process in a proceeding in this state, for the enforcement of an
8 obligation of a domestic corporation which is party to the
9 merger, ~~or share exchange,~~ and in a proceeding for the enforce-
10 ment of a right of a dissenting shareholder of a domestic corpo-
11 ration against the surviving ~~or acquiring~~ corporation.

12 (3) This section does not limit the power of a foreign cor-
13 poration to acquire all or part of the shares of 1 or more clas-
14 ses or series of a domestic corporation through a voluntary
15 exchange or otherwise.

16 Sec. 741. At any time before the effective date of a cer-
17 tificate of merger or share exchange, the merger or share
18 exchange may be abandoned, subject to any contractual rights,
19 without further shareholder action, in accordance with the proce-
20 dure set forth in the plan of merger or share exchange or, if
21 none IS set forth, in the manner determined by the board. If a
22 certificate of merger or share exchange has been filed by a cor-
23 poration, it shall file a certificate of abandonment within 10
24 days after the abandonment, but not later than the proposed
25 effective day.

26 Sec. 753. (1) A sale, lease, exchange, or other disposition
27 of all, or substantially all, the property and assets, with or

1 without the goodwill, of a corporation, if not in the usual and
2 regular course of its business as conducted by the corporation,
3 may be made upon terms and conditions and for a consideration,
4 which may consist in whole or in part of cash or other property,
5 including shares, bonds, or other securities of any other corpo-
6 ration, domestic or foreign, as authorized as provided in this
7 section.

8 (2) The board must recommend the proposed transaction to the
9 shareholders unless the board determines that because of conflict
10 of interest or other special circumstances it should make no rec-
11 ommendation and communicates the basis for its determination to
12 the shareholders with the submission of the proposed
13 transaction.

14 (3) The board may condition its submission of the proposed
15 transaction on any basis.

16 (4) The proposed transaction shall be submitted for approval
17 at a meeting of shareholders. Notice of the meeting shall be
18 given to each shareholder of record whether or not entitled to
19 vote at the meeting within the time and in the manner provided in
20 this act for the giving of notice of meetings of shareholders.
21 The notice shall include or be accompanied by both of the
22 following:

23 (a) A statement summarizing the principal terms of the pro-
24 posed transaction or a copy of any documents containing the prin-
25 cipal terms.

26 (b) A statement informing shareholders who, under section
27 762, are entitled to dissent, that they have the right to dissent

1 and to be paid the fair value of their shares by complying with
2 the procedures set forth in sections ~~764~~ 762 to 772.

3 (5) At the meeting the shareholders may authorize the sale,
4 lease, exchange, or other disposition and may fix, or may autho-
5 rize the board to fix, any term or condition and the considera-
6 tion to be received by the corporation. The authorization
7 requires the affirmative vote of the holders of a majority of the
8 outstanding shares of the corporation entitled to vote thereon.

9 (6) Notwithstanding authorization by the shareholders, the
10 board may abandon the sale, lease, exchange, or other disposi-
11 tion, subject to the rights of third parties under any contracts
12 relating thereto, without further action or approval by
13 shareholders.

14 Sec. 761. As used in sections 762 to 774:

15 (a) "Beneficial shareholder" means the person who is a bene-
16 ficial owner of shares held by a nominee as the record
17 shareholder.

18 (b) "Corporation" means the issuer of the shares held by a
19 dissenter before the corporate action, or the surviving ~~or~~
20 ~~acquiring~~ corporation by merger ~~or share exchange~~ of that
21 issuer.

22 (c) "Dissenter" means a shareholder who is entitled to dis-
23 sent from corporate action under section 762 and who exercises
24 that right when and in the manner required by sections 764
25 through 772.

26 (d) "Fair value", with respect to a dissenter's shares,
27 means the value of the shares immediately before the effectuation

1 of the corporate action to which the dissenter objects, excluding
2 any appreciation or depreciation in anticipation of the corporate
3 action unless exclusion would be inequitable.

4 (e) "Interest" means interest from the effective date of the
5 corporate action until the date of payment, at the average rate
6 currently paid by the corporation on its principal bank loans or,
7 if none, at a rate that is fair and equitable under all the
8 circumstances.

9 (f) "Record shareholder" means the person in whose name
10 shares are registered in the records of a corporation or the ben-
11 eficial owner of shares to the extent of the rights granted by a
12 nominee certificate on file with a corporation.

13 (g) "Shareholder" means the record or beneficial
14 shareholder.

15 Sec. 764. (1) If proposed corporate action creating
16 dissenters' rights under section 762 is submitted to a vote at a
17 shareholders' meeting, the meeting notice must state that share-
18 holders are or may be entitled to assert dissenters' rights under
19 this act and shall be accompanied by a copy of sections 761 to
20 774.

21 (2) If corporate action creating dissenters' rights under
22 section 762 is taken without a vote of shareholders, the corpora-
23 tion shall notify in writing all shareholders entitled to assert
24 dissenters' rights that the action was taken and send them the
25 dissenters' notice described in section 766. A SHAREHOLDER WHO
26 CONSENTS TO THE CORPORATE ACTION IS NOT ENTITLED TO ASSERT
27 DISSENTERS' RIGHTS.

1 Sec. 769. (1) Except as provided in section 771, ~~as seen~~
2 ~~as~~ WITHIN 7 DAYS AFTER the proposed corporate action is taken
3 ~~, or upon receipt of~~ a payment demand IS RECEIVED, WHICHEVER
4 OCCURS LATER, the corporation shall pay each dissenter who com-
5 plied with section 767 the amount the corporation estimates to be
6 the fair value of his or her shares, plus accrued interest.

7 (2) The payment must be accompanied by all of the
8 following:

9 (a) The corporation's balance sheet as of the end of a
10 fiscal year ending not more than 16 months before the date of
11 payment, an income statement for that year, a statement of
12 changes in shareholders' equity for that year, and if available
13 the latest interim financial statements.

14 (b) A statement of the corporation's estimate of the fair
15 value of the shares.

16 (c) An explanation of how the interest was calculated.

17 (d) A statement of the dissenter's right to demand payment
18 under section 772.

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

21 (a) Any stock or similar security, certificate of interest,
22 or participation in any profit sharing agreement, voting trust
23 certificate, or voting share.

24 (b) Any security convertible, with or without consideration,
25 into an equity security, or any warrant or other security carry-
26 ing any right to subscribe to or purchase an equity security.

1 (c) Any put, call, straddle, or other option or privilege of
2 buying an equity security from or selling an equity security to
3 another without being bound to do so.

4 (2) "Interested shareholder" means any person, other than
5 the corporation or any subsidiary, who is either:

6 (a) The beneficial owner, directly or indirectly, of 10% or
7 more of the voting power of the outstanding voting ~~share~~ SHARES
8 of the corporation.

9 (b) An affiliate of the corporation and at any time within
10 the 2-year period immediately prior to the date in question was
11 the beneficial owner, directly or indirectly, of 10% or more of
12 the voting power of the then outstanding voting ~~share~~ SHARES of
13 the corporation.

14 (c) For the purpose of determining whether a person is an
15 interested shareholder pursuant to subdivision (a) or (b), the
16 number of shares of voting shares considered to be outstanding
17 shall include all voting shares owned by the person except for
18 those shares which may be issuable pursuant to any agreement,
19 arrangement, or understanding, or upon exercise of conversion
20 rights, warrants or options, or otherwise.

21 (3) "Market value" means either of the following:

22 (a) With respect to shares, the highest closing sale price
23 during the 30-day period immediately preceding the date in ques-
24 tion of a share as listed on:

25 (i) The composite tape for New York stock exchange--listed
26 securities.

1 (ii) If not listed pursuant to subparagraph (i), the New
2 York stock exchange.

3 (iii) If not listed pursuant to subparagraph (i) or (ii),
4 the principal United States security exchange registered under
5 the securities exchange act of 1934, 48 Stat. 881.

6 (iv) If not listed pursuant to subparagraph (i), (ii), or
7 (iii), the highest closing bid quotation during the 30-day period
8 preceding the date in question as listed on the national associa-
9 tion of securities dealers, inc. automated quotations system or
10 any other system then in use.

11 (v) If a listing is not available pursuant to subparagraphs
12 (i) to (iv), then, the fair market value of the shares, on the
13 date in question, as determined in good faith by the
14 corporation's board of directors.

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

19 (4) "Subsidiary" means a legal entity of which a majority of
20 the voting shares is owned, directly or indirectly, by another
21 person.

22 Sec. 791. (1) As used in this chapter, "control share
23 acquisition" means the acquisition, directly or indirectly, by
24 any person of ownership of, or the power to direct the exercise
25 of voting power with respect to, issued and outstanding control
26 shares.

1 (2) For purposes of this section, shares or the power to
2 direct the exercise of voting power acquired within a 90-day
3 period, or shares or the power to direct the exercise of voting
4 power acquired pursuant to a plan to make a control share acqui-
5 sition, are considered to have been acquired in the same
6 acquisition.

7 (3) For purposes of this section, a person who acquires
8 shares in the ordinary course of business for the benefit of
9 others in good faith and not for the purpose of circumventing
10 this chapter has voting power only of shares in respect of which
11 that person would be able to exercise or direct the exercise of
12 votes without further instruction from others.

13 (4) For purposes of this section, the acquisition of any
14 shares of an issuing public corporation does not constitute a
15 control share acquisition if the acquisition is consummated in
16 any of the following circumstances:

17 (a) Before January 1, 1988.

18 (b) Pursuant to a contract existing before January 1, 1988.

19 (c) By gift, testamentary disposition, marital settlement,
20 descent and distribution, or otherwise without consideration.

21 (d) Pursuant to the satisfaction of a pledge or other secur-
22 ity interest created in good faith and not for the purpose of
23 circumventing this chapter.

24 (e) Pursuant to a merger or ~~consolidation~~ SHARE EXCHANGE
25 effected in compliance with sections 701 to ~~733~~ 735 if the
26 issuing public corporation is a party to the agreement of merger
27 or ~~consolidation~~ SHARE EXCHANGE.

1 (f) By a governmental official acting in an official or
2 fiduciary capacity.

3 (5) For purposes of this section, the acquisition of shares
4 of an issuing public corporation in good faith and not for the
5 purpose of circumventing this chapter by any person whose voting
6 rights previously had been authorized by shareholders in compli-
7 ance with this chapter, or whose previous acquisition of shares
8 of an issuing public corporation would have constituted a control
9 share acquisition but for subsection (4), does not constitute a
10 control share acquisition, unless the acquisition entitles a
11 person, directly or indirectly, alone or as part of a group, to
12 exercise or direct the exercise of voting power of the corpora-
13 tion in the election of directors in excess of the range of the
14 voting power which the acquiring person was entitled to exercise
15 or direct prior to such acquisition.

16 Sec. 805. (1) The articles of incorporation may contain a
17 provision that a shareholder, or the holders of any specified
18 number or proportion of shares, or of any specified number or
19 proportion of shares of a class or series, may require dissolu-
20 tion of the corporation at will or upon the occurrence of a spec-
21 ified event, if all the incorporators have authorized the provi-
22 sion in the articles or the holders of record of all outstanding
23 shares authorize the provision in an amendment to the articles.

24 (2) If the articles contain this provision, dissolution may
25 be effected by the execution and filing of a certificate of dis-
26 solution on behalf of the corporation when authorized by a holder
27 or holders of the number or proportion of shares specified in the

1 provision, obtained in the manner as may be specified in the
2 articles, or if no manner is specified, when authorized on writ-
3 ten consent signed by the holder or holders. The certificate of
4 dissolution shall state the name of the corporation and that the
5 corporation is dissolved pursuant to a designated provision in
6 the articles.

7 (3) A provision authorized by subsection (1) becomes invalid
8 if subsequent to the adoption of the provision, shares are trans-
9 ferred or issued to a person who takes delivery of the share cer-
10 tificate without actual notice of the provision, unless that
11 person consents in writing to the provision. If the articles
12 contain a provision authorized by subsection (1) and the exis-
13 tence of the provision is noted CONSPICUOUSLY on the face or back
14 of a certificate for shares issued by the corporation, a holder
15 of that certificate is conclusively considered to have taken
16 delivery with actual notice of the provision.

17 (4) The failure to include a provision of a kind authorized
18 in subsection (1) in the articles shall not invalidate any bylaw
19 or agreement which would otherwise be considered valid.

20 Sec. 811. (1) Dissolution proceedings commenced pursuant to
21 sections 804 or 805 may be revoked before complete distribution
22 of assets, if a proceeding pursuant to section 851 is not pend-
23 ing, by filing a certificate of revocation executed, in person or
24 by proxy, by all the shareholders, stating that revocation is
25 effective pursuant to this section and that all the shareholders
26 of the corporation have executed the certificate in person or by
27 proxy.

1 (2) Dissolution proceedings commenced pursuant to section
2 804 may also be revoked before complete distribution of assets,
3 if a proceeding pursuant to section 851 is not pending, in the
4 following manner:

5 (a) The board of directors shall adopt a resolution that the
6 dissolution be revoked. The proposed revocation shall be submit-
7 ted for approval at a meeting of shareholders. The shareholders
8 shall be given the same notice of the meeting and the revocation
9 shall be approved by the same vote, as that required by section
10 804 for the approval of dissolution.

11 (b) A certificate of revocation, stating that dissolution is
12 revoked pursuant to this section, and giving the information
13 required by ~~subsection (5) of~~ section 804 (7), shall be exe-
14 cuted and filed on behalf of the corporation.

15 Sec. 834. Subject to section 833 and except as otherwise
16 provided by court order, a dissolved corporation, its officers,
17 directors and shareholders shall continue to function in the same
18 manner as if dissolution had not occurred. Without limiting the
19 generality of this section:

20 (a) The directors of the corporation are not deemed to be
21 trustees of its assets and shall be held to no greater standard
22 of conduct than that prescribed by section ~~541~~ 541A.

23 (b) Title to the corporation's assets remains in the corpo-
24 ration until transferred by it in the corporate name.

25 (c) The dissolution does not change quorum or voting
26 requirements for the board or shareholders, and does not alter
27 provisions regarding election, appointment, resignation or

1 removal of, or filling vacancies among, directors or officers, or
2 provisions regarding amendment or repeal of bylaws or adoption of
3 new bylaws.

4 (d) Shares may be transferred.

5 (e) The corporation may sue and be sued in its corporate
6 name and process may issue by and against the corporation in the
7 same manner as if dissolution had not occurred.

8 (f) An action brought against the corporation before its
9 dissolution does not abate because of the dissolution.

10 Sec. 841a. (1) The dissolved corporation may notify its
11 existing claimants in writing of the dissolution at any time
12 after the effective date of the dissolution. The written notice
13 shall include all of the following:

14 (a) ~~Describe~~ A DESCRIPTION OF THE information that must be
15 included in a claim. The corporation may demand sufficient
16 information to permit it to make a reasonable judgment whether
17 the claim should be accepted or rejected.

18 (b) ~~Provide a~~ A mailing address where a claim may be
19 sent.

20 (c) ~~State the~~ THE deadline, which may not be less than
21 6 months from the effective date of the written notice, by which
22 the dissolved corporation must receive the claim.

23 (d) ~~State~~ A STATEMENT that the claim will be barred if not
24 received by the deadline.

25 (2) The giving of notice described above does not constitute
26 recognition that a person to whom the notice is directed has a
27 valid claim against the corporation.

1 (3) A claim against the dissolved corporation is barred if
2 either of the following applies:

3 (a) If a claimant who was given written notice under subsec-
4 tion (1) does not deliver the claim to the dissolved corporation
5 by the deadline.

6 (b) If a claimant whose claim was rejected by a written
7 notice of rejection by the dissolved corporation does not com-
8 mence a proceeding to enforce the claim within 90 days from the
9 effective date of the written notice of rejection.

10 (4) For purposes of this section AND SECTION 842A, "existing
11 claim" means any claim or right against the corporation, liqui-
12 dated or unliquidated. It does not mean a contingent liability
13 or a claim based on an event occurring after the effective date
14 of dissolution.

15 (5) For purposes of this section, the effective date of the
16 written notice is the earliest of the following:

17 (a) The date it is received.

18 (b) Five days after its deposit in the United States mail,
19 as evidenced by the postmark, if it is mailed postpaid and cor-
20 rectly addressed.

21 (c) The date shown on the return receipt, if the notice is
22 sent by registered or certified mail, return receipt requested,
23 and the receipt is signed by or on behalf of the addressee.

24 Sec. 842a. (1) A dissolved corporation may also publish
25 notice of dissolution at any time after the effective date of
26 dissolution and request that persons with claims against the
27 corporation present them in accordance with the notice.

1 (2) The notice must be in accord with all of the following:

2 (a) Be published 1 time in a newspaper of general circula-
3 tion in the county where the dissolved corporation's principal
4 office, or if none in this state, its registered office, is or
5 was last located.

6 (b) Describe the information that must be included in a
7 claim and provide a mailing address where the claim may be sent.
8 The corporation may demand sufficient information to permit it to
9 make a reasonable judgment whether the claim should be accepted
10 or rejected.

11 (c) State that a claim against the corporation will be
12 barred unless a proceeding to enforce the claim is commenced
13 within 1 year after the publication date of the newspaper
14 notice.

15 (3) If the dissolved corporation publishes a newspaper
16 notice in accordance with subsection (2), the claim of each of
17 the following claimants is barred unless the claimant commences a
18 proceeding to enforce the claim against the dissolved corporation
19 within 1 year after the publication date of the newspaper
20 notice:

21 (a) A claimant who did not receive written notice under sec-
22 tion 841a.

23 (b) A claimant whose claim was timely sent to the dissolved
24 corporation but not acted on.

25 (c) A claimant whose claim is contingent or based on an
26 event occurring after the effective date of dissolution.

1 (4) Notwithstanding subsection (3), a claimant ~~whose~~
2 HAVING AN EXISTING claim ~~was~~ known to the corporation at the
3 time of publication in accordance with subsection (2) and who did
4 not receive written notice under section 841a shall in no event
5 be barred from suit until 6 months after ~~he or she~~ THE CLAIMANT
6 has actual notice of the dissolution.

7 Sec. 911. (1) Each domestic corporation and each foreign
8 corporation subject to chapter 10 shall file a report with the
9 administrator no later than May 15 of each year. The report
10 shall be on a form approved by the administrator, signed in ink
11 by an authorized officer or agent of the corporation, and shall
12 contain all of the 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 stock and number of shares of each~~
24 ~~class authorized~~ TOTAL NUMBER OF AUTHORIZED SHARES.

25 (g) ~~Amount of stock subscribed.~~ FOR EACH FOREIGN CORPORA-
26 TION AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, THE MOST
27 RECENT PERCENTAGE USED IN COMPUTATION OF THE TAX REQUIRED BY THE

1 SINGLE BUSINESS TAX ACT, ACT NO. 228 OF THE PUBLIC ACTS OF 1975,
2 BEING SECTIONS 208.1 TO 208.145 OF THE MICHIGAN COMPILED LAWS.

3 ~~(h) Amount of stock paid in.~~

4 (H) ~~(i)~~ Nature and book value of the property owned and
5 used by the corporation listed separately as to property in and
6 outside this state.

7 (I) ~~(j)~~ A complete and detailed statement of the assets
8 and liabilities of the corporation as shown by the books of the
9 corporation, at the close of business on December 31 or upon the
10 date of the close of its latest fiscal year. ~~, which for~~ FOR a
11 domestic corporation, THE BALANCE SHEET INFORMATION shall be the
12 same ~~balance sheet~~ as THAT furnished to shareholders ~~as~~
13 ~~required by~~ UNDER section 901. A corporation which is a member
14 of an affiliated group of corporations which regularly prepare
15 financial statements on a consolidated basis may file a consoli-
16 dated balance sheet in place of the statement of assets and
17 liabilities required in this subdivision.

18 (J) ~~(k)~~ Other information as the administrator reasonably
19 requires for other purposes under this act.

20 (2) The report is not required to be filed in the year of
21 incorporation or authorization, by corporations which were formed
22 or authorized to do business on or after January 1 and before
23 May 16 of that year.

24 Sec. 922. (1) If a domestic corporation neglects or
25 refuses to file any annual report or pay any annual filing fee or
26 a penalty added to the fee required by law, and the neglect or
27 refusal continues for a period of 2 years from the date on which

1 the annual report or filing fee was due, the corporation shall be
2 automatically dissolved 60 DAYS AFTER THE EXPIRATION OF THE
3 2-YEAR PERIOD. The administrator shall notify the corporation of
4 the impending dissolution not later than 90 days before the
5 2-year period has expired. Until a corporation has been dis-
6 solved, it is entitled to issuance by the administrator, upon
7 request, of a certificate of good standing setting forth that it
8 has been validly incorporated as a domestic corporation and that
9 it is validly in existence under laws of this state.

10 (2) If a foreign corporation neglects or refuses for 1 year
11 to file the annual report or pay the annual filing fee or a pen-
12 alty added to the fee required by law, its certificate of author-
13 ity is subject to revocation in accordance with section 1042.
14 Until revocation of its certificate of authority, or its with-
15 drawal from this state or termination of its existence, the for-
16 eign corporation is entitled to issuance by the administrator,
17 upon request, of a certificate of good standing setting forth
18 that it has been validly authorized to transact business in this
19 state and that it holds a valid certificate of authority to
20 transact business in this state.

21 Sec. 1012. (1) Without excluding other activities which may
22 not constitute transacting business in this state, a foreign cor-
23 poration is not considered to be transacting business in this
24 state, for the purposes of this act, solely because it is carry-
25 ing on in this state any 1 or more of the following activities:

26 (a) Maintaining, ~~or~~ defending, ~~an action or suit or an~~
27 ~~administrative or arbitratve proceeding, or effecting the~~

1 ~~settlement thereof or the settlement of a claim or dispute~~ OR
2 SETTLING ANY PROCEEDING.

3 (b) Holding meetings of ~~its~~ THE BOARD OF directors or
4 shareholders or carrying on ~~any~~ other activities concerning
5 ~~its~~ internal CORPORATE affairs.

6 (c) Maintaining ~~a~~ bank ~~account~~ ACCOUNTS.

7 (d) Maintaining ~~an office or agency~~ OFFICES OR AGENCIES
8 for the transfer, exchange, and registration of ~~its~~ THE
9 CORPORATION'S OWN securities ~~—~~ or ~~appointing and~~ maintaining
10 a ~~trustee or depository~~ TRUSTEES OR DEPOSITORIES with ~~relation~~
11 ~~to its~~ RESPECT TO THOSE securities.

12 (e) ~~Effecting sales through an independent contractor.~~
13 SELLING THROUGH INDEPENDENT CONTRACTORS.

14 (f) Soliciting or ~~precurring~~ OBTAINING orders, whether by
15 mail or through employees or agents or otherwise, ~~where such~~ IF
16 THE orders require acceptance ~~without~~ OUTSIDE this state before
17 ~~becoming binding~~ THEY BECOME contracts.

18 (g) ~~Borrowing money, with or without security.~~ CREATING OR
19 ACQUIRING INDEBTEDNESS, MORTGAGES, AND SECURITY INTERESTS IN REAL
20 OR PERSONAL PROPERTY.

21 (h) Securing or collecting debts or enforcing ~~any right in~~
22 ~~property securing the same~~ MORTGAGES AND SECURITY INTERESTS IN
23 PROPERTY SECURING THE DEBTS.

24 (i) ~~Transacting any business in interstate commerce.~~
25 OWNING, WITHOUT MORE, REAL OR PERSONAL PROPERTY.

1 (j) Conducting an isolated transaction THAT IS COMPLETED
2 WITHIN 30 DAYS AND THAT IS not ONE in the course of ~~a number of~~
3 repeated transactions of like nature.

4 (K) TRANSACTING BUSINESS IN INTERSTATE COMMERCE.

5 (2) This section does not apply in determining the contacts
6 or activities which may subject a foreign corporation to service
7 of process or taxation in this state or to regulation under any
8 other act of this state.

9 Sec. 1014. (1) Sections 1001 through 1055 shall apply to
10 ~~both~~ ALL of the following:

11 (A) A FOREIGN CORPORATION ORGANIZED NOT FOR PECUNIARY
12 PROFIT.

13 (B) ~~(a)~~ A foreign joint stock company.

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

18 (2) Sections 1001 through 1055 shall not apply to either of
19 the following:

20 (a) A foreign corporation permitted to do business in this
21 state by license issued by the commissioner of insurance accord-
22 ing to the provisions of law.

23 (b) The government of any state or political subdivision of
24 the state or of the United States or of any foreign nation or any
25 political subdivision of the United States or a foreign nation,
26 or any corporation organized as an instrumentality of the
27 government of any of the foregoing.

1 Sec. 1016. (1) A certificate setting forth that the
2 corporation is in good standing under the laws of the jurisdic-
3 tion of its incorporation, executed by the official of the juris-
4 diction who has custody of the records pertaining to corporations
5 and dated not earlier than 30 days before filing of the applica-
6 tion, shall be attached to the application of a foreign
7 corporation. If the certificate is in a foreign language, a
8 translation of the certificate under oath of the translator shall
9 be attached to the certificate.

10 (2) Upon filing of the application, accompanied by the
11 filing and franchise fees prescribed by law, the administrator
12 shall issue to the foreign corporation a certificate of authority
13 to transact business in this state. Upon the issuance of a cer-
14 tificate of authority, the foreign corporation is authorized to
15 transact in this state any business of the character set forth in
16 its application, WHICH A DOMESTIC CORPORATION FORMED UNDER THIS
17 ACT MAY LAWFULLY TRANSACT. The authority continues so long as
18 the foreign corporation retains its authority to transact such
19 business in the jurisdiction of its incorporation and its author-
20 ity to transact business in this state has not been surrendered,
21 suspended, or revoked.

22 Sec. 1021. (1) Except as otherwise provided in this sec-
23 tion, a foreign corporation authorized to transact business in
24 this state which changes its corporate name, or enlarges, limits,
25 or otherwise changes the business which the foreign corporation
26 proposes to do in this state, or otherwise affects the
27 information set forth in its application for certificate of

1 authority to transact business in this state, shall file an
2 amended application with the administrator not later than 30 days
3 after the time a change becomes effective. A change in the reg-
4 istered office or ~~registered~~ RESIDENT agent may be made pursu-
5 ant to section 242. The amended application under this subsec-
6 tion shall set forth all of the following:

7 (a) The name of the foreign corporation as it appears on the
8 records of the administrator and the jurisdiction of its
9 incorporation.

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

12 (c) If the name of the foreign corporation has been changed,
13 a statement of the name relinquished, a statement of the new
14 name, and a statement that the change of name has been effected
15 under the laws of the jurisdiction of its incorporation and the
16 date the change was effected.

17 (d) If the business the foreign corporation proposes to do
18 in this state is to be enlarged, limited, or otherwise changed, a
19 statement reflecting the change and a statement that the foreign
20 corporation is authorized to do in the jurisdiction of its incor-
21 poration the business which it proposes to do in this state.

22 (e) Any additional information as the administrator may
23 require.

24 (2) If a foreign corporation authorized to transact business
25 in this jurisdiction is the survivor of a merger permitted by the
26 laws of the jurisdiction in which the foreign corporation is
27 incorporated, not later than 30 days after the merger becomes

1 effective, the foreign corporation shall file a certificate
2 issued by the proper officer of the jurisdiction of its incorpo-
3 ration attesting to the occurrence of the merger. If the merger
4 has changed the corporate name of the foreign corporation, or has
5 enlarged, limited, or changed the business the foreign corpora-
6 tion proposes to do in this state, or has affected the informa-
7 tion set forth in the application, the foreign corporation shall
8 also comply with subsection (1).

9 (3) A FOREIGN CORPORATION WHICH HAS BEEN AUTHORIZED TO
10 TRANSACT BUSINESS IN THIS STATE AND WHICH, AFTER ITS AUTHORIZA-
11 TION, INCREASES THE NUMBER OF AUTHORIZED SHARES ATTRIBUTABLE TO
12 THIS STATE SHALL FILE AN AMENDED APPLICATION GIVING A DETAILED
13 ACCOUNT OF THE AMOUNT OF THE INCREASE, AND SHALL PAY AN ADDI-
14 TIONAL FRANCHISE FEE ON ACCOUNT OF THE INCREASE ATTRIBUTABLE TO
15 THIS STATE AS PRESCRIBED BY LAW. THE AMENDED APPLICATION SHALL
16 BE FILED WITHIN 30 DAYS AFTER THE END OF THE CORPORATION'S FISCAL
17 YEAR. THE NUMBER OF SHARES ATTRIBUTABLE TO THIS STATE SHALL BE
18 DETERMINED PURSUANT TO SECTION 1062.

19 Sec. 1042. (1) The administrator shall revoke a certificate
20 of authority of a foreign corporation only when he or she has
21 given the corporation not less than 90 days' notice that a
22 default under section 1041 exists and that its certificate of
23 authority will be revoked unless the default is cured within 90
24 days after mailing of the notice, and the corporation fails
25 ~~before revocation~~ WITHIN 90 DAYS to cure the default.

26 (2) The notice shall be sent by first class mail to the
27 corporation at its registered office in this state and at its

1 main business or headquarters office as these offices are on
2 record in the office of the administrator.

3 (3) Upon revoking a certificate of authority, the adminis-
4 trator shall issue a certificate of revocation and mail a copy to
5 the corporation at each of the addresses designated in subsection
6 (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
11 when the documents described in this subsection are delivered to
12 him or her for filing are as follows:

13 (a) Articles of domestic corporations, \$10.00.

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

16 (c) Amendment to the articles of a domestic corporation,
17 \$10.00.

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

20 ~~(e) Supplemental statement, \$10.00.~~

21 (E) ~~(f)~~ Certificate of merger or share exchange as pro-
22 vided in chapter 7, \$50.00.

23 (F) ~~(g)~~ Certificate ATTESTING TO THE OCCURRENCE of A
24 merger of a foreign corporation, as provided in section 1021,
25 \$10.00.

26 (G) ~~(h)~~ Certificate of dissolution, \$10.00.

1 (H) ~~-(i)-~~ Application for withdrawal and issuance of a
2 certificate of withdrawal of a foreign corporation, \$10.00.

3 (I) ~~-(j)-~~ Application for reservation of corporate name,
4 \$10.00.

5 (J) ~~-(k)-~~ Certificate of assumed name or a certificate of
6 termination of assumed name, \$10.00.

7 (K) ~~-(l)-~~ Statement of change of registered office or resi-
8 dent agent, \$5.00.

9 (L) ~~-(m)-~~ Restated articles of domestic corporations,
10 \$10.00.

11 (M) ~~-(n)-~~ Certificate of abandonment, \$10.00.

12 (N) ~~-(o)-~~ Certificate of correction, \$10.00.

13 (O) ~~-(p)-~~ Certificate of revocation of dissolution proceed-
14 ings, \$10.00.

15 (P) ~~-(q)-~~ Certificate of renewal of corporate existence,
16 \$10.00.

17 (Q) ~~-(r)-~~ For examining a special report required by law,
18 \$2.00.

19 (R) ~~-(s)-~~ Certificate of registration of corporate name of a
20 foreign corporation, \$50.00.

21 (S) ~~-(t)-~~ Certificate of renewal of registration of corpo-
22 rate name of a foreign corporation, \$50.00.

23 (T) ~~-(u)-~~ Certificate of termination of registration of cor-
24 porate name of a foreign corporation, \$10.00.

25 (2) The fees prescribed in subsection (1), no part of which
26 shall be refunded, shall be in addition to the franchise fees
27 prescribed in this act, and shall, when collected, be paid into

1 the treasury of the state and credited to the administrator to be
2 used solely by the corporation and securities bureau in carrying
3 out those duties required by law.

4 (3) Fees paid by or on behalf of domestic and foreign regu-
5 lated investment companies as defined in section 1064 shall be
6 the same as are charged foreign and domestic corporations for the
7 purposes specified in this section.

8 (4) The fees received pursuant to section 915 shall be
9 deposited in the state treasury to the credit of the administra-
10 tor to be used by the corporation and securities bureau in carry-
11 ing out those duties required by law. After the payment of the
12 amounts appropriated by the legislature for the necessary
13 expenses incurred in the administration of this act, the money
14 remaining shall be credited to the general fund of the state.

15 (5) A minimum charge of \$1.00 for each certificate and 50
16 cents per folio shall be paid to the administrator for certifying
17 a part of a file or record pertaining to a corporation for which
18 provision for payment is not set forth in subsection (1). The
19 administrator may furnish copies of documents, reports, and
20 papers required or permitted by law to be filed with the adminis-
21 trator, and shall charge for those copies pursuant to a schedule
22 of fees which the administrator shall adopt with the approval of
23 the state administrative board. The administrator shall retain
24 the revenue collected under this subsection to be used by the
25 corporation and securities bureau to defray the costs for its
26 copying and certifying services.

1 (6) If a domestic or foreign corporation pays fees or
2 penalties by check and the check is dishonored, the fee shall be
3 considered unpaid and the filing of all related documents will be
4 rescinded.

5 (7) The administrator may accept a credit card, in lieu of
6 cash or check, as payment of a fee under this act. The adminis-
7 trator shall determine which credit cards may be accepted for
8 payment.

9 (8) THE ADMINISTRATOR MAY CHARGE A NONREFUNDABLE FEE OF
10 \$50.00 FOR ANY DOCUMENT SUBMITTED OR CERTIFICATE SENT BY FACSIM-
11 ILE TRANSMISSION.

12 Sec. 1062. (1) A domestic corporation or cooperative asso-
13 ciation, organized for profit, and a domestic regulated invest-
14 ment company, ~~except corporations organized under the savings~~
15 ~~and loan act of 1980, Act No. 307 of the Public Acts of 1980,~~
16 ~~being sections 491.102 to 491.1202 of the Michigan Compiled~~
17 ~~Laws,~~ at the time of filing its articles OF INCORPORATION, shall
18 pay to the administrator, as an INITIAL organization fee and as
19 an INITIAL admission fee, a sum equal to \$50.00 for the first
20 60,000 authorized shares and \$30.00 for each additional 20,000
21 authorized shares OR PORTION THEREOF, UP TO A MAXIMUM FEE OF
22 \$5,000.00.

23 (2) The initial admission franchise fee of a foreign corpo-
24 ration for profit and foreign regulated investment company apply-
25 ing for admission to do business in this state shall be \$50.00
26 and 60,000 shares shall be considered initially attributable to
27 this state at the time of admission.

1 (3) Every corporation incorporated under the laws of this
2 state which increases its authorized ~~stock~~ SHARES, AT THE TIME
3 OF FILING ITS ARTICLES AMENDMENT, shall pay ~~a sum equal to~~ AN
4 ADDITIONAL ORGANIZATION FEE OF \$30.00 for each ~~additional~~
5 INCREASE OF 20,000 authorized shares ~~of the increase~~ OR PORTION
6 THEREOF, UP TO A MAXIMUM FEE OF \$5,000.00 FOR EACH FILING.

7 (4) A foreign corporation authorized to transact business in
8 this state which increases the ~~amount~~ NUMBER of ~~its~~ autho-
9 rized ~~stock~~ SHARES attributable to this state ~~over the previ-~~
10 ~~ous highest amount of authorized stock attributable to this state~~
11 ~~upon which a franchise fee has been paid~~ shall file ~~a supple-~~
12 ~~mental statement~~ AN AMENDED APPLICATION in accordance with sec-
13 tion ~~1023~~ 1021 and shall pay an additional admission franchise
14 fee of \$30.00 for each ~~additional~~ INCREASE OF 20,000 authorized
15 shares ~~of the increase~~ OR PORTION THEREOF ATTRIBUTABLE TO THIS
16 STATE, UP TO A MAXIMUM FEE OF \$5,000.00 FOR EACH FILING.

17 (5) The ~~amount~~ NUMBER of authorized ~~stock~~ SHARES attrib-
18 utable to this state shall be determined by multiplying the
19 ~~entire amount~~ TOTAL NUMBER of authorized ~~stock~~ SHARES by the
20 MOST RECENT apportionment percentage used in the computation of
21 the tax required by the single business tax act, Act No. 228 of
22 the Public Acts of 1975, as amended, being sections 208.1 to
23 208.145 of the Michigan Compiled Laws. If the business activi-
24 ties are confined solely to this state, the ~~entire amount~~ TOTAL
25 NUMBER of authorized ~~stock~~ SHARES shall be considered attribut-
26 able to this state.

1 (6) The administrator shall be authorized to require the
2 corporation to furnish detailed and exact information relating to
3 the determination of fees before making a final determination of
4 the organization OR ADMISSION FRANCHISE fee to be paid by the
5 corporation.

6 (7) "Corporation", as used in this section, includes part-
7 nership associations limited, cooperative associations, joint
8 associations having any of the powers of corporations, and common
9 law trust or trusts created by statute of this or another state
10 or country exercising common law powers in the nature of corpora-
11 tions, whether domestic or foreign, in addition to other corpora-
12 tions as are referred to in this act.

13 (8) If the capital of a corporation is not divided into
14 shares, the fee for purposes of this section shall be determined
15 as if the corporation had 60,000 shares.

16 (9) If a foreign corporation authorized to transact business
17 in this state merges into any domestic corporation or consoli-
18 dates with 1 or more corporations into a domestic corporation by
19 complying with the provisions of this act, the resulting domestic
20 corporation shall pay franchise fees for any increase in autho-
21 rized ~~steek~~ SHARES or for any authorized ~~steek~~ SHARES as pro-
22 vided in this section, less such sums as the foreign corporation
23 so merging or consolidating has previously paid to the state
24 under this section as an initial or additional admission fran-
25 chise fee.

1 Section 2. Section 1023 of Act No. 284 of the Public Acts
2 of 1972, being section 450.2023 of the Michigan Compiled Laws, is
3 repealed.