

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1320

A bill to amend 1972 PA 284, entitled
"Business corporation act,"
by amending sections 105, 106, 108, 109, 123, 201, 202, 211, 241,
405, 488, 528, 564b, 565, 569, 611, 631, 641, 642, 643, 703a, 753,
762, 776, 781, 784, 804, 911, 1021, 1035, and 1041 (MCL 450.1105,
450.1106, 450.1108, 450.1109, 450.1123, 450.1201, 450.1202,
450.1211, 450.1241, 450.1405, 450.1488, 450.1528, 450.1564b,
450.1565, 450.1569, 450.1611, 450.1631, 450.1641, 450.1642,
450.1643, 450.1703a, 450.1753, 450.1762, 450.1776, 450.1781,
450.1784, 450.1804, 450.1911, 450.2021, 450.2035, and 450.2041),
sections 105, 123, 405, 488, 703a, and 753 as amended by 2001 PA
57, section 106 as amended by 2006 PA 68, sections 108, 202, 804,
and 1035 as amended by 1989 PA 121, sections 109, 565, 643, and

1021 as amended by 1993 PA 91, sections 201, 211, 241, 564b, and 762 as amended by 2008 PA 402, section 528 as amended by 2006 PA 65, section 569 as amended by 1987 PA 1, section 611 as amended by 2006 PA 64, sections 631, 641, and 1041 as amended by 1997 PA 118, section 642 as amended by 1982 PA 407, sections 776, 781, and 784 as amended by 1989 PA 31, and section 911 as amended by 2007 PA 182, and by adding section 529 and chapter 2A; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

5 (a) The original articles of incorporation or any other
6 instrument filed or issued under any statute to organize a domestic
7 or foreign corporation, as amended, supplemented, or restated by
8 certificates of amendment, merger, **CONVERSION**, or consolidation or
9 other certificates or instruments filed or issued under any
10 statute.

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

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

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

17 (5) "Bonds" includes secured and unsecured bonds, debentures,
18 and notes.

1 Sec. 106. (1) "Corporation" or "domestic corporation" means a
2 corporation formed under this act, or existing on January 1, 1973
3 and formed under any other statute of this state for a purpose for
4 which a corporation may be formed under this act.

5 (2) "Department" means the department of ~~labor and economic~~
6 ~~growth~~. **LICENSING AND REGULATORY AFFAIRS.**

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

8 (4) "Distribution" means a direct or indirect transfer of
9 money or other property, except the corporation's shares, or the
10 incurrence of indebtedness by the corporation to or for the benefit
11 of its shareholders in respect to the corporation's shares. A
12 distribution may be in the form of a dividend, a purchase,
13 redemption or other acquisition of shares, an issuance of
14 indebtedness, or any other declaration or payment to or for the
15 benefit of the shareholders.

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

18 (a) It does not directly involve the physical transmission of
19 paper.

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

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

24 Sec. 108. (1) "Nonprofit corporation" or "domestic nonprofit
25 corporation" means a nonprofit, corporation subject to the
26 nonprofit corporation act, ~~Act No. 162 of the Public Acts of 1982,~~
27 ~~being sections 450.2101 to 450.3192 of the Michigan Compiled~~

Senate Bill No. 1320 (H-1) as amended December 11, 2012
 Laws-1982 PA 162, MCL 450.2101 TO 450.3192.

(2) "Person" means an individual, a partnership, a domestic or foreign corporation, **A LIMITED LIABILITY COMPANY**, or any other association, corporation, trust, or legal entity.

(3) **"PROFESSIONAL CORPORATION" MEANS A CORPORATION INCORPORATED UNDER FORMER 1962 PA 192, OR A CORPORATION INCORPORATED UNDER THIS ACT AND GOVERNED BY CHAPTER 2A.**

Sec. 109. (1) **"SERVICES IN A LEARNED PROFESSION" MEANS SERVICES PROVIDED [TO THE PUBLIC] BY A DENTIST, AN OSTEOPATHIC PHYSICIAN, A**

PHYSICIAN, A SURGEON, A DOCTOR OF DIVINITY OR OTHER CLERGY, OR AN ATTORNEY-AT-LAW.

(2) ~~(1)~~-"Shareholder" means a person ~~holding~~**THAT HOLDS** units of proprietary interest in a corporation and is considered to be synonymous with "member" in a nonstock corporation.

(3) ~~(2)~~-"Shares" means the units into which proprietary interests in a corporation are divided and is considered to be synonymous with "membership" in a nonstock corporation.

Sec. 123. (1) Unless otherwise provided in, or inconsistent with, the act under which a corporation is or has been formed, this act applies to deposit and security companies, summer resort associations, brine pipeline companies, telegraph companies, telephone companies, safety and collateral deposit companies, canal, river, and harbor improvement companies, cemetery, burial, and cremation associations, railroad, bridge, and tunnel companies, **AND** agricultural and horticultural fair societies. ~~and professional service corporations formed under the professional service corporation act, 1962 PA 192, MCL 450.221 to 450.235. The~~

1 entities specified in this subsection shall not be incorporated
2 under this act.

3 (2) This act does not apply to insurance, surety, savings and
4 loan associations, fraternal benefit societies, and banking
5 corporations.

6 Sec. 201. (1) One or more persons may be the incorporators of
7 a corporation by signing and filing articles of incorporation for
8 the corporation.

9 (2) A CORPORATION INCORPORATED TO PROVIDE 1 OR MORE SERVICES
10 IN A LEARNED PROFESSION MUST BE INCORPORATED AS A PROFESSIONAL
11 CORPORATION UNDER CHAPTER 2A.

12 (3) A CORPORATION INCORPORATED TO PROVIDE PROFESSIONAL
13 SERVICES OTHER THAN SERVICES IN A LEARNED PROFESSION MAY COMPLY
14 WITH CHAPTER 2A AND INCORPORATE AS A PROFESSIONAL CORPORATION, OR
15 MAY INCORPORATE AS A CORPORATION UNDER CHAPTER 2 WITHOUT COMPLYING
16 WITH CHAPTER 2A.

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

19 (a) The name of the corporation.

20 (b) The purposes for which the corporation is formed. ~~It~~ **ALL**
21 **OF THE FOLLOWING APPLY FOR PURPOSES OF THIS SUBDIVISION:**

22 (i) **EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (ii) OR (iii),**
23 **IT** is a sufficient compliance with this subdivision to state
24 substantially, alone or with specifically enumerated purposes, that
25 the corporation may engage in any activity within the purposes for
26 which corporations may be formed under the business corporation
27 act, and all activities shall by the statement be considered within

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

2 (ii) Any corporation ~~which~~ **THAT** proposes to conduct educational
3 purposes shall state the purposes and shall comply with all
4 requirements of sections 170 to 177 of ~~Act No. 327 of the Public~~
5 ~~Acts of 1931, being sections 450.170 to 450.177 of the Michigan~~
6 ~~Compiled Laws.1931 PA 327, MCL 450.170 TO 450.177.~~

7 (iii) **A PROFESSIONAL CORPORATION SHALL COMPLY WITH SECTION**
8 **283(2) AND (3).**

9 (c) The aggregate number of shares ~~which~~ **THAT** the corporation
10 has authority to issue.

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

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

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

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

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

2 Sec. 211. ~~The~~ **EXCEPT AS PROVIDED IN CHAPTER 2A FOR A**
3 **PROFESSIONAL CORPORATION, THE** corporate name of a domestic
4 corporation shall contain the word "corporation", "company",
5 "incorporated", or "limited" or shall contain 1 of the following
6 abbreviations: corp., co., inc., or ltd., with or without periods.

7 Sec. 241. (1) Each domestic corporation and each foreign
8 corporation authorized to transact business in this state shall
9 have and continuously maintain in this state both of the following:

10 (a) A registered office, which may be the same as its place of
11 business.

12 (b) A resident agent. A resident agent may be ~~either an~~
13 individual resident ~~in~~ **OF** this state; ~~whose business office or~~
14 ~~residence is identical with the registered office;~~ a domestic
15 corporation or ~~a~~ limited liability company; or a foreign
16 corporation or limited liability company authorized to transact
17 business in this state. ~~that has a business office identical with~~
18 ~~the registered office.~~

19 (2) **THE ADDRESS OF THE BUSINESS OFFICE OR RESIDENCE OF A**
20 **RESIDENT AGENT MUST BE THE SAME AS THE ADDRESS OF THE REGISTERED**
21 **OFFICE.**

22 CHAPTER 2A

23 PROFESSIONAL CORPORATIONS

24 **SEC. 281. (1) A CORPORATION MUST INCORPORATE AS A PROFESSIONAL**
25 **CORPORATION UNDER THIS CHAPTER IF IT IS INCORPORATED TO PROVIDE 1**
26 **OR MORE SERVICES IN A LEARNED PROFESSION, WHETHER OR NOT IT IS**
27 **PROVIDING OTHER PROFESSIONAL SERVICES. A CORPORATION MAY COMPLY**

1 WITH THIS CHAPTER AND INCORPORATE AS A PROFESSIONAL CORPORATION IF
2 IT IS INCORPORATED TO PROVIDE 1 OR MORE PROFESSIONAL SERVICES, NONE
3 OF WHICH ARE SERVICES IN A LEARNED PROFESSION, OR MAY INCORPORATE
4 AS A CORPORATION THAT IS NOT REQUIRED TO COMPLY WITH THIS CHAPTER.

5 (2) A CORPORATION THAT IS INCORPORATED AS A PROFESSIONAL
6 CORPORATION AND ITS SHAREHOLDERS ARE SUBJECT TO THIS CHAPTER AND
7 THIS ACT. IF THERE IS A CONFLICT BETWEEN AN APPLICABLE PROVISION OF
8 THIS CHAPTER AND ANOTHER PROVISION OF THIS ACT, THE PROVISION OF
9 THIS CHAPTER TAKES PRECEDENCE.

10 (3) THIS CHAPTER APPLIES TO A CORPORATION INCORPORATED UNDER
11 FORMER 1962 PA 192, OR TO A CORPORATION THAT ON THE EFFECTIVE DATE
12 OF THIS CHAPTER WAS GOVERNED BY FORMER 1962 PA 192 AS IF
13 INCORPORATED UNDER THAT ACT, AS IF THAT CORPORATION WERE
14 INCORPORATED UNDER THIS ACT AND PURSUANT TO THIS CHAPTER.

15 (4) THIS CHAPTER DOES NOT APPLY TO A CORPORATION ORGANIZED IN
16 THIS STATE BEFORE THE ENACTMENT OF FORMER 1962 PA 192 TO PROVIDE
17 PROFESSIONAL SERVICES TO THE PUBLIC, AND THAT DID NOT PREVIOUSLY
18 AMEND ITS ARTICLES OF INCORPORATION TO BRING ITSELF WITHIN THE
19 PROVISIONS OF FORMER 1962 PA 192, UNLESS THAT CORPORATION AMENDS
20 ITS ARTICLES OF INCORPORATION IN SUCH A MANNER THAT IT IS
21 CONSISTENT WITH ALL THE PROVISIONS OF THIS CHAPTER AND
22 AFFIRMATIVELY STATES IN ITS AMENDED ARTICLES OF INCORPORATION THAT
23 THE SHAREHOLDERS HAVE ELECTED TO BRING THE CORPORATION WITHIN THE
24 PROVISIONS OF THIS CHAPTER AND THIS ACT.

25 SEC. 282. AS USED IN THIS CHAPTER:

26 (A) "LICENSED PERSON" MEANS AN INDIVIDUAL WHO IS DULY LICENSED
27 OR OTHERWISE LEGALLY AUTHORIZED TO PRACTICE A PROFESSIONAL SERVICE

1 BY A COURT, DEPARTMENT, BOARD, COMMISSION, OR AGENCY OF THIS STATE
2 OR ANOTHER JURISDICTION. THE TERM INCLUDES AN ENTITY IF ALL OF ITS
3 OWNERS ARE LICENSED PERSONS.

4 (B) "PROFESSIONAL SERVICE" MEANS A TYPE OF PERSONAL SERVICE TO
5 THE PUBLIC THAT REQUIRES THAT THE PROVIDER OBTAIN A LICENSE OR
6 OTHER LEGAL AUTHORIZATION AS A CONDITION PRECEDENT TO PROVIDING
7 THAT SERVICE. PROFESSIONAL SERVICE INCLUDES, BUT IS NOT LIMITED TO,
8 SERVICES PROVIDED BY A CERTIFIED OR OTHER PUBLIC ACCOUNTANT,
9 CHIROPRACTOR, DENTIST, OPTOMETRIST, VETERINARIAN, OSTEOPATHIC
10 PHYSICIAN, PHYSICIAN, SURGEON, PODIATRIST, CHIROPDIST, PHYSICIAN'S
11 ASSISTANT, ARCHITECT, PROFESSIONAL ENGINEER, LAND SURVEYOR, OR
12 ATTORNEY-AT-LAW.

13 SEC. 283. (1) EXCEPT AS PROVIDED IN THIS SECTION, 1 OR MORE
14 LICENSED PERSONS MAY FORM A PROFESSIONAL CORPORATION UNDER THIS
15 CHAPTER.

16 (2) EACH SHAREHOLDER OF A PROFESSIONAL CORPORATION MUST BE A
17 LICENSED PERSON IN 1 OR MORE OF THE PROFESSIONAL SERVICES PROVIDED
18 BY THE PROFESSIONAL CORPORATION.

19 (3) EXCEPT AS PROVIDED IN THIS SECTION OR OTHERWISE
20 PROHIBITED, THE ARTICLES OF INCORPORATION OF A PROFESSIONAL
21 CORPORATION SHALL STATE THAT THE PROFESSIONAL CORPORATION IS FORMED
22 TO PROVIDE 1 OR MORE PROFESSIONAL SERVICES AND SHALL STATE THE
23 SPECIFIC PROFESSIONAL SERVICE OR SERVICES THE PROFESSIONAL
24 CORPORATION IS FORMED TO PROVIDE.

25 (4) THE NAME OF A PROFESSIONAL CORPORATION SHALL CONTAIN THE
26 WORDS "PROFESSIONAL CORPORATION" OR THE ABBREVIATION "P.C." WITH OR
27 WITHOUT PERIODS OR OTHER PUNCTUATION.

1 SEC. 284. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)
2 OR (3), IF A PROFESSIONAL CORPORATION PROVIDES A PROFESSIONAL
3 SERVICE THAT IS SUBJECT TO ARTICLE 15 OF THE PUBLIC HEALTH CODE,
4 1978 PA 368, MCL 333.16101 TO 333.18838, EACH SHAREHOLDER OF THE
5 PROFESSIONAL CORPORATION MUST BE LICENSED OR LEGALLY AUTHORIZED IN
6 THIS STATE TO PROVIDE THE SAME PROFESSIONAL SERVICE.

7 (2) ONE OR MORE INDIVIDUALS LICENSED TO ENGAGE IN THE PRACTICE
8 OF MEDICINE UNDER PART 170, THE PRACTICE OF OSTEOPATHIC MEDICINE
9 AND SURGERY UNDER PART 175, OR THE PRACTICE OF PODIATRIC MEDICINE
10 AND SURGERY UNDER PART 180 OF ARTICLE 15 OF THE PUBLIC HEALTH CODE,
11 1978 PA 368, MCL 333.16101 TO 333.18838, MAY ORGANIZE A
12 PROFESSIONAL CORPORATION UNDER THIS ACT WITH 1 OR MORE OTHER
13 INDIVIDUALS WHO ARE LICENSED TO ENGAGE IN THE PRACTICE OF MEDICINE
14 UNDER PART 170, THE PRACTICE OF OSTEOPATHIC MEDICINE AND SURGERY
15 UNDER PART 175, OR THE PRACTICE OF PODIATRIC MEDICINE AND SURGERY
16 UNDER PART 180 OF ARTICLE 15 OF THE PUBLIC HEALTH CODE, 1978 PA
17 368, MCL 333.16101 TO 333.18838.

18 (3) SUBJECT TO SECTION 17048 OF THE PUBLIC HEALTH CODE, 1978
19 PA 368, MCL 333.17048, 1 OR MORE INDIVIDUALS LICENSED TO ENGAGE IN
20 THE PRACTICE OF MEDICINE UNDER PART 170, THE PRACTICE OF
21 OSTEOPATHIC MEDICINE AND SURGERY UNDER PART 175, OR THE PRACTICE OF
22 PODIATRIC MEDICINE AND SURGERY UNDER PART 180 OF ARTICLE 15 OF THE
23 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838, MAY
24 ORGANIZE A PROFESSIONAL CORPORATION UNDER THIS ACT WITH 1 OR MORE
25 PHYSICIAN'S ASSISTANTS LICENSED UNDER ARTICLE 15 OF THE PUBLIC
26 HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838. BEGINNING
27 JULY 19, 2010, 1 OR MORE PHYSICIAN'S ASSISTANTS MAY NOT ORGANIZE A

1 PROFESSIONAL CORPORATION UNDER THIS ACT THAT WILL HAVE ONLY
2 PHYSICIAN'S ASSISTANTS AS SHAREHOLDERS.

3 (4) A LICENSED PERSON OF ANOTHER JURISDICTION MAY BECOME AN
4 OFFICER, AGENT, OR EMPLOYEE OF A PROFESSIONAL CORPORATION BUT SHALL
5 NOT PROVIDE ANY PROFESSIONAL SERVICE IN THIS STATE UNTIL THE PERSON
6 IS LICENSED OR OTHERWISE LEGALLY AUTHORIZED TO PROVIDE THE
7 PROFESSIONAL SERVICE IN THIS STATE.

8 SEC. 285. (1) A PROFESSIONAL CORPORATION SHALL NOT PROVIDE
9 PROFESSIONAL SERVICES IN THIS STATE EXCEPT THROUGH ITS OFFICERS,
10 EMPLOYEES, AND AGENTS WHO ARE DULY LICENSED OR OTHERWISE LEGALLY
11 AUTHORIZED TO PROVIDE THE PROFESSIONAL SERVICES IN THIS STATE. THE
12 TERM "EMPLOYEE" DOES NOT INCLUDE A SECRETARY, BOOKKEEPER,
13 TECHNICIAN, OR OTHER ASSISTANT WHO IS NOT USUALLY AND ORDINARILY
14 CONSIDERED BY CUSTOM AND PRACTICE TO BE PROVIDING A PROFESSIONAL
15 SERVICE TO THE PUBLIC FOR WHICH A LICENSE OR OTHER LEGAL
16 AUTHORIZATION IS REQUIRED.

17 (2) NOTHING CONTAINED IN THIS CHAPTER SHALL BE INTERPRETED TO
18 ABOLISH, REPEAL, MODIFY, RESTRICT, OR LIMIT THE LAW NOW IN EFFECT
19 IN THIS STATE APPLICABLE TO THE PROFESSIONAL RELATIONSHIP AND
20 LIABILITIES BETWEEN A PERSON FURNISHING A PROFESSIONAL SERVICE AND
21 THE PERSON THAT RECEIVES THE PROFESSIONAL SERVICE AND TO THE
22 STANDARDS FOR PROFESSIONAL CONDUCT. ANY OFFICER, AGENT, OR EMPLOYEE
23 OF A PROFESSIONAL CORPORATION SHALL REMAIN PERSONALLY AND FULLY
24 LIABLE AND ACCOUNTABLE FOR ANY NEGLIGENT OR WRONGFUL ACTS OR
25 MISCONDUCT COMMITTED BY HIM OR HER, OR BY ANY INDIVIDUAL UNDER HIS
26 OR HER DIRECT SUPERVISION AND CONTROL, WHILE PROVIDING PROFESSIONAL
27 SERVICE ON BEHALF OF THE PROFESSIONAL CORPORATION TO THE PERSON TO

1 WHICH THE PROFESSIONAL SERVICES WERE PROVIDED.

2 (3) A PROFESSIONAL CORPORATION IS LIABLE UP TO THE FULL VALUE
3 OF ITS PROPERTY FOR ANY NEGLIGENT OR WRONGFUL ACTS OR MISCONDUCT
4 COMMITTED BY ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES WHILE THEY
5 ARE ENGAGED ON BEHALF OF THE PROFESSIONAL CORPORATION IN PROVIDING
6 PROFESSIONAL SERVICES.

7 SEC. 286. IF AN OFFICER, SHAREHOLDER, AGENT, OR EMPLOYEE OF A
8 PROFESSIONAL CORPORATION BECOMES LEGALLY DISQUALIFIED TO PROVIDE
9 THE PROFESSIONAL SERVICES PROVIDED BY THE CORPORATION, OR ACCEPTS
10 EMPLOYMENT THAT UNDER EXISTING LAW RESTRICTS OR LIMITS HIS OR HER
11 AUTHORITY TO CONTINUE PROVIDING THOSE PROFESSIONAL SERVICES, HE OR
12 SHE SHALL SEVER WITHIN A REASONABLE PERIOD ALL EMPLOYMENT WITH AND
13 FINANCIAL INTERESTS IN THE PROFESSIONAL CORPORATION. A PROFESSIONAL
14 CORPORATION'S FAILURE TO REQUIRE COMPLIANCE WITH THIS SECTION IS
15 GROUNDS FOR THE FORFEITURE OF ITS ARTICLES OF INCORPORATION AND ITS
16 DISSOLUTION. IF A PROFESSIONAL CORPORATION'S FAILURE TO COMPLY WITH
17 THIS SECTION IS BROUGHT TO THE ATTENTION OF THE ADMINISTRATOR, HE
18 OR SHE SHALL NOTIFY THE ATTORNEY GENERAL OF THE FAILURE AND THE
19 ATTORNEY GENERAL MAY TAKE APPROPRIATE ACTION TO DISSOLVE THE
20 PROFESSIONAL CORPORATION.

21 SEC. 287. (1) A PROFESSIONAL CORPORATION SHALL NOT ENGAGE IN
22 ANY BUSINESS OTHER THAN PROVIDING THE PROFESSIONAL SERVICE OR
23 SERVICES FOR WHICH IT WAS SPECIFICALLY INCORPORATED.

24 (2) THIS CHAPTER DOES NOT PROHIBIT A PROFESSIONAL CORPORATION
25 FROM DOING ANY OF THE FOLLOWING:

26 (A) INVESTING ITS MONEY IN REAL ESTATE, MORTGAGES, STOCKS,
27 BONDS, OR ANY OTHER TYPE OF INVESTMENTS.

1 (B) OWNING REAL OR PERSONAL PROPERTY NECESSARY TO PROVIDE A
2 PROFESSIONAL SERVICE OR SERVICES.

3 (C) BECOMING A PARTNER IN A PARTNERSHIP FORMED UNDER THE
4 UNIFORM PARTNERSHIP ACT, 1917 PA 72, MCL 449.1 TO 449.48, IF THE
5 PARTNERSHIP PROVIDES THE SAME PROFESSIONAL SERVICES AS THE
6 PROFESSIONAL CORPORATION.

7 (D) BECOMING A MEMBER OR MANAGER OF A PROFESSIONAL LIMITED
8 LIABILITY COMPANY ORGANIZED UNDER OR SUBJECT TO CHAPTER 9 OF THE
9 MICHIGAN LIMITED LIABILITY COMPANY ACT, 1993 PA 23, MCL 450.4901 TO
10 450.4910, IF THE PROFESSIONAL LIMITED LIABILITY COMPANY PROVIDES 1
11 OR MORE OF THE SAME PROFESSIONAL SERVICES AS THE PROFESSIONAL
12 CORPORATION.

13 (E) BECOMING A SHAREHOLDER IN A PROFESSIONAL CORPORATION
14 GOVERNED BY THIS CHAPTER, IF BOTH PROFESSIONAL CORPORATIONS PROVIDE
15 1 OR MORE OF THE SAME PROFESSIONAL SERVICES.

16 SEC. 288. (1) A PROFESSIONAL CORPORATION SHALL NOT ISSUE ANY
17 OF ITS CAPITAL STOCK TO ANYONE OTHER THAN AN INDIVIDUAL WHO IS DULY
18 LICENSED OR OTHERWISE LEGALLY AUTHORIZED TO PROVIDE THE SAME
19 SPECIFIC PROFESSIONAL SERVICES AS THOSE FOR WHICH THE PROFESSIONAL
20 CORPORATION WAS INCORPORATED. THE UNIFORM SECURITIES ACT, 1964 PA
21 265, MCL 451.501 TO 451.818, OR THE UNIFORM SECURITIES ACT (2002),
22 2008 PA 551, MCL 451.2101 TO 451.2703, DOES NOT APPLY TO THE
23 ISSUANCE OR TRANSFER BY A PROFESSIONAL CORPORATION OF ITS CAPITAL
24 STOCK.

25 (2) SHARES OF A PROFESSIONAL CORPORATION SHALL NOT BE SOLD OR
26 TRANSFERRED EXCEPT TO A PERSON WHO IS ELIGIBLE TO BE A SHAREHOLDER
27 OF THE PROFESSIONAL CORPORATION; TO THE PERSONAL REPRESENTATIVE OR

1 ESTATE OF A DECEASED OR LEGALLY INCOMPETENT SHAREHOLDER; OR TO A
2 TRUST OR SPLIT INTEREST TRUST IN WHICH THE TRUSTEE AND THE CURRENT
3 INCOME BENEFICIARY ARE EACH ELIGIBLE TO BE A SHAREHOLDER OF THE
4 PROFESSIONAL CORPORATION. THE PERSONAL REPRESENTATIVE OR ESTATE OF
5 THE SHAREHOLDER MAY CONTINUE TO OWN SHARES FOR A REASONABLE PERIOD
6 BUT IS NOT AUTHORIZED TO PARTICIPATE IN ANY DECISIONS CONCERNING
7 THE PROVIDING OF PROFESSIONAL SERVICE BY THE PROFESSIONAL
8 CORPORATION.

9 (3) EXCEPT AS PERMITTED UNDER SUBSECTION (2), A SHAREHOLDER OF
10 A PROFESSIONAL CORPORATION SHALL NOT ENTER INTO A VOTING TRUST
11 AGREEMENT OR ANY OTHER TYPE AGREEMENT THAT VESTS ANOTHER PERSON
12 WITH THE AUTHORITY TO EXERCISE THE VOTING POWER OF ANY OR ALL OF
13 HIS OR HER STOCK, UNLESS THAT OTHER PERSON IS DULY LICENSED OR
14 OTHERWISE LEGALLY AUTHORIZED TO PROVIDE THE SAME SPECIFIC
15 PROFESSIONAL SERVICES AS THOSE FOR WHICH THE PROFESSIONAL
16 CORPORATION WAS INCORPORATED.

17 (4) THE ARTICLES OF INCORPORATION, BYLAWS, OR A CONTRACT MAY
18 PROVIDE SPECIFICALLY FOR ADDITIONAL RESTRICTIONS ON THE TRANSFER OF
19 SHARES AND MAY PROVIDE FOR THE REDEMPTION OR PURCHASE OF THE SHARES
20 BY THE PROFESSIONAL CORPORATION OR ITS SHAREHOLDERS AT PRICES AND
21 IN A MANNER SPECIFICALLY SET FORTH IN THE ARTICLES, BYLAWS, OR
22 CONTRACT.

23 SEC. 289. (1) A PROFESSIONAL CORPORATION THAT IS THE SURVIVING
24 ENTITY OF A MERGER OR CONVERSION SHALL ONLY HAVE AS SHAREHOLDERS
25 LICENSED PERSONS THAT ARE PERMITTED TO BE SHAREHOLDERS UNDER THIS
26 CHAPTER.

27 (2) A PROFESSIONAL CORPORATION ORGANIZED TO PROVIDE SERVICES

1 IN A LEARNED PROFESSION MAY MERGE WITH, OR CONVERT INTO, ONLY OTHER
2 CORPORATIONS OR ENTITIES WHOSE SHAREHOLDERS, MEMBERS, PARTNERS, AND
3 MANAGERS, FOLLOWING THE MERGER OR CONVERSION AS APPLICABLE, ARE
4 LICENSED PERSONS PERMITTED TO BE SHAREHOLDERS UNDER THIS CHAPTER.

5 Sec. 405. (1) Unless otherwise restricted by the articles of
6 incorporation or bylaws, a shareholder may participate in a meeting
7 of shareholders by a conference telephone or by other means of
8 remote communication through which all persons participating in the
9 meeting may communicate with the other participants. All
10 participants shall be advised of the means of remote communication.
11 ~~and the names of the participants in the meeting shall be divulged~~
12 ~~to all participants.~~

13 (2) Participation in a meeting ~~pursuant to~~ **UNDER** this section
14 constitutes presence in person at the meeting.

15 (3) Unless otherwise restricted by the articles of
16 incorporation or bylaws, the board of directors may hold a meeting
17 of shareholders conducted solely by means of remote communication.

18 (4) Subject to any guidelines and procedures adopted by the
19 board of directors, shareholders and proxy holders not physically
20 present at a meeting of shareholders may participate in the meeting
21 by means of remote communication and are considered present in
22 person and may vote at the meeting if all of the following are met:

23 (a) The corporation implements reasonable measures to verify
24 that each person considered present and permitted to vote at the
25 meeting by means of remote communication is a shareholder or proxy
26 holder.

27 (b) The corporation implements reasonable measures to provide

1 each shareholder and proxy holder a reasonable opportunity to
2 participate in the meeting and to vote on matters submitted to the
3 shareholders, including an opportunity to read or hear the
4 proceedings of the meeting substantially concurrently with the
5 proceedings.

6 (c) If any shareholder or proxy holder votes or takes other
7 action at the meeting by means of remote communication, a record of
8 the vote or other action is maintained by the corporation.

9 Sec. 488. (1) An agreement among the shareholders of a
10 corporation that complies with this section is effective among the
11 shareholders and the corporation even though it is inconsistent
12 with this act in 1 or more of the following ways:

13 (a) It eliminates the board or restricts the discretion or
14 powers of the board.

15 (b) It governs the authorization or making of distributions
16 whether or not in proportion to ownership of shares, subject to
17 limitations in sections 345 and 855a pertaining to the protection
18 of creditors.

19 (c) It establishes who shall be directors or officers of the
20 corporation, or the terms of office or manner of selection or
21 removal of directors or officers of the corporation.

22 (d) In general or in regard to specific matters, it governs
23 the exercise or division of voting power by or between the
24 shareholders and directors or by or among any of the shareholders
25 or directors, including use of weighted voting rights or director
26 proxies.

27 (e) It establishes the terms and conditions of any agreement

1 for the transfer or use of property or the provision of services
2 between the corporation and any shareholder, director, officer, or
3 employee of the corporation or among the shareholders, directors,
4 officers, or employees of the corporation.

5 (f) It transfers to 1 or more shareholders or other persons
6 all or part of the authority to exercise the corporate powers or to
7 manage the business and affairs of the corporation, including the
8 resolution of any issue about which there exists a deadlock among
9 directors or shareholders.

10 (g) It requires dissolution of the corporation at the request
11 of 1 or more of the shareholders or ~~upon the occurrence of~~ **IF** a
12 specified event or contingency **OCCURS**.

13 **(H) IT ESTABLISHES THAT SHARES OF THE CORPORATION ARE**
14 **ASSESSABLE AND INCLUDES THE PROCEDURES FOR AN ASSESSMENT AND THE**
15 **CONSEQUENCES OF A FAILURE BY A SHAREHOLDER TO PAY AN ASSESSMENT.**

16 **(I)** ~~(h)~~ It otherwise governs the exercise of the corporate
17 powers or the management of the business and affairs of the
18 corporation or the relationship among the shareholders, the
19 directors, and the corporation, or among any of the shareholders or
20 directors, and is not contrary to public policy.

21 (2) An agreement authorized by this section shall meet both of
22 the following requirements:

23 (a) ~~Be~~ **IS** set forth in a provision of the articles of
24 incorporation or bylaws approved by all persons ~~who~~ **THAT** are
25 shareholders at the time of the agreement, or in a written
26 agreement that is signed by all persons ~~who~~ **THAT** are shareholders
27 at the time of the agreement and **THAT IS** made known to the

1 corporation.

2 (b) ~~Be~~**IS** subject to amendment only by all persons ~~who~~**THAT**
3 are shareholders at the time of the amendment, unless the agreement
4 provides otherwise.

5 (3) The existence of an agreement authorized ~~by~~**UNDER** this
6 section shall be noted conspicuously on the face or back of a
7 certificate for shares issued by the corporation or on the
8 information statement required ~~by~~**UNDER** section 336. If at the time
9 of the agreement the corporation has shares outstanding represented
10 by certificates, the corporation shall recall the outstanding
11 certificates and issue substitute certificates that comply with
12 this subsection. The failure to note the existence of the agreement
13 on the certificate or information statement does not affect the
14 validity of the agreement or any action taken pursuant to it. Any
15 purchaser of shares ~~who~~**THAT** did not have knowledge of the
16 existence of the agreement at the time ownership is transferred is
17 entitled to rescission of the purchase. A purchaser has knowledge
18 of the existence of the agreement at the time ownership is
19 transferred if the agreement's existence is noted on the
20 certificate or information statement in compliance with this
21 subsection and, if the shares are not represented by a certificate,
22 the information statement is delivered to the purchaser at or ~~prior~~
23 ~~to~~**BEFORE** the time ownership of the shares is transferred. An
24 action to enforce the right of rescission authorized ~~by~~**UNDER** this
25 subsection must be commenced within 90 days after discovery of the
26 existence of the agreement or 2 years after the shares are
27 transferred, whichever is earlier.

1 (4) An agreement authorized ~~by~~**UNDER** this section shall cease
2 to be effective when shares of the corporation are listed on a
3 national securities exchange or regularly traded in a market
4 maintained by 1 or more members of a national or affiliated
5 securities association.

6 (5) If ~~the~~**AN** agreement ceases to be **AUTHORIZED UNDER THIS**
7 **SECTION IS NO LONGER** effective for any reason and is contained or
8 referred to in the corporation's articles of incorporation or
9 bylaws, the board may without shareholder action adopt an amendment
10 to the articles of incorporation or bylaws to delete the agreement
11 and any references to it.

12 (6) An agreement authorized ~~by~~**UNDER** this section that limits
13 the discretion or powers of the board shall relieve the directors
14 of, and impose ~~upon~~**ON** the person or persons in ~~whom~~**WHICH** the
15 discretion or powers are vested, liability for acts or omissions
16 imposed by law on directors to the extent that the discretion or
17 powers of the directors are limited by the agreement. The person or
18 persons in whom the discretion or powers are vested are treated as
19 a director or directors for purposes of any indemnification and any
20 limitation on liability under section 209(1)(c).

21 (7) The existence or performance of an agreement authorized ~~by~~
22 **UNDER** this section is not grounds for imposing personal liability
23 on any shareholder for the acts or debts of the corporation or for
24 treating the corporation as if it were a partnership or
25 unincorporated entity, even if the agreement or its performance
26 results in failure to observe the corporate formalities otherwise
27 applicable to the matters governed by the agreement.

1 (8) Dissolution pursuant to an agreement authorized in
2 subsection (1)(g) shall be implemented by filing a certificate of
3 dissolution under section 805.

4 (9) Incorporators or subscribers for shares may act as
5 shareholders with respect to an agreement authorized ~~by~~**UNDER** this
6 section if ~~no~~ shares have **NOT** been issued when the agreement is
7 made.

8 (10) The failure to satisfy the unanimity requirement of
9 subsection (2) with respect to an agreement authorized ~~by~~**UNDER**
10 this section does not invalidate any agreement that would otherwise
11 be considered valid.

12 Sec. 528. (1) A committee designated ~~pursuant to~~**UNDER** section
13 527, to the extent provided in a resolution of the board or in the
14 bylaws, may exercise all powers and authority of the board in **THE**
15 management of the business and affairs of the corporation. A
16 committee does not have power or authority to do any of the
17 following:

18 (a) Amend the articles of incorporation, except that a
19 committee may prescribe the relative rights and preferences of the
20 shares of a series ~~pursuant to~~**UNDER** section 302(3).

21 (b) Adopt an agreement of merger, **CONVERSION**, or share
22 exchange.

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

25 (d) Recommend to shareholders a dissolution of the corporation
26 or a revocation of a dissolution.

27 (e) Amend the bylaws of the corporation.

1 (f) Fill vacancies in the board.

2 (2) Unless a resolution of the board, the articles of
3 incorporation, or the bylaws expressly provide the power or
4 authority, a committee does not have the power or authority to
5 declare a distribution or dividend or to authorize the issuance of
6 shares.

7 (3) Unless otherwise provided in a resolution of the board,
8 the articles of incorporation, or the bylaws, a committee may
9 create 1 or more subcommittees. Each subcommittee shall consist of
10 1 or more members of the committee. The committee may delegate all
11 or part of its power or authority to a subcommittee.

12 **SEC. 529. A CORPORATION MAY AGREE BY CONTRACT TO SUBMIT A**
13 **MATTER TO A VOTE OF ITS SHAREHOLDERS EVEN IF, AFTER INITIALLY**
14 **APPROVING THE MATTER, THE BOARD OF DIRECTORS LATER DETERMINES THAT**
15 **IT NO LONGER RECOMMENDS THE MATTER OR RECOMMENDS AGAINST APPROVAL**
16 **OF THE MATTER BY THE SHAREHOLDERS.**

17 Sec. 564b. (1) A corporation may pay or reimburse the
18 reasonable expenses incurred by a director, officer, employee, or
19 agent ~~who~~ **OF THE CORPORATION, OR BY A PERSON THAT IS OR WAS SERVING**
20 **AT THE REQUEST OF THE CORPORATION AS A DIRECTOR, OFFICER, PARTNER,**
21 **TRUSTEE, EMPLOYEE, OR AGENT OF ANOTHER FOREIGN OR DOMESTIC**
22 **CORPORATION, PARTNERSHIP, JOINT VENTURE, TRUST, OR OTHER PROFIT OR**
23 **NONPROFIT ENTERPRISE, THAT** is a party or threatened to be made a
24 party to an action, suit, or proceeding in advance of final
25 disposition of the proceeding if the person furnishes the
26 corporation a written undertaking, executed personally or on ~~his or~~
27 ~~her~~ **THE PERSON'S** behalf, to repay the advance if it is ultimately

1 determined that ~~he or she~~ **THE PERSON** did not meet the applicable
2 standard of conduct, if any, required by this act for the
3 indemnification of a person under the circumstances.

4 (2) ~~The~~ **AN** undertaking required by ~~by~~ **UNDER** subsection (1) must
5 be an unlimited general obligation of the person but may be
6 unsecured and may be accepted without reference to the financial
7 ability of the person to make repayment.

8 (3) ~~An~~ **A CORPORATION SHALL MAKE AN** evaluation of
9 reasonableness under this section ~~shall be made in~~ the manner
10 specified in section 564a(1) for an evaluation of reasonableness of
11 expenses, and **SHALL MAKE** an authorization ~~shall be made in~~ the
12 manner specified in section 564a(4) unless an advance is mandatory.
13 ~~Authorization~~ **A CORPORATION MAY MAKE AN AUTHORIZATION** of advances
14 with respect to a proceeding and a determination of reasonableness
15 of advances or selection of a method for determining reasonableness
16 ~~may be made in~~ a single action or resolution covering an entire
17 proceeding. However, unless the action or resolution provides
18 otherwise, the authorizing or determining authority may
19 subsequently terminate or amend the authorization or determination
20 with respect to advances not yet made.

21 (4) A provision in the articles of incorporation or bylaws, a
22 resolution of the board or shareholders, or an agreement making
23 indemnification mandatory shall also make the advancement of
24 expenses mandatory unless the provision, resolution, or agreement
25 specifically provides otherwise.

26 Sec. 565. (1) The indemnification or advancement of expenses
27 provided under sections 561 to 564c is not exclusive of other

1 rights to which a person seeking indemnification or advancement of
2 expenses may be entitled under the articles of incorporation,
3 bylaws, or a contractual agreement. The total amount of expenses
4 advanced or indemnified from all sources combined shall not exceed
5 the amount of actual expenses incurred by the person seeking
6 indemnification or advancement of expenses.

7 (2) The indemnification provided ~~for in~~ **UNDER THIS SECTION AND**
8 sections 561 to ~~565-564C~~ continues as to a person ~~who~~ **THAT** ceases
9 to be a director, officer, employee, or agent and ~~shall inure~~
10 **INURES** to the benefit of the heirs, personal representatives, and
11 administrators of the person **IF THE PERSON IS AN INDIVIDUAL.**

12 (3) **A CORPORATION SHALL NOT ELIMINATE OR IMPAIR A RIGHT TO**
13 **INDEMNIFICATION OR TO ADVANCEMENT OF EXPENSES ESTABLISHED IN A**
14 **PROVISION OF THE ARTICLES OF INCORPORATION OR THE BYLAWS BY**
15 **AMENDING THAT PROVISION AFTER THE OCCURRENCE OF THE ACT OR OMISSION**
16 **THAT IS THE SUBJECT OF THE FORMAL OR INFORMAL CIVIL, CRIMINAL,**
17 **ADMINISTRATIVE, OR INVESTIGATIVE ACTION, SUIT, OR PROCEEDING FOR**
18 **WHICH INDEMNIFICATION OR ADVANCEMENT OF EXPENSES IS SOUGHT, UNLESS**
19 **THE PROVISION IN EFFECT AT THE TIME OF THAT ACT OR OMISSION**
20 **EXPLICITLY AUTHORIZES THAT ELIMINATION OR IMPAIRMENT AFTER THAT ACT**
21 **OR OMISSION OCCURS.**

22 Sec. 569. (1) For purposes of sections 561 to 567,
23 "corporation" includes all constituent corporations absorbed in a
24 consolidation or merger, **ANY CORPORATION CONVERTED INTO ANOTHER**
25 **BUSINESS ORGANIZATION,** and the resulting or surviving corporation
26 **OR OTHER BUSINESS ORGANIZATION,** so that a person ~~who~~ **THAT** is or was
27 a director, officer, employee, or agent of the constituent

1 corporation or is or was serving at the request of the constituent
 2 corporation as a director, officer, partner, trustee, employee, or
 3 agent of another foreign or domestic corporation, partnership,
 4 **LIMITED LIABILITY COMPANY**, joint venture, trust, or other
 5 ~~enterprise whether for profit or not shall stand~~ **BUSINESS**
 6 **ORGANIZATION** in the same position under ~~the provisions of this~~
 7 section with respect to the resulting or surviving corporation ~~as~~
 8 ~~the person would if he or she~~ **OR OTHER BUSINESS ORGANIZATION AS IF**
 9 **THAT PERSON** had served the resulting or surviving corporation **OR**
 10 **OTHER BUSINESS ORGANIZATION** in the same capacity.

11 (2) AS USED IN THIS SECTION, "BUSINESS ORGANIZATION" MEANS
 12 THAT TERM AS DEFINED IN SECTION 736(1).

13 Sec. 611. (1) IN ADDITION TO AMENDMENT UNDER SUBSECTION (2) OR
 14 (3), SUBJECT TO SUBSECTION (7), EITHER OF THE FOLLOWING MAY AMEND
 15 THE ARTICLES OF INCORPORATION:

16 (A) Before the first meeting of the board, the incorporators.
 17 ~~may amend the articles of incorporation by complying with section~~
 18 ~~631(1).~~

19 (B) IF THE CORPORATION HAS NOT YET ISSUED SHARES OR ACCEPTED
 20 ANY WRITTEN SUBSCRIPTION FOR SHARES, THE BOARD OF DIRECTORS.

21 (2) Unless the articles of incorporation provide otherwise,
 22 **SUBJECT TO SUBSECTION (7)**, the board may adopt 1 or more of the
 23 following amendments to the corporation's articles of incorporation
 24 without shareholder action:

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

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

1 (c) Delete the name and address of the initial resident agent
2 or registered office, if a statement of change is on file with the
3 administrator.

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

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

12 (f) Any other change **THAT THIS ACT** expressly ~~permitted by this~~
13 ~~act to be made~~ **PERMITS** without shareholder action.

14 (3) ~~Other~~ **SUBJECT TO SUBSECTION (7), ANY** amendments of the
15 articles of incorporation **THAT ARE NOT DESCRIBED IN SUBSECTION (1)**
16 **OR (2)**, except as otherwise provided in this act, shall be proposed
17 by the board and approved by the shareholders as provided in this
18 section. The board may condition its submission of the amendment to
19 the shareholders on any basis.

20 (4) Notice of a meeting setting forth ~~the~~ **A** proposed amendment
21 **TO THE ARTICLES OF INCORPORATION** or a summary of the changes ~~to be~~
22 ~~effected by the proposed amendment~~ **WILL MAKE** shall be given to each
23 shareholder of record entitled to vote on the proposed amendment
24 within the time and in the manner provided in this act for giving
25 notice of meetings of shareholders.

26 (5) At ~~the~~ **A** meeting **DESCRIBED IN SUBSECTION (4)**, a vote of
27 shareholders entitled to vote shall be taken on the proposed

1 amendment **TO THE ARTICLES OF INCORPORATION**. The proposed amendment
2 ~~shall be~~ **IS** adopted ~~upon receiving~~ **IF IT RECEIVES** the affirmative
3 vote of a majority of the outstanding shares entitled to vote on
4 the proposed amendment and, in addition, if any class or series of
5 shares is entitled to vote on the proposed amendment as a class,
6 the affirmative vote of a majority of the outstanding shares of
7 that class or series. The voting requirements of this section are
8 subject to any higher voting requirements provided in this act for
9 specific amendments or provided in the articles of incorporation.

10 (6) ~~Any~~ **THE SHAREHOLDERS MAY ACT ON ANY** number of amendments
11 ~~may be acted upon at~~ **TO THE ARTICLES OF INCORPORATION AT A**
12 meeting **DESCRIBED IN SUBSECTION (4)**.

13 (7) ~~Upon adoption of~~ **IF** an amendment **TO THE ARTICLES OF**
14 **INCORPORATION IS MADE**, a certificate of amendment ~~shall~~ **MUST** be
15 filed as provided in section 631.

16 Sec. 631. (1) If ~~the~~ **AN** amendment **TO THE ARTICLES OF**
17 **INCORPORATION** is made as ~~provided in~~ **UNDER** section ~~611(1)~~,
18 **611(1) (A)**, a certificate of amendment ~~shall be~~ signed by ~~the~~ **A**
19 majority of **THE** incorporators ~~and~~ **SHALL BE** filed on behalf of the
20 corporation, setting forth the amendment and certifying that the
21 amendment ~~is~~ **WAS** adopted by unanimous consent of the incorporators
22 before the first meeting of the board.

23 (2) If ~~the~~ **AN** amendment **TO THE ARTICLES OF INCORPORATION** is
24 made as ~~provided in~~ **UNDER** section ~~611(2)~~, **611(1) (B) OR (2)**, a
25 certificate of amendment ~~shall~~ **MUST** be filed on behalf of the
26 corporation, setting forth the amendment and certifying that it was
27 adopted by the board of directors.

1 (3) ~~In case of any other amendment,~~ **IF AN AMENDMENT TO THE**
 2 **ARTICLES OF INCORPORATION IS MADE UNDER SECTION 611(3)**, except as
 3 otherwise provided in this act, a certificate of amendment shall
 4 **MUST** be executed and filed on behalf of the corporation, setting
 5 forth the amendment and certifying that the **ADOPTION OF THE**
 6 amendment ~~has been adopted in accordance~~ **COMPLIED** with section
 7 611(3).

8 (4) A certificate of amendment **TO THE ARTICLES OF**
 9 **INCORPORATION** shall set forth the entire article being amended. ~~+~~
 10 ~~however,~~ **HOWEVER**, if the article being amended is divided into
 11 separately identified sections, the certificate of amendment need
 12 only set forth the section of the article being amended.

13 Sec. 641. (1) A corporation may integrate into a single
 14 instrument the provisions of its articles of incorporation that are
 15 then in effect and operative, as amended, and at the same time may
 16 also further amend its articles of incorporation, by adopting
 17 restated articles of incorporation.

18 (2) ~~All of the incorporators may adopt restated articles of~~
 19 ~~incorporation before~~ **ANY OF THE FOLLOWING MAY ADOPT RESTATED**
 20 **ARTICLES OF INCORPORATION FOR A CORPORATION, AS APPLICABLE:**

21 **(A) BEFORE** the first meeting of the board, **ALL OF THE**
 22 **INCORPORATORS**, by complying with the provisions of sections
 23 **611(1)(A)**, 642, and 643(1).

24 ~~— (3) Other restated articles of incorporation shall be approved~~
 25 ~~by the directors or shareholders as provided in subsection (4).~~

26 **(B) (4)** ~~If~~ the restated articles of incorporation merely
 27 restate and integrate, but do not further amend the articles as

1 amended, the restated articles of incorporation may be adopted by
 2 the board without a vote of the shareholders. ~~, or by the~~
 3 ~~shareholders, in which case the procedure and vote required by~~
 4 ~~section 611(3) is applicable. If the restated articles of~~
 5 ~~incorporation restate and integrate and also further amend in any~~
 6 ~~material respect the articles of incorporation, as amended, the~~
 7 ~~restated articles of incorporation shall be adopted by the~~
 8 ~~shareholders pursuant to section 611(3).~~

9 (C) IF THE RESTATED ARTICLES OF INCORPORATION RESTATE,
 10 INTEGRATE, AND ALSO FURTHER AMEND THE ARTICLES OF INCORPORATION,
 11 BUT THE AMENDMENTS INCLUDE ONLY AMENDMENTS ADOPTED UNDER SECTION
 12 611(1) (B) OR (2), THE BOARD MAY ADOPT THE RESTATED ARTICLES OF
 13 INCORPORATION WITHOUT A VOTE OF THE SHAREHOLDERS.

14 (D) IF THE RESTATED ARTICLES OF INCORPORATION RESTATE,
 15 INTEGRATE, AND AMEND THE ARTICLES OF INCORPORATION AND SUBDIVISIONS
 16 (A), (B), AND (C) DO NOT APPLY, THE SHAREHOLDERS MUST ADOPT THE
 17 RESTATED ARTICLES OF INCORPORATION UNDER SECTION 611.

18 (3) ~~(5)~~—An amendment effected ~~MADE TO THE ARTICLES OF~~
 19 ~~INCORPORATION~~ in connection with the restatement and integration of
 20 the articles of incorporation is subject to any other provision of
 21 this act, not inconsistent with this section, ~~which~~ ~~THAT~~ would
 22 apply if a certificate of amendment were filed to effect that
 23 amendment.

24 Sec. 642. (1) Restated articles of incorporation ~~shall be~~
 25 ~~specifically designated as such in the heading thereof. They shall~~
 26 ~~state, either in~~ **MUST MEET ALL OF THE FOLLOWING, AS APPLICABLE:**

27 (A) INCLUDE THE DESIGNATION "RESTATED ARTICLES OF

1 **INCORPORATION" IN THE HEADING.**

2 (B) IN the heading or in an introductory paragraph, **STATE** the
 3 corporation's present name, and, if it has been changed, all of its
 4 former names and the date of filing of its original articles.
 5 ~~Restated articles shall state that they were duly adopted by the~~
 6 ~~incorporators, the directors, or the shareholders in accordance~~
 7 ~~with this section.~~

8 (C) If adopted by the incorporators, ~~the restated articles~~
 9 ~~shall state that they were duly adopted by unanimous consent of the~~
 10 ~~incorporators before the first meeting of the board~~ **UNDER SECTION**
 11 **611(1) (A)**. If adopted by the board without a vote of the
 12 shareholders, ~~the restated articles shall state that~~ **BOTH OF THE**
 13 **FOLLOWING:**

14 (i) **THAT** they only restate and integrate and do not further
 15 amend the articles as ~~theretofore amended; , and that there~~ **OR THAT**
 16 **THE RESTATED ARTICLES ONLY RESTATE AND INTEGRATE THE ARTICLES AND**
 17 **INCLUDE ONLY AMENDMENTS ADOPTED UNDER SECTION 611(1) (B) OR (2).**

18 (ii) **THERE** is no material discrepancy between ~~these~~ **THE**
 19 **provisions OF THE ARTICLES OF INCORPORATION AS AMENDED** and the
 20 provisions of the restated articles.

21 (D) **IF ADOPTED BY THE SHAREHOLDERS, STATE THAT THEY WERE DULY**
 22 **ADOPTED BY THE SHAREHOLDERS UNDER SECTION 611(3).**

23 (2) Restated articles of incorporation may omit ~~such~~ **ANY**
 24 provisions of the original articles ~~which~~ **THAT** named the
 25 incorporators, the initial board, or original subscribers for
 26 shares, and the omission shall not be considered a further
 27 amendment **TO THE ARTICLES OF INCORPORATION.**

1 Sec. 643. (1) Restated articles of incorporation adopted as
2 ~~provided in~~ **UNDER** section ~~641(2)~~ **641(2)(A)** shall be signed by the
3 majority of incorporators and filed in accordance with section 131.

4 (2) ~~Other restated~~ **RESTATED** articles of incorporation **ADOPTED**
5 **UNDER SECTION 641(2)(B), (C), OR (D)** shall be executed on behalf of
6 the corporation and filed in accordance with section 131.

7 (3) When ~~that~~ **THE FILING OF RESTATED ARTICLES OF INCORPORATION**
8 becomes effective, the corporation's original articles of
9 incorporation, as amended, are superseded; and ~~thenceforth~~ the
10 restated articles, including any further amendments made ~~thereby,~~
11 ~~shall be~~ **BY THE RESTATEMENT OF THE ARTICLES, ARE** the articles of
12 incorporation of the corporation.

13 Sec. 703a. (1) A plan of merger or share exchange adopted by
14 the board of each constituent corporation shall, except as provided
15 in subsection (2)(e) and (f), be submitted for approval at a
16 meeting of the shareholders.

17 (2) ~~For~~ **ALL OF THE FOLLOWING APPLY TO THE APPROVAL OF** a plan
18 of merger or share exchange ~~to be approved all of the following~~
19 ~~shall apply:~~ **UNDER THIS SECTION:**

20 (a) The board must recommend the plan of merger or share
21 exchange to the shareholders, unless **SECTION 529 APPLIES OR** the
22 board determines that because of conflict of interest, events
23 occurring after the board adopts the plan, contractual obligations,
24 or other special circumstances it should make no recommendation.
25 ~~and communicates the basis for its determination to the~~
26 ~~shareholders with the plan.~~ **IF THE BOARD DOES NOT RECOMMEND THE PLAN**
27 **OF MERGER OR SHARE EXCHANGE TO THE SHAREHOLDERS, OR RECOMMENDS AGAINST**

1 THE PLAN OF MERGER OR SHARE EXCHANGE, IN EITHER CASE BECAUSE 1 OR MORE
2 OF THE EXCEPTIONS DESCRIBED IN THIS SUBDIVISION APPLY, THE BOARD MUST
3 COMMUNICATE TO THE SHAREHOLDERS THE BASIS FOR ITS DECISION.

4 (b) The board may condition its submission of the proposed
5 merger or share exchange on any basis.

6 (c) Notice of the shareholder meeting shall be given to each
7 shareholder of record, whether or not entitled to vote at the
8 meeting, within the time and in the manner provided in this act for
9 giving notice of meetings of shareholders. The notice shall include
10 or be accompanied by all of the following:

11 (i) A copy or summary of the plan of merger or share exchange.
12 If a summary of the plan is given, the notice shall state that a
13 copy of the plan is available ~~upon~~**ON** request.

14 (ii) A statement informing shareholders ~~who~~**THAT** are entitled
15 to dissent under section 762 that they have the right to dissent
16 and to be paid the fair value of their shares by complying with the
17 procedures set forth in sections 764 to 772.

18 (d) At the meeting, ~~a vote of the~~ shareholders shall ~~be taken~~
19 **VOTE** on the proposed plan of merger or share exchange. The plan is
20 approved if it receives the affirmative vote of the holders of a
21 majority of the outstanding shares of the corporation entitled to
22 vote on the plan, and if a class or series is entitled to vote on
23 the plan as a class, the affirmative vote of the holders of a
24 majority of the outstanding shares of the class or series. A class
25 or series of shares is entitled to vote as a class in the case of a
26 merger, if the plan of merger contains a provision that, if
27 contained in a proposed amendment to the articles of incorporation,

1 would entitle the class or series of shares to vote as a class, or,
2 in the case of a share exchange, if the class or series is included
3 in the exchange. A class or series of shares is not entitled to
4 vote as a class in the case of a merger or share exchange, if the
5 board of directors determines on a reasonable basis that the class
6 or series is to receive consideration under the plan of merger or
7 share exchange that has a fair value that is not less than the fair
8 value of the shares of the class or series on the date of adoption
9 of the plan.

10 (e) Except as provided in section 754 or unless required by
11 the articles of incorporation, action by the shareholders of the
12 surviving corporation on a plan of merger is not required if all of
13 the following apply:

14 (i) The articles of incorporation of the surviving corporation
15 will not differ from its articles of incorporation before the
16 merger.

17 (ii) Each shareholder of the surviving corporation whose shares
18 were outstanding immediately before the effective date of the
19 merger will hold the same number of shares, with identical
20 designations, preferences, limitations, and relative rights,
21 immediately after the merger.

22 (f) Except as provided in section 754, action by the
23 shareholders of the acquiring corporation on a plan of share
24 exchange is not required.

25 (g) A plan of merger or share exchange may provide for
26 differing forms of consideration for holders of shares ~~within~~**IN**
27 the same class based ~~upon~~**ON** the election of the holders, the

1 amount of shares held, or another reasonable basis.

2 Sec. 753. (1) Except as provided in section 751, a corporation
3 may sell, lease, exchange, or otherwise dispose of all, or
4 substantially all, of its property and assets, with or without the
5 goodwill, if not in the usual and regular course of its business as
6 conducted by the corporation, ~~upon~~**ON** terms and conditions and for
7 a consideration, which may consist in whole or in part of cash or
8 other property, including shares, bonds, or other securities of any
9 other corporation, domestic or foreign, as authorized ~~as provided~~
10 ~~in~~**UNDER** this section. A corporation has not disposed of all or
11 substantially all of its property and assets if it retains a
12 significant continuing business activity. For purposes of this
13 subsection, it is conclusively presumed that a corporation has
14 retained a significant continuing business activity if the
15 corporation retains a business activity that represented at least
16 25% of total assets at the end of the most recently completed
17 fiscal year, and 25% of either income from continuing operations
18 before taxes or revenues from continuing operations for that fiscal
19 year, in each case of the corporation and its subsidiaries on a
20 consolidated basis.

21 (2) The board must recommend ~~the proposed~~**A** transaction
22 **DESCRIBED IN SUBSECTION (1)** to the shareholders unless **SECTION 529**
23 **APPLIES OR** the board determines that because of conflict of
24 interest, events occurring after the board adopts the plan,
25 contractual obligations, or other special circumstances it should
26 make no recommendation. ~~and communicates the basis for its~~
27 ~~determination to the shareholders with the submission of the~~

1 ~~proposed transaction.~~ **IF THE BOARD DOES NOT RECOMMEND THE**
2 **TRANSACTION DESCRIBED IN SUBSECTION (1) TO THE SHAREHOLDERS, OR**
3 **RECOMMENDS AGAINST THE TRANSACTION, IN EITHER CASE BECAUSE 1 OR**
4 **MORE OF THE EXCEPTIONS DESCRIBED IN THIS SUBSECTION APPLY, THE**
5 **BOARD MUST COMMUNICATE TO THE SHAREHOLDERS THE BASIS FOR ITS**
6 **DECISION.**

7 (3) The board may condition its submission of ~~the proposed A~~
8 transaction **DESCRIBED IN SUBSECTION (1)** on any basis.

9 (4) ~~The proposed A~~ transaction **DESCRIBED IN SUBSECTION (1)**
10 shall be submitted for approval at a meeting of shareholders.
11 Notice of the meeting shall be given to each shareholder of record
12 whether or not entitled to vote at the meeting within the time and
13 in the manner provided in this act for giving notice of meetings of
14 shareholders. The notice shall include or be accompanied by both of
15 the following:

16 (a) A statement summarizing the principal terms of the
17 ~~proposed~~ transaction or a copy of any documents containing the
18 principal terms.

19 (b) A statement informing shareholders ~~who~~ **THAT** are entitled
20 to dissent under section 762 that they have the right to dissent
21 and to be paid the fair value of their shares by complying with the
22 procedures set forth in sections 762 to 772.

23 (5) At the meeting **DESCRIBED IN SUBSECTION (4)**, the
24 shareholders may authorize the ~~sale, lease, exchange, or other~~
25 ~~disposition~~ **TRANSACTION DESCRIBED IN SUBSECTION (1)** and may fix, or
26 may authorize the board to fix, any term or condition and the
27 consideration to be received by the corporation. The authorization

1 requires the affirmative vote of the holders of a majority of the
2 outstanding shares of the corporation entitled to vote on the ~~sale,~~
3 ~~lease, exchange, or other disposition.~~**TRANSACTION.**

4 (6) Notwithstanding authorization by the shareholders, the
5 board may abandon ~~the sale, lease, exchange, or other disposition,~~
6 **A TRANSACTION DESCRIBED IN SUBSECTION (1),** subject to the rights of
7 third parties under any contracts relating to the sale, lease,
8 exchange, or other disposition, without further action or approval
9 by shareholders.

10 (7) A sale, lease, exchange, or other disposition of all, or
11 substantially all, of the property and assets of a corporation or
12 other entity a majority of the shares or beneficial interests of
13 which are owned by a second corporation, including a change in
14 shares of the corporation or beneficial interest in another entity
15 held by the second corporation because of a merger or share
16 exchange, is a disposition by the second corporation of its pro
17 rata share of the property and assets of the corporation or other
18 entity on a consolidated basis for purposes of this section.

19 (8) A transaction that is a distribution is governed by
20 section 345 and not by this section or section 751.

21 Sec. 762. (1) A shareholder is entitled to dissent from, and
22 obtain payment of the fair value of his, ~~or her,~~ **OR ITS** shares in
23 the event of, any of the following corporate actions:

24 (a) Consummation of a plan of merger to which the corporation
25 is a party if shareholder approval is required for the merger under
26 section 703a or 736(5) or the articles of incorporation and the
27 shareholder is entitled to vote on the merger, or the corporation

1 is a subsidiary that is merged with its parent under section 711.

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

5 (c) Consummation of a sale or exchange of all, or
6 substantially all, of the property of the corporation other than in
7 the usual and regular course of business, if the shareholder is
8 entitled to vote on the sale or exchange, including a sale in
9 dissolution but not including a sale pursuant to court order.

10 (d) Consummation of a plan of conversion to which the
11 corporation is a party as the corporation that is being converted,
12 if the shareholder is entitled to vote on the plan. However, any
13 rights provided under this section are not available if that
14 corporation is converted into a foreign corporation and the
15 shareholder receives shares that have terms as favorable to the
16 shareholder in all material respects, and represent at least the
17 same percentage interest of the total voting rights of the
18 outstanding shares of the corporation, as the shares held by the
19 shareholder before the conversion.

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

22 (f) A transaction giving rise to a right to dissent under
23 section 754.

24 (g) Any corporate action taken pursuant to a shareholder vote
25 to the extent the articles of incorporation, bylaws, or a
26 resolution of the board provides that voting or nonvoting
27 shareholders are entitled to dissent and obtain payment for their

1 shares.

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

5 (a) Any corporate action set forth in subsection (1)(a) to ~~(e)~~
6 **(F)** as to shares that are listed on a national securities exchange
7 or designated as a national market system security on an
8 interdealer quotation system by the national association of
9 securities dealers, on the record date fixed to vote on the
10 corporate action or on the date the resolution of the parent
11 corporation's board is adopted in the case of a merger under
12 section 711 that does not require a shareholder vote under section
13 713.

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

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

22 (d) A transaction described in subsection (1)(c) that is
23 conducted pursuant to a plan of dissolution providing for
24 distribution of substantially all of the corporation's net assets
25 to shareholders in accordance with their respective interests
26 within 1 year after the date of closing of the transaction, if the
27 transaction is for cash, shares that satisfy the requirements of

1 subdivision (a) on the date of closing, or any combination of cash
2 and those shares.

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

7 (3) A shareholder entitled to dissent and obtain payment for
8 ~~his or her~~ shares under subsection (1)(a) to (f) may not challenge
9 the corporate action creating ~~his or her~~ **THAT** entitlement unless
10 the action is unlawful or fraudulent with respect to the
11 shareholder or the corporation.

12 (4) A shareholder ~~who~~ **THAT** exercises ~~his or her~~ **A** right to
13 dissent and seek payment for ~~his or her~~ shares under subsection
14 (1)(g) may not challenge the corporate action creating ~~his or her~~
15 **THAT** entitlement unless the action is unlawful or fraudulent with
16 respect to the shareholder or the corporation.

17 Sec. 776. (1) "Affiliate" or "affiliated person" means a
18 person ~~who~~ **THAT** directly, or indirectly through 1 or more
19 intermediaries, controls, is controlled by, or is under common
20 control with a specified person.

21 (2) "Announcement date" means the first general public
22 announcement or the first communication generally to shareholders
23 of ~~the~~ **A** corporation, whichever is earlier, of the proposal or
24 intention to make a proposal concerning a business combination.

25 (3) "Associate", when used to indicate a relationship with any
26 person, means any 1 of the following:

27 (a) Any corporation or organization, other than the

1 corporation or a subsidiary of the corporation, in which the person
2 is an officer, director, or partner, or is, directly or indirectly,
3 the beneficial owner of 10% or more of any class of equity
4 securities.

5 (b) Any trust or other estate in which the person has a
6 beneficial interest of 10% or more or as to which the person serves
7 as trustee or in a similar fiduciary capacity in connection with
8 the trust or estate.

9 (c) Any relative or spouse of the person, or any relative of
10 the spouse, who has the same home as the person or who is a
11 director or officer of the corporation or any of its affiliates.

12 (4) "Beneficial owner", when used with respect to any voting
13 stock, means a person ~~who~~ **THAT MEETS ANY OF THE FOLLOWING:**

14 (a) Individually or with any of its affiliates or associates,
15 beneficially owns voting stock, directly or indirectly.

16 (b) Individually or with any of its affiliates or associates,
17 has any 1 of the following:

18 (i) The right to acquire voting shares, whether the right is
19 exercisable immediately or only after the passage of time, pursuant
20 to any agreement, arrangement, or understanding or upon the
21 exercise of conversion rights, exchange rights, warrants or
22 options, or otherwise. A person ~~shall~~ **IS** not ~~be~~ considered the
23 beneficial owner of voting shares ~~which~~ **THAT** are tendered pursuant
24 to a tender or exchange offer made by the person, or an affiliate
25 or associate of the person, until the tendered voting shares are
26 accepted for purchase or exchange.

27 (ii) The right to vote voting shares pursuant to any agreement,

1 arrangement, or understanding. A person ~~shall~~**IS** not be considered
2 the beneficial owner of voting shares if the person's right to vote
3 the shares ~~pursuant to~~**UNDER** this subparagraph arises solely from a
4 revocable proxy or consent given in response to a proxy or consent
5 solicitation to 10 or more persons.

6 (iii) Except as provided in subparagraph (ii), any agreement,
7 arrangement, or understanding for the purpose of acquiring,
8 holding, voting, or disposing of voting shares with any other
9 person ~~who~~**THAT** beneficially owns, or whose affiliates or
10 associates beneficially own, directly or indirectly, the voting
11 shares.

12 (5) "Business combination" means any 1 or more of the
13 following:

14 (a) Any merger, **CONVERSION**, consolidation, or share exchange
15 of the corporation or any subsidiary ~~which~~**THAT** alters the contract
16 rights of the shares as expressly set forth in the articles of
17 incorporation or ~~which~~**THAT** changes or converts, in whole or in
18 part, the outstanding shares of the corporation with either:

19 (i) Any interested shareholder.

20 (ii) Any other corporation, whether or not itself an interested
21 shareholder, ~~which~~**THAT** is, or after the merger, **CONVERSION**,
22 consolidation, or share exchange would be, an affiliate of an
23 interested shareholder that was an interested shareholder ~~prior to~~
24 **BEFORE** the transaction.

25 (b) Any sale, lease, transfer, or other disposition, except in
26 the usual and regular course of business, in 1 transaction or a
27 series of transactions in any 12-month period, to any interested

1 shareholder or any affiliate of any interested shareholder, other
2 than the corporation or any of its subsidiaries, of any assets of
3 the corporation or any subsidiary having, measured at the time the
4 transaction or transactions are approved by the board of directors
5 of the corporation, an aggregate book value as of the end of the
6 corporation's most recently ended fiscal quarter of 10% or more of
7 its net worth.

8 (c) The issuance or transfer by the corporation, or any
9 subsidiary, in 1 transaction or a series of transactions, of any
10 equity securities of the corporation or any subsidiary ~~which~~**THAT**
11 have an aggregate market value of 5% or more of the total market
12 value of the outstanding shares of the corporation to any
13 interested shareholder or any affiliate of any interested
14 shareholder, other than the corporation or any of its subsidiaries,
15 except pursuant to the exercise of warrants or rights to purchase
16 securities offered pro rata to all holders of the corporation's
17 voting shares or any other method affording substantially
18 proportionate treatment to the holders of voting shares.

19 (d) The adoption of any plan or proposal for the liquidation
20 or dissolution of the corporation in which anything other than cash
21 will be received by an interested shareholder or any affiliate of
22 any interested shareholder.

23 (e) Any reclassification of securities, including any reverse
24 stock split, or recapitalization of the corporation, or any merger,
25 **CONVERSION**, consolidation, or share exchange of the corporation
26 with any of its subsidiaries ~~which~~**THAT** has the effect, directly or
27 indirectly, in 1 transaction or a series of transactions, of

1 increasing by 5% or more of the total number of outstanding shares,
2 the proportionate amount of the outstanding shares of any class of
3 equity securities of the corporation or any subsidiary ~~which~~**THAT**
4 is directly or indirectly owned by any interested shareholder or
5 any affiliate of any interested shareholder.

6 Sec. 781. (1) The vote required by section 780 shall not apply
7 to a business combination if each of the following conditions are
8 met:

9 (a) The aggregate amount of the cash and the market value as
10 of the valuation date of consideration other than cash to be
11 received per share by holders of common stock in the business
12 combination is at least equal to the highest of the following:

13 (i) The highest per share price, including any brokerage
14 commissions, transfer taxes, and soliciting dealers' fees, **AND**
15 **APPROPRIATELY ADJUSTED TO ACCOUNT FOR ANY STOCK DIVIDEND, STOCK**
16 **SPLIT, COMBINATION, OR SIMILAR RECAPITALIZATION AFFECTING THE**
17 **SHARES**, paid by the interested shareholder for any shares of common
18 stock of the same class or series acquired by the interested
19 shareholder within the 2-year period immediately ~~prior to~~**BEFORE**
20 the announcement date of the proposal of the business combination,
21 or in the transaction in which the shareholder became an interested
22 shareholder, whichever is higher.

23 (ii) The market value per share of common stock of the same
24 class or series on the announcement date or on the determination
25 date, whichever is higher.

26 (b) The aggregate amount of the cash and the market value as
27 of the valuation date for consideration other than cash to be

1 received per share by holders of shares of any class or series of
2 outstanding stock other than common stock ~~shall be~~ **IS** at least
3 equal to the highest of the following, whether or not the
4 interested shareholder has previously acquired any shares of a
5 particular class or series of stock:

6 (i) The highest per share price, including any brokerage
7 commissions, transfer taxes, and soliciting dealers' fees, **AND**
8 **APPROPRIATELY ADJUSTED TO ACCOUNT FOR ANY STOCK DIVIDEND, STOCK**
9 **SPLIT, COMBINATION, OR SIMILAR RECAPITALIZATION AFFECTING THE**
10 **SHARES**, paid by the interested shareholder for any shares of the
11 class of stock acquired by it within the 2-year period immediately
12 ~~prior to~~ **PRECEDING** the announcement date of the proposal of the
13 business combination, or in the transaction in which it became an
14 interested shareholder, whichever is higher.

15 (ii) The highest preferential amount per share to which the
16 holders of shares of the class of stock are entitled in the event
17 of any voluntary or involuntary liquidation, dissolution, or
18 winding up of the corporation.

19 (iii) The market value per share of the class of stock on the
20 announcement date or on the determination date, whichever is
21 higher.

22 (c) The consideration to be received by holders of any class
23 or series of outstanding stock shall be in cash or in the same form
24 as the interested shareholder has previously paid for shares of the
25 same class or series of stock. If the interested shareholder has
26 paid for shares of any class of stock with varying forms of
27 consideration, the form of consideration for the class of stock

1 shall be either cash or the form used to acquire the largest number
2 of shares of the class or series of stock previously acquired by
3 the interested shareholder.

4 (d) After the interested shareholder has become an interested
5 shareholder and ~~prior to~~ **BEFORE** the consummation of a business
6 combination, all of the following conditions ~~have been~~ **ARE** met:

7 (i) Any full periodic dividends, whether or not cumulative, on
8 any outstanding preferred stock of the corporation ~~shall have been~~
9 **ARE** declared and paid at the regular date ~~therefor~~. **FOR THOSE**
10 **PAYMENTS.**

11 (ii) The annual rate of dividends paid on any class or series
12 of stock of the corporation that is not preferred stock, except as
13 necessary to reflect any subdivision of the stock, ~~shall not have~~
14 ~~been~~ **IS NOT** reduced, and the annual rate of dividends ~~shall have~~ **IS**
15 increased as necessary to reflect any reclassification, including
16 any reverse stock split, recapitalization, reorganization, or any
17 similar transaction which has the effect of reducing the number of
18 outstanding shares of the stock.

19 (iii) After the interested shareholder ~~has become~~ **BECOMES** an
20 interested shareholder, the interested shareholder ~~may not have~~
21 ~~received~~ **DOES NOT RECEIVE** the benefit, directly or indirectly,
22 except proportionately as a shareholder, of any loans, advances,
23 guarantees, pledges, or other financial assistance or any tax
24 credits or other tax advantages provided by the corporation or any
25 of its subsidiaries, whether in anticipation of or in connection
26 with the business combination or otherwise.

27 (iv) The interested shareholder ~~did~~ **DOES** not become the

1 beneficial owner of any additional shares of the corporation except
 2 as part of the transaction ~~which~~ **THAT** resulted in the interested
 3 shareholder becoming an interested shareholder or by virtue of
 4 proportionate stock splits or stock dividends.

5 (v) There has been **AT LEAST** 5 years between the date of
 6 becoming an interested shareholder and the date the business
 7 combination is consummated.

8 (2) ~~The provisions of subsection (1)(d)(i) and (ii) shall~~
 9 **SUBPARAGRAPHS (i) AND (ii) OF SUBSECTION (1)(D) DO** not apply if an
 10 interested shareholder or an affiliate or associate of the
 11 interested shareholder did not vote as a director of the
 12 corporation in a manner inconsistent with **THOSE** subparagraphs ~~(i)~~
 13 ~~and (ii)~~ and the interested shareholder, within 10 days after any
 14 act or failure to act inconsistent with **THOSE** subparagraphs, ~~(i) and~~
 15 ~~(ii)~~, notifies the board of directors of the corporation in writing
 16 that the interested shareholder disapproves ~~thereof~~ **OF THE ACT OR**
 17 **FAILURE TO ACT** and requests in good faith that the board of
 18 directors rectify the act or failure to act.

19 Sec. 784. (1) Unless a corporation's articles of incorporation
 20 provide otherwise, the requirements of section 780 ~~shall~~ **DO** not
 21 apply to any business combination of any of the following:

22 (a) A corporation ~~having fewer than 100 beneficial owners of~~
 23 ~~its stock.~~ **THAT DOES NOT HAVE A CLASS OF VOTING STOCK REGISTERED**
 24 **WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO SECTION 12**
 25 **OF THE SECURITIES EXCHANGE ACT OF 1934, 15 USC 78l.**

26 (b) A corporation whose original articles of incorporation
 27 contain a provision or whose shareholders adopt an amendment to the

1 articles of the corporation after ~~the effective date of this~~
2 ~~chapter~~ **MAY 29, 1984** by a vote of not less than 90% of the votes of
3 each class of stock entitled to be cast by the shareholders of the
4 corporation and not less than 2/3 of the votes of each class of
5 stock entitled to be cast by the shareholders of the corporation
6 other than voting shares beneficially owned by interested
7 shareholders of the corporation, **THAT** expressly ~~electing~~ **ELECTS** not
8 to be governed by this chapter.

9 (c) An investment company registered under the investment
10 company act of 1940, 15 U.S.C. ~~USC~~ 80a-1 to 80a-64.

11 (2) For purposes of subsection (1)(a), all shareholders of a
12 corporation ~~who~~ **THAT** have executed an agreement to which the
13 corporation is an executing party ~~governing~~ **THAT GOVERNS** the
14 purchase and sale of shares of the corporation or a voting trust
15 agreement ~~governing~~ **THAT GOVERNS** shares of the corporation ~~shall be~~
16 **ARE** considered a single beneficial owner of the ~~stock~~ **SHARES**
17 covered by the agreement.

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

20 (2) A corporation's board may propose dissolution **OF A**
21 **CORPORATION** for action by the shareholders.

22 (3) ~~The~~ **IF IT PROPOSES A DISSOLUTION, THE** board must recommend
23 **THE** dissolution to the shareholders unless **SECTION 529 APPLIES OR**
24 the board determines that because of conflict of interest or other
25 special circumstances it should make no recommendation. ~~and~~
26 ~~communicates the basis for its determination to the shareholders.~~ **IF**
27 **THE BOARD DOES NOT RECOMMEND THE DISSOLUTION TO THE SHAREHOLDERS,**

1 OR RECOMMENDS AGAINST THE DISSOLUTION, IN EITHER CASE BECAUSE 1 OR
2 MORE OF THE EXCEPTIONS DESCRIBED IN THIS SUBSECTION APPLY, THE
3 BOARD MUST COMMUNICATE TO THE SHAREHOLDERS THE BASIS FOR ITS
4 DECISION.

5 (4) ~~The~~**A** board may condition its submission of the proposal
6 for dissolution **OF A CORPORATION TO THE SHAREHOLDERS** on any basis.

7 (5) ~~The~~**A** proposed dissolution **OF A CORPORATION** shall be
8 submitted for approval at a meeting of shareholders. Notice shall
9 be given to each shareholder of record whether or not entitled to
10 vote at the meeting within the time and in the manner as provided
11 in this act for the giving of notice of meetings of shareholders,
12 and shall state that a purpose of the meeting is to vote on
13 dissolution of the corporation.

14 (6) At the meeting ~~a vote of~~**DESCRIBED IN SUBSECTION (5), THE**
15 shareholders shall ~~be taken~~**VOTE** on the proposed dissolution. The
16 dissolution ~~shall be~~**IS** approved ~~upon receiving~~**IF IT RECEIVES** the
17 affirmative vote of the holders of a majority of the outstanding
18 shares of the corporation entitled to vote ~~thereon~~**ON THE**
19 **DISSOLUTION.**

20 (7) If the dissolution **OF A CORPORATION** is approved, it shall
21 be effected by the execution and filing of a certificate of
22 dissolution on behalf of the corporation ~~, setting forth~~**THAT**
23 **STATES** all of the following:

24 (a) The name of the corporation.

25 (b) The date and place of the meeting of shareholders
26 ~~approving~~**AT WHICH** the dissolution **WAS APPROVED.**

27 (c) A statement that dissolution was proposed and approved by

1 the requisite vote of the board and shareholders.

2 Sec. 911. (1) A domestic corporation and each foreign
3 corporation subject to chapter 10 shall file a report with the
4 administrator no later than May 15 of each year. The report shall
5 be on a form approved by the administrator, signed by an authorized
6 officer or agent of the corporation, and contain all of the
7 following information:

8 (a) The name of the corporation.

9 (b) The name of its resident agent and address of its
10 registered office in this state.

11 (c) The names and addresses of its president, secretary,
12 treasurer, and directors.

13 (d) General nature and kind of business in which the
14 corporation is engaged.

15 (e) For each foreign corporation authorized to transact
16 business in this state, the total number of authorized shares and
17 the most recent percentage used in computation of the tax required
18 by the ~~single business tax act, 1975 PA 228, MCL 208.1 to 208.145,~~
19 ~~or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to~~
20 208.1601.

21 **(F) FOR EACH PROFESSIONAL CORPORATION, THE NAMES AND ADDRESSES**
22 **OF ITS SHAREHOLDERS AND A CERTIFICATION THAT BOTH OF THE FOLLOWING**
23 **ARE MET:**

24 **(i) EACH SHAREHOLDER IS A LICENSED PERSON IN 1 OR MORE OF THE**
25 **PROFESSIONAL SERVICES PROVIDED BY THE PROFESSIONAL CORPORATION.**

26 **(ii) THE CORPORATION MEETS THE OTHER REQUIREMENTS OF CHAPTER**
27 **2A.**

1 (2) ~~The report is not required to be filed in the year of~~
2 ~~incorporation or authorization by a~~ **A** corporation formed or
3 authorized to do business on or after January 1 and before May 16
4 of ~~that~~ **A CALENDAR year IS NOT REQUIRED TO FILE THE REPORT**
5 **DESCRIBED IN SUBSECTION (1) FOR THAT CALENDAR YEAR.**

6 (3) If there are no changes in the information provided in the
7 last filed report required under subsection (1), the corporation
8 may file a report that certifies to the administrator that no
9 changes in the required information have occurred since the last
10 filed report. ~~The~~ **A** report filed under this subsection shall be on
11 a form approved by the administrator and filed no later than the
12 date required under section 911.

13 Sec. 1021. (1) Except as otherwise provided in this section,
14 **IF** a foreign corporation authorized to transact business in this
15 state ~~which~~ changes its corporate name, ~~or~~ enlarges, limits, or
16 otherwise changes the business ~~which~~ **THAT** the foreign corporation
17 proposes to do in this state, or otherwise affects the information
18 set forth in its application for certificate of authority to
19 transact business in this state, **THE CORPORATION** shall file an
20 amended application with the administrator not later than 30 days
21 after the time ~~a~~ **THAT** change becomes effective. **A FOREIGN**
22 **CORPORATION MAY MAKE A** change in the registered office or resident
23 agent ~~may be made pursuant to~~ **UNDER** section 242. ~~The~~ **AN** amended
24 application under this subsection shall set forth all of the
25 following:

26 (a) The name of the foreign corporation as it appears on the
27 records of the administrator and the jurisdiction of its

1 incorporation.

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

4 (c) If the name of the foreign corporation has been changed, a
5 statement of the name relinquished, a statement of the new name,
6 and a statement that the change of name has been effected under the
7 laws of the jurisdiction of its incorporation and the date the
8 change was effected.

9 (d) If the business the foreign corporation proposes to do in
10 this state is to be enlarged, limited, or otherwise changed, a
11 statement reflecting the change and a statement that the foreign
12 corporation is authorized to do in the jurisdiction of its
13 incorporation the business ~~which~~ **THAT** it proposes to do in this
14 state.

15 (e) Any additional information ~~as~~ **REQUIRED BY** the
16 administrator. ~~may require.~~

17 (2) If a foreign corporation **THAT IS** authorized to transact
18 business in this ~~jurisdiction~~ **STATE** is the survivor of a merger
19 permitted ~~by~~ **UNDER** the laws of the jurisdiction in which the
20 foreign corporation is incorporated, not later than 30 days after
21 the merger becomes effective, the foreign corporation shall file a
22 certificate issued by the proper officer of the jurisdiction of its
23 incorporation attesting to the occurrence of the merger. If the
24 merger ~~has~~ changed the corporate name of the foreign corporation,
25 ~~or has~~ enlarged, limited, or changed the business the foreign
26 corporation proposes to do in this state, or ~~has~~ affected the
27 information set forth in the application, the foreign corporation

1 shall also comply with subsection (1).

2 (3) IF A FOREIGN CORPORATION THAT IS AUTHORIZED TO TRANSACT
3 BUSINESS IN THIS STATE IS THE SURVIVOR OF A CONVERSION PERMITTED
4 UNDER THE LAWS OF THE JURISDICTION IN WHICH THE FOREIGN CORPORATION
5 IS INCORPORATED, NOT LATER THAN 30 DAYS AFTER THE CONVERSION
6 BECOMES EFFECTIVE, THE FOREIGN CORPORATION SHALL FILE A CERTIFICATE
7 ISSUED BY THE PROPER OFFICER OF THE JURISDICTION OF ITS
8 INCORPORATION ATTESTING TO THE OCCURRENCE OF THE CONVERSION. IF THE
9 CONVERSION CHANGED THE CORPORATE NAME OF THE FOREIGN CORPORATION,
10 ENLARGED, LIMITED, OR CHANGED THE BUSINESS THE FOREIGN CORPORATION
11 PROPOSES TO DO IN THIS STATE, OR AFFECTED THE INFORMATION SET FORTH
12 IN THE APPLICATION, THE FOREIGN CORPORATION SHALL ALSO COMPLY WITH
13 SUBSECTION (1).

14 (4) ~~(3)~~ A foreign corporation ~~which~~ **THAT** has been authorized
15 to transact business in this state and ~~which,~~ **THAT**, after its
16 authorization, increases the number of authorized shares
17 attributable to this state shall file an amended application giving
18 a detailed account of the amount of the increase, and shall pay an
19 additional franchise fee on account of the increase attributable to
20 this state as prescribed by law. The amended application shall be
21 filed within 30 days after the end of the corporation's fiscal
22 year. The number of shares attributable to this state shall be
23 determined ~~pursuant to~~ **UNDER** section 1062.

24 Sec. 1035. (1) ~~When~~ **IF** a foreign corporation authorized to
25 transact business in this state is dissolved, or its authority or
26 existence is otherwise terminated or canceled in the jurisdiction
27 of its incorporation, or it is merged into, **CONVERTED INTO**, or

1 consolidated with another corporation **OR BUSINESS ORGANIZATION**,
2 ~~there shall be filed~~ **IT SHALL FILE** with the administrator **ANY**
3 information ~~as may be required by~~ the administrator **REQUIRES** to
4 determine and assess any unpaid fees payable by the foreign
5 corporation as required by law and either of the following:

6 (a) A certificate of the official of the jurisdiction of
7 incorporation of the foreign corporation who has custody of the
8 records pertaining to corporations, evidencing the occurrence of
9 the event.

10 (b) A certified copy of an order or judgment of a court of
11 competent jurisdiction directing dissolution of the foreign
12 corporation, the termination of its existence, or the cancellation
13 of its authority.

14 (2) ~~Upon filing of the~~ **IF A** certificate, order, or judgment
15 ~~and payment of~~ **DESCRIBED IN SUBSECTION (1) IS FILED AND** the filing
16 fee prescribed by law **IS PAID**, the administrator shall issue a
17 certificate of withdrawal ~~with~~ **THAT HAS** the same effect as provided
18 ~~in~~ **UNDER** section 1032.

19 (3) **AS USED IN THIS SECTION, "BUSINESS ORGANIZATION" MEANS**
20 **THAT TERM AS DEFINED IN SECTION 736(1).**

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

26 (a) The corporation fails to maintain a resident agent in this
27 state as required ~~by~~ **UNDER** this act.

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

4 (c) The corporation fails to file an amended application as
5 required ~~by-UNDER~~ this act.

6 (d) The corporation, after becoming the survivor to a merger
7 **OR CONVERSION**, fails to file the certificate attesting to the
8 occurrence of the merger **OR CONVERSION** as required ~~by-UNDER~~ this
9 act.

10 (e) The corporation fails to file its annual report within the
11 time required ~~by-UNDER~~ this act, or fails to pay an annual filing
12 fee required ~~by-UNDER~~ this act.

13 Enacting section 1. The professional service corporation act,
14 1962 PA 192, MCL 450.221 to 450.235, is repealed.