

SENATE BILL No. 625

November 21, 1991, Introduced by Senators DILLINGHAM,
MC MANUS, HONIGMAN, V. SMITH and DINGELL and referred
to the Committee on Corporations and Economic Development.

A bill to amend sections 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, 1012, 1014, 1016, 1021,
1042, 1060, and 1062 of Act No. 284 of the Public Acts of 1972,
entitled

"Business corporation act,"

sections 131, 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, sections 631, 643, 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

450.1131, 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, 450.2012, 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 131, 209, 251, 261, 338, 344, 345, 402,
 2 403, 407, 423, 447a, 472, 492a, 496, 505, 515a, 528, 551, 564b,
 3 565, 571, 631, 643, 712, 735, 741, 753, 761, 764, 769, 778, 791,
 4 805, 811, 834, 841a, 842a, 911, 1012, 1014, 1016, 1021, 1042,
 5 1060, and 1062 of Act No. 284 of the Public Acts of 1972, sec-
 6 tions 131, 209, 251, 261, 407, 423, 472, 505, 528, 551, 565, 571,
 7 712, 741, 753, 761, 764, 769, 805, 911, 1014, 1021, 1042, 1060,
 8 and 1062 as amended and sections 344, 345, 447a, 492a, 496, 515a,
 9 564b, 735, 841a, and 842a as added by Act No. 121 of the Public
 10 Acts of 1989, sections 631, 643, and 1016 as amended by Act
 11 No. 407 of the Public Acts of 1982, section 778 as amended by Act
 12 No. 31 of the Public Acts of 1989, and section 791 as added by
 13 Act No. 58 of the Public Acts of 1988, being sections 450.1131,
 14 450.1209, 450.1251, 450.1261, 450.1338, 450.1344, 450.1345,
 15 450.1402, 450.1403, 450.1407, 450.1423, 450.1447a, 450.1472,
 16 450.1492a, 450.1496, 450.1505, 450.1515a, 450.1528, 450.1551,
 17 450.1564b, 450.1565, 450.1571, 450.1631, 450.1643, 450.1712,

1 450.1735, 450.1741, 450.1753, 450.1761, 450.1764, 450.1769,
2 450.1778, 450.1791, 450.1805, 450.1811, 450.1834, 450.1841a,
3 450.1842a, 450.1911, 450.2012, 450.2014, 450.2016, 450.2021,
4 450.2042, 450.2060, and 450.2062 of the Michigan Compiled Laws,
5 are amended to read as follows:

6 Sec. 131. (1) A document required or permitted to be filed
7 under this act shall be filed by delivering the document to the
8 administrator together with the fees and accompanying documents
9 required by law. If the document substantially conforms to the
10 requirements of this act, the administrator shall indorse upon it
11 the word "filed" with his or her official title and the date of
12 receipt and of filing, and shall file and index the document, or
13 a ~~microfilm~~ PHOTOSTATIC, MICROGRAPHIC, PHOTOGRAPHIC, OPTICAL
14 DISC MEDIA, or other reproduced copy in his or her office. If so
15 requested at the time of the delivery of the document to his or
16 her office, the administrator shall include the hour of filing in
17 his or her indorsement. The administrator shall prepare and
18 return a true copy of the document other than an annual report,
19 or at his or her discretion the original, to the person who sub-
20 mitted it for filing showing the filing date. The records and
21 files of the administrator relating to domestic and foreign cor-
22 porations shall be open to reasonable inspection by the public.
23 The records or files may, at the discretion of the administrator,
24 be maintained either in their original form, or in ~~microfilm~~ A
25 PHOTOSTATIC, MICROGRAPHIC, PHOTOGRAPHIC, OPTICAL DISC MEDIA, or
26 other reproduced form. The administrator may make copies of all
27 documents filed under this act, or any predecessor act, by

1 ~~microfilm~~ A PHOTOSTATIC, MICROGRAPHIC, PHOTOGRAPHIC, OPTICAL
2 DISC MEDIA, or other process, and may destroy the originals of
3 the documents so copied. A PHOTOSTATIC, MICROGRAPHIC, PHOTO-
4 GRAPHIC, OPTICAL DISC MEDIA, OR OTHER REPRODUCED COPY CERTIFIED
5 BY THE ADMINISTRATOR SHALL BE CONSIDERED AN ORIGINAL FOR ALL PUR-
6 POSES AND IS ADMISSIBLE IN EVIDENCE IN LIKE MANNER AS AN
7 ORIGINAL.

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

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

15 (a) A provision ~~of this act or another statute of this~~
16 ~~state,~~ for management of the business and conduct of the affairs
17 of the corporation, or creating, defining, limiting, or regulat-
18 ing the powers of the corporation, its directors and sharehold-
19 ers, or a class of shareholders.

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

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

1 (i) A breach of the director's duty of loyalty to the
2 corporation or its shareholders.

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

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

6 (iv) A transaction from which the director derived an
7 improper personal benefit.

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

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

14 (2) In time of war or other national emergency, a corpora-
15 tion may take any lawful action to provide aid, notwithstanding
16 the purposes set forth in its articles of incorporation, at the
17 request or direction of a competent governmental authority.

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

22 (a) Have perpetual duration.

23 (b) Sue and be sued in all courts and participate in actions
24 and proceedings, judicial, administrative, arbitratve, or other-
25 wise, in the same manner as natural persons.

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

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

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

12 (f) Purchase, receive, take by grant, gift, devise, bequest
13 or otherwise, lease, or otherwise acquire, own, hold, improve,
14 employ, use and otherwise deal in and with, real or personal
15 property, or an interest in real or personal property, wherever
16 situated.

17 (g) Sell, convey, lease, exchange, transfer, or otherwise
18 dispose of, or mortgage or pledge, or create a security interest
19 in any of its property or an interest in its property, wherever
20 situated.

21 (h) Purchase, take, receive, subscribe for, or otherwise
22 acquire, own, hold, vote, employ, sell, lend, lease, exchange,
23 transfer or otherwise dispose of, mortgage, pledge, use and oth-
24 erwise deal in and with, bonds and other obligations, shares or
25 other securities or interests issued by others, whether engaged
26 in similar or different business, governmental, or other
27 activities, including banking corporations or trust companies. A

1 corporation organized or transacting business in this state under
2 this act shall not guarantee or become surety upon a bond or
3 other undertaking securing the deposit of public money.

4 (i) Make contracts, give guarantees and incur liabilities,
5 borrow money at rates of interest as the corporation may deter-
6 mine, issue its notes, bonds, and other obligations, and secure
7 any of its obligations by mortgage or pledge of any of its prop-
8 erty or an interest in its property, wherever situated. This
9 power shall include the power to give guarantees which are neces-
10 sary or convenient to the conduct, promotion, or attainment of
11 the business of any of the following corporations, whether or not
12 subject to this act, which guarantees shall be considered to be
13 in furtherance of the corporate purposes of the contracting
14 corporation:

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

17 (ii) A corporation which owns, directly or indirectly, all
18 of the outstanding ~~stock~~ SHARES of the contracting
19 corporation.

20 (iii) All of the outstanding ~~stock~~ SHARES of which ~~is~~
21 ARE owned, directly or indirectly, by a corporation, whether or
22 not subject to this act, which owns, directly or indirectly, all
23 of the outstanding ~~stock~~ SHARES of the contracting
24 corporation.

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

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

6 (l) Pay pensions, establish and carry out pension, profit
7 sharing, share bonus, share purchase, share option, savings,
8 thrift and other retirement, incentive and benefit plans, trusts,
9 and provisions for any of its directors, officers, and
10 employees.

11 (m) Purchase, receive, take, otherwise acquire, own, hold,
12 sell, lend, exchange, transfer, otherwise dispose of, pledge, use
13 and otherwise deal in and with its own shares, bonds, and other
14 securities.

15 (n) Participate with others in any corporation, partnership,
16 limited partnership, joint venture, or other association of any
17 kind, or in any transaction, undertaking, or agreement which the
18 participating corporation would have power to conduct by itself,
19 whether or not the participation involves sharing or delegation
20 of control with or to others.

21 (o) Cease its corporate activities and dissolve.

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

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

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

5 Sec. 338. (1) A corporation may issue certificates for
6 fractions of a share where necessary to effect share transfers,
7 share distributions or a reclassification, merger,
8 ~~consolidation~~ SHARE EXCHANGE, or reorganization, which shall
9 entitle the holders, in proportion to their fractional holdings,
10 to exercise voting rights ~~—~~ AND TO receive dividends and
11 ~~participate in liquidating~~ distributions.

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

15 (3) As an alternative, a corporation may issue scrip in reg-
16 istered or bearer form over the manual or facsimile signature of
17 an officer of the corporation or of its agent, exchangeable as
18 therein provided for full shares, but such scrip shall not enti-
19 tle the holder to any right of a shareholder except as therein
20 provided. The scrip shall be issued subject to the condition
21 that it becomes void if not exchanged for certificates represent-
22 ing full shares before a specified date. The scrip may be
23 subject to the condition that the shares for which the scrip is
24 exchangeable may be sold by the corporation and the proceeds
25 thereof distributed to the holders of the scrip, or subject to
26 any other condition which the board may determine.

1 (4) A corporation may provide reasonable opportunity for
2 persons entitled to fractions of a share or scrip to sell them or
3 to purchase additional fractions of a share or scrip needed to
4 acquire a full share.

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

9 (2) If the articles prohibit reissue of any shares so
10 acquired, the board by resolution shall adopt and file an amend-
11 ment of the articles reducing the number of authorized shares
12 accordingly.

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

17 (4) SHARES OF A CORPORATION ACQUIRED BY IT MAY BE PLEDGED AS
18 SECURITY FOR THE PAYMENT OF THE PURCHASE PRICE OF THE SHARES AND,
19 UNTIL THE PURCHASE PRICE IS PAID BY THE CORPORATION, SUCH SHARES
20 ARE NOT CANCELED AND DO NOT CONSTITUTE AUTHORIZED BUT UNISSUED
21 SHARES. HOWEVER, THE ACQUIRED AND PLEDGED SHARES SHALL NOT BE
22 VOTED DIRECTLY OR INDIRECTLY AT ANY MEETING OR OTHERWISE, SHALL
23 NOT BE COUNTED IN DETERMINING THE TOTAL NUMBER OF ISSUED SHARES
24 ENTITLED TO VOTE AT ANY GIVEN TIME, AND, UPON PAYMENT OF THE PUR-
25 CHASE PRICE, ARE CANCELED AND CONSTITUTE AUTHORIZED BUT UNISSUED
26 SHARES. IF THE ARTICLES PROHIBIT REISSUE OF CANCELED SHARES,
27 THEN THE RESOLUTION REQUIRED BY SUBSECTION (2) SHALL BE FILED.

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

5 (2) If the board does not fix the record date for determin-
6 ing shareholders entitled to a distribution, other than one
7 involving a purchase, redemption, or acquisition of the
8 corporation's shares, it is the date the board authorizes the
9 distribution.

10 (3) No distribution may be made if, after giving it effect,
11 the corporation would not be able to pay its debts as they become
12 due in the usual course of business, or the corporation's total
13 assets would be less than the sum of its total liabilities plus,
14 unless the articles permit otherwise, the amount that would be
15 needed, if the corporation were to be dissolved at the time of
16 the distribution, to satisfy the preferential rights upon disso-
17 lution of shareholders whose preferential rights are superior to
18 those receiving the distribution.

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

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

26 (a) Except as provided in subsection (7), in the case of a
27 distribution by purchase, redemption, or other acquisition of the

1 corporation's shares, as of the earlier of the date money or
2 other property is transferred or debt incurred by the corpora-
3 tion, or the date the shareholder ceases to be a shareholder with
4 respect to the acquired shares.

5 (b) In the case of any other distribution of indebtedness,
6 as of the date the indebtedness is authorized if distribution
7 occurs within 120 days after the date of authorization or the
8 date the indebtedness is distributed if it occurs more than 120
9 days after the date of authorization.

10 (c) In all other cases, as of the date the distribution is
11 authorized if the payment occurs within 120 days after the date
12 of authorization or the date the payment is made if it occurs
13 more than 120 days after the date of authorization.

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

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

24 (a) At any time prior to the due date of the obligation,
25 payments of principal and interest may be made as a distribution
26 to the extent that a distribution may then be made under this
27 section.

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

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

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

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

18 Sec. 402. An annual meeting of shareholders for election of
19 directors and for such other business as may come before the
20 meeting shall be held at a time as provided in the bylaws, unless
21 such action is taken by written consent as provided in section
22 407. Failure to hold the annual meeting at the designated time,
23 or to elect a sufficient number of directors at the meeting or
24 any adjournment thereof, does not affect otherwise valid corpo-
25 rate acts or work a forfeiture or give cause for dissolution of
26 the corporation, except as provided in section 823. If the
27 annual meeting is not held on the date designated therefor, the

1 board shall cause the meeting to be held as soon thereafter as
2 convenient. If the annual meeting is not held for 90 days after
3 the date designated therefor, or if no date has been designated
4 for 15 months after organization of the corporation or after its
5 last annual meeting, the circuit court of the county in which the
6 PRINCIPAL PLACE OF BUSINESS OR registered office of the corpora-
7 tion is located, upon application of a shareholder, may summarily
8 order the meeting or the election, or both, to be held at such
9 time and place, upon such notice and for the transaction of such
10 business as may be designated in the order. At any such meeting
11 ordered to be called by the court, the shareholders present in
12 person or by proxy and having voting powers constitute a quorum
13 for transaction of the business designated in the order.

14 Sec. 403. A special meeting of shareholders may be called
15 by the board, or by officers, directors or shareholders as pro-
16 vided in the bylaws. Notwithstanding any such provision, upon
17 application of the holders of not less than 10% of all the shares
18 entitled to vote at a meeting, the circuit court of the county in
19 which the PRINCIPAL PLACE OF BUSINESS OR registered office is
20 located, for good cause shown, may order a special meeting of
21 shareholders to be called and held at such time and place, upon
22 such notice and for the transaction of such business as may be
23 designated in the order. At any such meeting ordered to be
24 called by the court, the shareholders present in person or by
25 proxy and having voting powers constitute a quorum for transac-
26 tion of the business designated in the order.

1 Sec. 407. (1) The articles of incorporation may provide
2 that any action required or permitted by this act to be taken at
3 an annual or special meeting of shareholders may be taken without
4 a meeting, without prior notice, and without a vote, if consents
5 in writing, setting forth the action so taken, are signed by the
6 holders of outstanding shares having not less than the minimum
7 number of votes that would be necessary to authorize or take the
8 action at a meeting at which all shares entitled to vote on the
9 action were present and voted. The written consents shall bear
10 the date of signature of each shareholder who signs the consent.
11 No written consents shall be effective to take the corporate
12 action referred to unless, within 60 days after the record date
13 for determining shareholders entitled to express consent to or to
14 dissent from a proposal without a meeting, written consents DATED
15 NOT MORE THAN 10 DAYS BEFORE THE RECORD DATE AND signed by a suf-
16 ficient number of shareholders to take the action are delivered
17 to the corporation. Delivery shall be to the corporation's reg-
18 istered office, its principal place of business, or an officer or
19 agent of the corporation having custody of the minutes of the
20 proceedings of its shareholders. Delivery made to a
21 corporation's registered office shall be by hand or by certified
22 or registered mail, return receipt requested. Prompt notice of
23 the taking of the corporate action without a meeting by less than
24 unanimous written consent shall be given to shareholders WHO
25 WOULD HAVE BEEN ENTITLED TO NOTICE OF THE SHAREHOLDER MEETING IF
26 THE ACTION HAD BEEN TAKEN AT A MEETING AND who have not consented
27 in writing. If the action consented to would have required

1 filing of a certificate under any other section of this act, if
2 the action had been voted upon by shareholders at a meeting of
3 the shareholders, the certificate filed under such other section
4 shall state, in lieu of any statement required by the section
5 concerning a vote of shareholders, that both written consent and
6 written notice have been given as provided in this section.

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

18 Sec. 423. (1) A proxy becomes revocable, notwithstanding a
19 provision making it irrevocable, after the pledge is redeemed or
20 the security interest is terminated, or the debt of the corpora-
21 tion is paid, or the period of employment provided for in the
22 contract of employment has terminated, or the agreement under
23 section 461 has terminated. In a case provided for in
24 ~~subdivisions (c) and (d) of~~ section 422 (C) OR (D), the proxy
25 is revocable 3 years after the date of the proxy or at the end of
26 ~~the~~ ANY period ~~, if~~ specified IN THE PROXY, whichever period
27 is less, unless the period of irrevocability is renewed by

1 execution of a new irrevocable proxy. This subsection does not
2 affect the duration of a proxy under ~~subsection (2) of~~ section
3 421(2).

4 (2) A proxy is revocable, notwithstanding a provision making
5 it irrevocable, by a purchaser of shares who did not know of the
6 existence of the provision unless the existence of the proxy and
7 its irrevocability are noted conspicuously on the face or back of
8 the certificate representing the shares.

9 Sec. 447a. Absent an order of a court of competent juris-
10 diction based upon a determination that special circumstances
11 exist and the best interests of the corporation would be served,
12 the shares of a corporation shall not be voted on any matter or
13 considered to be outstanding shares FOR ANY PURPOSE RELATED TO
14 VOTING if they are owned, directly or indirectly, by a second
15 corporation, domestic or foreign, and the first corporation owns,
16 directly or indirectly, a majority of the shares entitled to vote
17 for directors of the second corporation.

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

26 (2) A written restriction on the transfer or registration of
27 transfer of a bond or share of a corporation, if permitted by

1 this section or section 473 and noted conspicuously on the face
2 or back of the instrument, may be enforced against the holder of
3 the restricted instrument or a successor or transferee of the
4 holder including ~~an executor~~ A PERSONAL REPRESENTATIVE, admin-
5 istrator, trustee, guardian, or other fiduciary entrusted with
6 like responsibility for the person or estate of the holder.
7 Unless THE EXISTENCE OF THE RESTRICTION IS noted conspicuously on
8 the face or back of the instrument, a restriction, even though
9 permitted by this section or section 473, is ineffective except
10 against a person with actual knowledge of the restriction.

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

14 (a) ~~He or she~~ THE SHAREHOLDER was a shareholder of the
15 corporation at the time of the act or omission complained of or
16 became a shareholder through transfer by operation of law from
17 one who was a shareholder at that time.

18 (b) ~~He or she~~ THE SHAREHOLDER fairly and adequately repre-
19 sents the interests of the corporation in enforcing the right of
20 the corporation.

21 (c) THE SHAREHOLDER CONTINUES TO BE A SHAREHOLDER UNTIL THE
22 TIME OF JUDGMENT, UNLESS THE FAILURE TO CONTINUE TO BE A SHARE-
23 HOLDER IS THE RESULT OF CORPORATE ACTION IN WHICH THE FORMER
24 SHAREHOLDER DID NOT ACQUIESCE AND THE DERIVATIVE PROCEEDING WAS
25 COMMENCED PRIOR TO THE TERMINATION OF THE FORMER SHAREHOLDER'S
26 STATUS AS A SHAREHOLDER.

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

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

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

1 the corporation or a later time as set forth in the notice of
2 resignation.

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

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

18 (a) The shareholders may fill the vacancy.

19 (b) The board may fill the vacancy.

20 (c) If the directors remaining in office constitute fewer
21 than a quorum of the board, they may fill the vacancy by the
22 affirmative vote of a majority of all the directors remaining in
23 office.

24 (2) Unless otherwise provided in the articles, if the hold-
25 ers of any class or classes of stock or series are entitled to
26 elect 1 or more directors to the exclusion of other shareholders,

1 vacancies of that class or classes or series may be filled only
2 by 1 of the following:

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

6 (b) By the holders of shares of that class or classes of
7 shares, or series.

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

14 (4) If because of death, resignation, or other cause, a cor-
15 poration has no directors in office, an officer, a shareholder, a
16 personal representative, administrator, trustee, or guardian of a
17 shareholder, or other fiduciary entrusted with like responsibil-
18 ity for the person or estate of a shareholder, may call a special
19 meeting of shareholders in accordance with the articles or the
20 bylaws.

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

26 Sec. 528. (1) A committee designated pursuant to section
27 527, to the extent provided in the resolution of the board or in

1 the bylaws, may exercise all powers and authority of the board in
2 management of the business and affairs of the corporation. A
3 committee does not have power or authority to do any of the
4 following:

5 (a) Amend the articles of incorporation.

6 (b) Adopt an agreement of merger or ~~consolidation~~ SHARE
7 EXCHANGE.

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

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

13 (e) Amend the bylaws of the corporation.

14 (f) Fill vacancies in the board.

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

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

25 (a) Declaration of a share dividend or distribution to
26 shareholders contrary to this act or contrary to any restriction
27 in the articles of incorporation. ~~or bylaws.~~

1 (b) Distribution to shareholders during or after dissolution
2 of the corporation without paying or providing for debts, obliga-
3 tions, and liabilities of the corporation as required by
4 section 855a.

5 (c) Making of a loan to a director, officer, or employee of
6 the corporation or of a subsidiary of the corporation contrary to
7 this act.

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

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

15 Sec. 564b. (1) A corporation may pay or reimburse the rea-
16 sonable expenses incurred by a director, officer, employee, or
17 agent who is a party or threatened to be made a party to an
18 action, suit, or proceeding in advance of final disposition of
19 the proceeding if all of the following apply:

20 (a) The person furnishes the corporation a written affirma-
21 tion of his or her good faith belief that he or she has met the
22 applicable standard of conduct set forth in sections 561 and
23 562.

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

1 (c) A determination is made that the facts then known to
2 those making the determination would not preclude indemnification
3 under this act.

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

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

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

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

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

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

25 (b) "Other enterprises" shall include employee benefit
26 plans.

1 (c) "Serving at the request of the corporation" shall
2 include any service as a director, officer, employee, or agent of
3 the corporation which imposes duties on, or involves services by,
4 the director, officer, employee, or agent with respect to an
5 employee benefit plan, its participants, or its beneficiaries.

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

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

18 (2) In case of any other amendment, except as otherwise pro-
19 vided in this act, a certificate of amendment shall be executed
20 and filed on behalf of the corporation, setting forth the amend-
21 ment, and certifying that the amendment has been adopted in
22 accordance with section 611(2).

23 (3) A certificate of amendment shall set forth the entire
24 article being amended; however, if the article being amended is
25 divided into separately identified sections, the certificate of
26 amendment need only set forth the section of the article being
27 amended.

1 Sec. 643. (1) Restated articles of incorporation adopted as
2 provided in section 641(2) shall be signed by ~~all of~~ the
3 MAJORITY OF incorporators and filed in accordance with section
4 131.

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

8 (3) When that filing becomes effective, the corporation's
9 original articles of incorporation, as amended, are superseded;
10 and thenceforth the restated articles, including any further
11 amendments made thereby, shall be the articles of incorporation
12 of the corporation.

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

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

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

22 (2) The merger shall become effective in accordance with
23 section 131.

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

1 (a) In a merger, the merger is permitted by the law of the
2 state or country under whose law each foreign corporation is
3 incorporated and each foreign corporation complies with that law
4 in effecting the merger provided that if the parent corporation
5 in a merger conducted pursuant to section 711 is a foreign corpo-
6 ration, it shall comply, notwithstanding the provisions of the
7 laws of its jurisdiction of incorporation, with section 711(2)
8 with respect to notice to shareholders of a domestic subsidiary
9 corporation which is a party to the merger and with section 712
10 with respect to the certificate of merger.

11 (b) In a share exchange, the corporation whose shares will
12 be acquired is a domestic corporation, whether or not a share
13 exchange is permitted by the law of the state or country under
14 whose law the acquiring corporation is incorporated.

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

17 (2) If the surviving corporation of a merger or the acquir-
18 ing corporation in a share exchange is to be governed by the laws
19 of a jurisdiction other than this state, it shall comply with the
20 provisions of this act with respect to foreign corporations if it
21 is to transact business in this state. The SURVIVING corporation
22 IN A MERGER is liable, and is subject to service of process in a
23 proceeding in this state, for the enforcement of an obligation of
24 a domestic corporation which is party to the merger, ~~or share~~
25 ~~exchange,~~ and in a proceeding for the enforcement of a right of
26 a dissenting shareholder of a domestic corporation against the
27 surviving ~~or acquiring~~ corporation.

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

5 Sec. 741. At any time before the effective date of a cer-
6 tificate of merger or share exchange, the merger or share
7 exchange may be abandoned, subject to any contractual rights,
8 without further shareholder action, in accordance with the proce-
9 dure set forth in the plan of merger or share exchange or, if
10 none IS set forth, in the manner determined by the board. If a
11 certificate of merger or share exchange has been filed by a cor-
12 poration, it shall file a certificate of abandonment within 10
13 days after the abandonment, but not later than the proposed
14 effective day.

15 Sec. 753. (1) A sale, lease, exchange, or other disposition
16 of all, or substantially all, the property and assets, with or
17 without the goodwill, of a corporation, if not in the usual and
18 regular course of its business as conducted by the corporation,
19 may be made upon terms and conditions and for a consideration,
20 which may consist in whole or in part of cash or other property,
21 including shares, bonds, or other securities of any other corpo-
22 ration, domestic or foreign, as authorized as provided in this
23 section.

24 (2) The board must recommend the proposed transaction to the
25 shareholders unless the board determines that because of conflict
26 of interest or other special circumstances it should make no
27 recommendation and communicates the basis for its determination

1 to the shareholders with the submission of the proposed
2 transaction.

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

5 (4) The proposed transaction shall be submitted for approval
6 at a meeting of shareholders. Notice of the meeting shall be
7 given to each shareholder of record whether or not entitled to
8 vote at the meeting within the time and in the manner provided in
9 this act for the giving of notice of meetings of shareholders.
10 The notice shall include or be accompanied by both of the
11 following:

12 (a) A statement summarizing the principal terms of the pro-
13 posed transaction or a copy of any documents containing the prin-
14 cipal terms.

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

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

25 (6) Notwithstanding authorization by the shareholders, the
26 board may abandon the sale, lease, exchange, or other
27 disposition, subject to the rights of third parties under any

1 contracts relating thereto, without further action or approval by
2 shareholders.

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

4 (a) "Beneficial shareholder" means the person who is a bene-
5 ficial owner of shares held by a nominee as the record
6 shareholder.

7 (b) "Corporation" means the issuer of the shares held by a
8 dissenter before the corporate action, or the surviving ~~or~~
9 ~~acquiring~~ corporation by merger ~~or share exchange~~ of that
10 issuer.

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

15 (d) "Fair value", with respect to a dissenter's shares,
16 means the value of the shares immediately before the effectuation
17 of the corporate action to which the dissenter objects, excluding
18 any appreciation or depreciation in anticipation of the corporate
19 action unless exclusion would be inequitable.

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

25 (f) "Record shareholder" means the person in whose name
26 shares are registered in the records of a corporation or the

1 beneficial owner of shares to the extent of the rights granted by
2 a nominee certificate on file with a corporation.

3 (g) "Shareholder" means the record or beneficial
4 shareholder.

5 Sec. 764. (1) If proposed corporate action creating
6 dissenters' rights under section 762 is submitted to a vote at a
7 shareholders' meeting, the meeting notice must state that share-
8 holders are or may be entitled to assert dissenters' rights under
9 this act and shall be accompanied by a copy of sections 761 to
10 774.

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

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

24 (2) The payment must be accompanied by all of the
25 following:

26 (a) The corporation's balance sheet as of the end of a
27 fiscal year ending not more than 16 months before the date of

1 payment, an income statement for that year, a statement of
2 changes in shareholders' equity for that year, and if available
3 the latest interim financial statements.

4 (b) A statement of the corporation's estimate of the fair
5 value of the shares.

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

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

9 Sec. 778. (1) "Equity security" means any 1 of the
10 following:

11 (a) Any stock or similar security, certificate of interest,
12 or participation in any profit sharing agreement, voting trust
13 certificate, or voting share.

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

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

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

22 (a) The beneficial owner, directly or indirectly, of 10% or
23 more of the voting power of the outstanding voting ~~share~~ SHARES
24 of the corporation.

25 (b) An affiliate of the corporation and at any time within
26 the 2-year period immediately prior to the date in question was
27 the beneficial owner, directly or indirectly, of 10% or more of

1 the voting power of the then outstanding voting ~~share~~ SHARES of
2 the corporation.

3 (c) For the purpose of determining whether a person is an
4 interested shareholder pursuant to subdivision (a) or (b), the
5 number of shares of voting shares considered to be outstanding
6 shall include all voting shares owned by the person except for
7 those shares which may be issuable pursuant to any agreement,
8 arrangement, or understanding, or upon exercise of conversion
9 rights, warrants or options, or otherwise.

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

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

14 (i) The composite tape for New York stock exchange--listed
15 securities.

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

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

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

26 (v) If a listing is not available pursuant to subparagraphs
27 (i) to (iv), then, the fair market value of the shares, on the

1 date in question, as determined in good faith by the
2 corporation's board of directors.

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

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

10 Sec. 791. (1) As used in this chapter, "control share
11 acquisition" means the acquisition, directly or indirectly, by
12 any person of ownership of, or the power to direct the exercise
13 of voting power with respect to, issued and outstanding control
14 shares.

15 (2) For purposes of this section, shares or the power to
16 direct the exercise of voting power acquired within a 90-day
17 period, or shares or the power to direct the exercise of voting
18 power acquired pursuant to a plan to make a control share acqui-
19 sition, are considered to have been acquired in the same
20 acquisition.

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

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

5 (a) Before January 1, 1988.

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

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

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

12 (e) Pursuant to a merger or ~~consolidation~~ SHARE EXCHANGE
13 effected in compliance with sections 701 to ~~733~~ 735 if the
14 issuing public corporation is a party to the agreement of merger
15 or ~~consolidation~~ SHARE EXCHANGE.

16 (f) By a governmental official acting in an official or
17 fiduciary capacity.

18 (5) For purposes of this section, the acquisition of shares
19 of an issuing public corporation in good faith and not for the
20 purpose of circumventing this chapter by any person whose voting
21 rights previously had been authorized by shareholders in compli-
22 ance with this chapter, or whose previous acquisition of shares
23 of an issuing public corporation would have constituted a control
24 share acquisition but for subsection (4), does not constitute a
25 control share acquisition, unless the acquisition entitles a
26 person, directly or indirectly, alone or as part of a group, to
27 exercise or direct the exercise of voting power of the

1 corporation in the election of directors in excess of the range
2 of the voting power which the acquiring person was entitled to
3 exercise or direct prior to such acquisition.

4 Sec. 805. (1) The articles of incorporation may contain a
5 provision that a shareholder, or the holders of any specified
6 number or proportion of shares, or of any specified number or
7 proportion of shares of a class or series, may require dissolu-
8 tion of the corporation at will or upon the occurrence of a spec-
9 ified event, if all the incorporators have authorized the provi-
10 sion in the articles or the holders of record of all outstanding
11 shares authorize the provision in an amendment to the articles.

12 (2) If the articles contain this provision, dissolution may
13 be effected by the execution and filing of a certificate of dis-
14 solution on behalf of the corporation when authorized by a holder
15 or holders of the number or proportion of shares specified in the
16 provision, obtained in the manner as may be specified in the
17 articles, or if no manner is specified, when authorized on writ-
18 ten consent signed by the holder or holders. The certificate of
19 dissolution shall state the name of the corporation and that the
20 corporation is dissolved pursuant to a designated provision in
21 the articles.

22 (3) A provision authorized by subsection (1) becomes invalid
23 if subsequent to the adoption of the provision, shares are trans-
24 ferred or issued to a person who takes delivery of the share cer-
25 tificate without actual notice of the provision, unless that
26 person consents in writing to the provision. If the articles
27 contain a provision authorized by subsection (1) and the

1 existence of the provision is noted CONSPICUOUSLY on the face or
2 back of a certificate for shares issued by the corporation, a
3 holder of that certificate is conclusively considered to have
4 taken delivery with actual notice of the provision.

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

8 Sec. 811. (1) Dissolution proceedings commenced pursuant to
9 sections 804 or 805 may be revoked before complete distribution
10 of assets, if a proceeding pursuant to section 851 is not pend-
11 ing, by filing a certificate of revocation executed, in person or
12 by proxy, by all the shareholders, stating that revocation is
13 effective pursuant to this section and that all the shareholders
14 of the corporation have executed the certificate in person or by
15 proxy.

16 (2) Dissolution proceedings commenced pursuant to section
17 804 may also be revoked before complete distribution of assets,
18 if a proceeding pursuant to section 851 is not pending, in the
19 following manner:

20 (a) The board of directors shall adopt a resolution that the
21 dissolution be revoked. The proposed revocation shall be submit-
22 ted for approval at a meeting of shareholders. The shareholders
23 shall be given the same notice of the meeting and the revocation
24 shall be approved by the same vote, as that required by section
25 804 for the approval of dissolution.

26 (b) A certificate of revocation, stating that dissolution is
27 revoked pursuant to this section, and giving the information

1 required by ~~subsection (5) of~~ section 804 (7), shall be
2 executed and filed on behalf of the corporation.

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

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

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

13 (c) The dissolution does not change quorum or voting
14 requirements for the board or shareholders, and does not alter
15 provisions regarding election, appointment, resignation or
16 removal of, or filling vacancies among, directors or officers, or
17 provisions regarding amendment or repeal of bylaws or adoption of
18 new bylaws.

19 (d) Shares may be transferred.

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

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

25 Sec. 841a. (1) The dissolved corporation may notify its
26 existing claimants in writing of the dissolution at any time

1 after the effective date of the dissolution. The written notice
2 shall include all of the following:

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

7 (b) ~~Provide a~~ A mailing address where a claim may be
8 sent.

9 (c) ~~State the~~ THE deadline, which may not be less than
10 6 months from the effective date of the written notice, by which
11 the dissolved corporation must receive the claim.

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

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

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

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

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

26 (4) For purposes of this section AND SECTION 842A, "existing
27 claim" means any claim or right against the corporation,

1 liquidated or unliquidated. It does not mean a contingent
2 liability or a claim based on an event occurring after the effec-
3 tive date of dissolution.

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

6 (a) The date it is received.

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

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

13 Sec. 842a. (1) A dissolved corporation may also publish
14 notice of dissolution at any time after the effective date of
15 dissolution and request that persons with claims against the cor-
16 poration present them in accordance with the notice.

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

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

22 (b) Describe the information that must be included in a
23 claim and provide a mailing address where the claim may be sent.
24 The corporation may demand sufficient information to permit it to
25 make a reasonable judgment whether the claim should be accepted
26 or rejected.

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

5 (3) If the dissolved corporation publishes a newspaper
 6 notice in accordance with subsection (2), the claim of each of
 7 the following claimants is barred unless the claimant commences a
 8 proceeding to enforce the claim against the dissolved corporation
 9 within 1 year after the publication date of the newspaper
 10 notice:

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

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

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

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

23 Sec. 911. (1) Each domestic corporation and each foreign
 24 corporation subject to chapter 10 shall file a report with the
 25 administrator no later than May 15 of each year. The report
 26 shall be on a form approved by the administrator, signed in ink

1 by an authorized officer or agent of the corporation, and shall
2 contain all of the following:

3 (a) Name of the corporation.

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

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

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

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

13 (f) ~~Amount of authorized stock~~ TOTAL NUMBER OF AUTHORIZED
14 SHARES and number of shares of each class authorized.

15 (g) ~~Amount of stock subscribed.~~ FOR EACH FOREIGN CORPORA-
16 TION AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, THE MOST
17 RECENT PERCENTAGE USED IN COMPUTATION OF THE TAX REQUIRED BY THE
18 SINGLE BUSINESS TAX ACT, ACT NO. 228 OF THE PUBLIC ACTS OF 1975,
19 BEING SECTIONS 208.1 TO 208.145 OF THE MICHIGAN COMPILED LAWS.

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

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

24 (I) ~~(j)~~ A complete and detailed statement of the assets
25 and liabilities of the corporation as shown by the books of the
26 corporation, at the close of business on December 31 or upon the
27 date of the close of its latest fiscal year. ~~, which for~~ FOR a

1 domestic corporation, THE BALANCE SHEET INFORMATION shall be the
2 same ~~balance sheet~~ as THAT furnished to shareholders ~~as~~
3 ~~required by~~ UNDER section 901. A corporation which is a member
4 of an affiliated group of corporations which regularly prepare
5 financial statements on a consolidated basis may file a consoli-
6 dated balance sheet in place of the statement of assets and
7 liabilities required in this subdivision.

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

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

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

19 (a) Maintaining, ~~or~~ defending, ~~an action or suit or an~~
20 ~~administrative or arbitrate proceeding, or effecting the set-~~
21 ~~tlement thereof or the settlement of a claim or dispute~~ OR SET-
22 TLING ANY PROCEEDING.

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

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

1 (d) ~~Maintaining an office or agency~~ OFFICES OR AGENCIES
2 for the transfer, exchange, and registration of ~~its~~ THE
3 CORPORATION'S OWN securities ~~,~~ or ~~appointing and~~ maintaining
4 a ~~trustee or depository~~ TRUSTEES OR DEPOSITORIES with ~~relation~~
5 ~~to its~~ RESPECT TO THOSE securities.

6 (e) ~~Effecting sales through an independent contractor.~~
7 SELLING THROUGH INDEPENDENT CONTRACTORS.

8 (f) Soliciting or ~~procuring~~ OBTAINING orders, whether by
9 mail or through employees or agents or otherwise, ~~where such~~ IF
10 THE orders require acceptance ~~without~~ OUTSIDE this state before
11 ~~becoming binding~~ THEY BECOME contracts.

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

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

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

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

23 (K) TRANSACTING BUSINESS IN INTERSTATE COMMERCE.

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

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

3 (A) A FOREIGN CORPORATION ORGANIZED NOT FOR PECUNIARY
4 PROFIT.

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

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

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

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

15 (b) The government of any state or political subdivision of
16 the state or of the United States or of any foreign nation or any
17 political subdivision of the United States or a foreign nation,
18 or any corporation organized as an instrumentality of the govern-
19 ment of any of the foregoing.

20 Sec. 1016. (1) A certificate setting forth that the corpo-
21 ration is in good standing under the laws of the jurisdiction of
22 its incorporation, executed by the official of the jurisdiction
23 who has custody of the records pertaining to corporations and
24 dated not earlier than 30 days before filing of the application,
25 shall be attached to the application of a foreign corporation.

26 If the certificate is in a foreign language, a translation of the

1 certificate under oath of the translator shall be attached to the
2 certificate.

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

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

1 (a) The name of the foreign corporation as it appears on the
2 records of the administrator and the jurisdiction of its
3 incorporation.

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

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

11 (d) If the business the foreign corporation proposes to do
12 in this state is to be enlarged, limited, or otherwise changed, a
13 statement reflecting the change and a statement that the foreign
14 corporation is authorized to do in the jurisdiction of its incor-
15 poration the business which it proposes to do in this state.

16 (e) Any additional information as the administrator may
17 require.

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

1 information set forth in the application, the foreign corporation
2 shall also comply with subsection (1).

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

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

20 (2) The notice shall be sent by first class mail to the cor-
21 poration at its registered office in this state and at its main
22 business or headquarters office as these offices are on record in
23 the office of the administrator.

24 (3) Upon revoking a certificate of authority, the adminis-
25 trator shall issue a certificate of revocation and mail a copy to
26 the corporation at each of the addresses designated in subsection
27 (2).

1 (4) The issuance of the certificate of revocation has the
2 same force and effect as issuance of a certificate of withdrawal
3 under section 1031.

4 Sec. 1060. (1) The fees to be paid to the administrator
5 when the documents described in this subsection are delivered to
6 him or her for filing are as follows:

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

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

10 (c) Amendment to the articles of a domestic corporation,
11 \$10.00.

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

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

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

17 (F) ~~(g)~~ Certificate ATTESTING TO THE OCCURRENCE of A
18 merger of a foreign corporation, as provided in section 1021,
19 \$10.00.

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

21 (H) ~~(i)~~ Application for withdrawal and issuance of a cer-
22 tificate of withdrawal of a foreign corporation, \$10.00.

23 (I) ~~(j)~~ Application for reservation of corporate name,
24 \$10.00.

25 (J) ~~(k)~~ Certificate of assumed name or a certificate of
26 termination of assumed name, \$10.00.

1 (K) ~~(i)~~ Statement of change of registered office or
2 resident agent, \$5.00.

3 (L) ~~(m)~~ Restated articles of domestic corporations,
4 \$10.00.

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

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

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

9 (P) ~~(q)~~ Certificate of renewal of corporate existence,
10 \$10.00.

11 (Q) ~~(r)~~ For examining a special report required by law,
12 \$2.00.

13 (R) ~~(s)~~ Certificate of registration of corporate name of a
14 foreign corporation, \$50.00.

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

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

19 (2) The fees prescribed in subsection (1), no part of which
20 shall be refunded, shall be in addition to the franchise fees
21 prescribed in this act, and shall, when collected, be paid into
22 the treasury of the state and credited to the administrator to be
23 used solely by the corporation and securities bureau in carrying
24 out those duties required by law.

25 (3) Fees paid by or on behalf of domestic and foreign regu-
26 lated investment companies as defined in section 1064 shall be

1 the same as are charged foreign and domestic corporations for the
2 purposes specified in this section.

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

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

22 (6) If a domestic or foreign corporation pays fees or penal-
23 ties by check and the check is dishonored, the fee shall be con-
24 sidered unpaid and the filing of all related documents will be
25 rescinded.

26 (7) The administrator may accept a credit card, in lieu of
27 cash or check, as payment of a fee under this act. The

1 administrator shall determine which credit cards may be accepted
2 for payment.

3 Sec. 1062. (1) A domestic corporation or cooperative asso-
4 ciation, organized for profit, and a domestic regulated invest-
5 ment company, ~~except corporations organized under the savings~~
6 ~~and loan act of 1980, Act No. 307 of the Public Acts of 1980,~~
7 ~~being sections 491.102 to 491.1202 of the Michigan Compiled~~
8 ~~Laws,~~ at the time of filing its articles OF INCORPORATION, shall
9 pay to the administrator, as an INITIAL organization fee and as
10 an INITIAL admission fee, a sum equal to \$50.00 for the first
11 60,000 authorized shares and \$30.00 for each additional 20,000
12 authorized shares OR PORTION THEREOF, UP TO A MAXIMUM FEE OF
13 \$5,000.00.

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

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

25 (4) A foreign corporation authorized to transact business in
26 this state which increases the ~~amount~~ NUMBER of ~~its~~
27 authorized ~~stock~~ SHARES attributable to this state ~~over the~~

1 ~~previous highest amount of authorized stock attributable to this~~
2 ~~state upon which a franchise fee has been paid~~ shall file ~~a~~
3 ~~supplemental statement~~ AN AMENDED APPLICATION in accordance with
4 section ~~1023~~ 1021 and shall pay an additional admission fran-
5 chise fee of \$30.00 for each ~~additional~~ INCREASE OF 20,000
6 authorized shares ~~of the increase~~ OR PORTION THEREOF ATTRIBUT-
7 ABLE TO THIS STATE, UP TO A MAXIMUM FEE OF \$5,000.00 FOR EACH
8 FILING.

9 (5) The ~~amount~~ NUMBER of authorized ~~stock~~ SHARES attrib-
10 utable to this state shall be determined by multiplying the
11 ~~entire amount~~ TOTAL NUMBER of authorized ~~stock~~ SHARES by the
12 MOST RECENT apportionment percentage used in the computation of
13 the tax required by the single business tax act, Act No. 228 of
14 the Public Acts of 1975, as amended, being sections 208.1 to
15 208.145 of the Michigan Compiled Laws. If the business activi-
16 ties are confined solely to this state, the ~~entire amount~~ TOTAL
17 NUMBER of authorized ~~stock~~ SHARES shall be considered attribut-
18 able to this state.

19 (6) The administrator shall be authorized to require the
20 corporation to furnish detailed and exact information relating to
21 the determination of fees before making a final determination of
22 the organization OR ADMISSION FRANCHISE fee to be paid by the
23 corporation.

24 (7) "Corporation", as used in this section, includes part-
25 nership associations limited, cooperative associations, joint
26 associations having any of the powers of corporations, and common
27 law trust or trusts created by statute of this or another state

1 or country exercising common law powers in the nature of
2 corporations, whether domestic or foreign, in addition to other
3 corporations as are referred to in this act.

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

7 (9) If a foreign corporation authorized to transact business
8 in this state merges into any domestic corporation or consoli-
9 dates with 1 or more corporations into a domestic corporation by
10 complying with the provisions of this act, the resulting domestic
11 corporation shall pay franchise fees for any increase in autho-
12 rized ~~stock~~ SHARES or for any authorized ~~stock~~ SHARES as pro-
13 vided in this section, less such sums as the foreign corporation
14 so merging or consolidating has previously paid to the state
15 under this section as an initial or additional admission fran-
16 chise fee.

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